

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N :

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
INSCAPE CORPORATION, INSCAPE (NEW YORK) INC., AND INSCAPE INC.

Applicants

**APPLICATION RECORD
(RETURNABLE JANUARY 12, 2023)**

January 11, 2023

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Court File No.: CV-23-00692784-00CL

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Applicants

INDEX

TAB	DOCUMENT
1.	Notice of Application
2.	Affidavit of Eric Ehgoetz, sworn January 11, 2023
Exhibits to the Affidavit of Eric Ehgoetz, sworn January 11, 2023	
Exhibit A	Corporate Profile Report for Inscape
Exhibit B	Corporate Profile Report for Inscape Delaware
Exhibit C	Corporate Profile Report for Inscape New York
Exhibit D	Corporate structure chart of the Inscape Group
Exhibit E	United Steelworkers 1-500 union Collective Agreement dated October 1, 2016
Exhibit F	Sheet Metal Workers' International Association Collective Agreement dated June 1, 2017
Exhibit G	Full details regarding Pension Plans administered by the Inscape Group
Exhibit H	Holland Landing Lease dated January 24, 2022
Exhibit I	Jamestown Lease dated December 29, 2020
Exhibit J	Chicago Showroom Lease dated June 17, 2021

Exhibit K	NYC Showroom Lease dated October 10, 2020
Exhibit L	Washington Showroom Lease dated April 5, 2018
Exhibit M	Consolidated Audited Year End Financial Statements from April 30, 2022
Exhibit N	Hilco Loan Agreement dated October 28, 2022
Exhibit O	Hilco General Security Agreement dated October 28, 2022
Exhibit P	Hilco Guarantee dated October 28, 2022
Exhibit Q	Hilco Guarantors General Security Agreement dated October 28, 2022
Exhibit R	Certified Personal Property Registry Search dated January 9, 2023
Exhibit S	Forbearance Agreement dated January 10, 2023
Exhibit T	Take-Over Bid Circular dated November 17, 2022
Exhibit U	Directors' Circular dated November 25, 2022
Exhibit V	Monitor's consent
3.	Initial Order
4.	Blackline of Initial Order against Model Initial Order

TAB 1



Court File No.:

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Applicants

NOTICE OF APPLICATION

TO THE RESPONDENT:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears on the following page.

THIS APPLICATION will come on for a hearing on

☐

In person

☐

By telephone conference

☒

By video conference

at the following location

[Zoom link to be uploaded on Caselines.](#)

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: January , 2023

Issued by

Local registrar

Address of
court office

330 University Avenue,
8th floor, Toronto, Ontario

TO: SERVICE LIST ATTACHED

SERVICE LIST

(as of January 11, 2023)

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APPLICATION

1. Inscape Corporation (“**Inscape**”), Inscape (New York) Inc. (“**Inscape New York**”) and Inscape Inc. (“**Inscape Delaware**”, and together with Inscape and Inscape New York, the “**Inscape Group**” or the “**Applicants**”) make this application under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the “**CCAA**”) for an order, among other things:

- (a) abridging the time for and validating service of this notice of application and the application record and dispensing with service on any person other than those served;
- (b) declaring that the Applicants are companies to which the CCAA applies;
- (c) granting a stay of proceedings in favour of the Inscape Group and its directors and officers for an initial period of eight (8) days, up to and including January 20, 2023;
- (d) appointing Alvarez & Marsal Canada Inc. (“**A&M**”) as the court-appointed monitor of the Inscape Group (in such capacity, the “**Proposed Monitor**”);
- (e) granting an administration charge in the amount of \$250,000 over the assets, undertakings and property of the Applicants (the “**Property**”) in favour of counsel for the Applicants, the Monitor and the Monitor’s counsel (the “**Administration Charge**”);
- (f) granting a directors and officers charge over the Property (the “**Directors’ Charge**”, together with the Administration Charge, the “**Priority Charges**”);
- (g) authorizing the Inscape Group to continue utilizing its cash management system (the “**Cash Management System**”);

- (h) authorizing the Applicants to incur no further expenses in relation to the Securities Filings (as defined below) and declare that none of the directors, officers, employees, and other representatives of the Applicants, or the Monitor (and its directors, officers, employees and representatives) shall have any personal liability for any failure by the Applicants to make Securities Filings; and
- (i) scheduling a comeback hearing (“**Comeback Hearing**”) for January 20, 2023.

2. **THE GROUNDS FOR THE APPLICATION ARE:**

Background to the Inscape Group’s Business

- (a) Inscape Group’s corporate structure is as follows: Inscape is the parent (and 100% owner) of Inscape Delaware, and Inscape Delaware is the 100% owner of Inscape New York.
- (b) Inscape is a publicly traded entity regulated by the Ontario Securities Commission. Its shares are traded on the Toronto Stock Exchange.
- (c) The Inscape Group is in the business of designing, manufacturing and selling office furniture and architectural walls for customers across North America and Europe on contract. It operates its design and manufacturing business out of two (2) leased facilities: (i) a facility in Holland Landing, East Gwillimbury, Ontario; and (ii) a facility in Jamestown, New York. The Inscape Group also maintains leased premises for showrooms in Chicago, Washington, and New York City.

Need for CCAA Protection

- (d) Over the last decade, the Inscape Group’s business has experienced declining financial performance. This has been exacerbated by the Covid-19 pandemic, which directly affected the entire contract office furniture industry, due to various forms of “work from home” mandates in Canada and the U.S. This includes a dramatic decline in the size and sales mix of incoming orders and much lower than expected order volumes.

- (e) In light of the declining demand, the Inscope Group is becoming increasingly unable to sustain the high ongoing costs of running its business and no longer has access to sufficient working capital to do so.
- (f) The Inscope Group is insolvent, unable to meet its obligations as they become due and is in need of protection from its creditors.
- (g) The Inscope Group, in consultation with its advisors, has determined that the best path forward to maximize value for its stakeholders is through a court-supervised process under the CCAA, including, among other things, a liquidation of its assets and an orderly wind-up of the affairs of the business.

Stay of Proceedings

- (h) The Inscope Group seeks a stay of proceedings to provide it with the breathing room necessary to effectively develop a strategy and path forward, with a view to maximizing value for all of its stakeholders.
- (i) In addition to a stay of proceedings in favour of the Inscope Group and its assets, the Applicants are also seeking a stay of proceedings in favour of the Inscope Group's directors and officers to ensure that they are able to focus their efforts on the Inscope Group's path forward.

Proposed Monitor

- (j) The Applicants seek the appointment of A&M as Monitor of the Applicants in these CCAA proceedings. A&M has assisted in the preparation of a projected 13-week cash flow forecast (the "**Cash Flow Forecast**") for the period ending April 7, 2023.
- (k) A&M has also provided the Applicants with guidance and assistance in the commencement of these CCAA proceedings. As a result, A&M has developed critical knowledge about the Applicants, their business operations, financial challenges, strategic initiatives and restructuring efforts to date.

- (l) A&M has consented to act as the Monitor, subject to Court approval.

Administration Charge

- (m) The Applicants seek a super-priority Administration Charge over the Applicants' Property (as defined in the Initial Order) in favour of the Monitor, counsel to the Monitor, and counsel to the Applicants (collectively, the "**Professionals Group**"), to secure payment of their professional fees and disbursements, whether incurred before or after the date of the Initial Order.
- (n) The proposed Administration Charge being sought at the initial CCAA Application is for a maximum amount of \$250,000 in order to secure the payment of fees and expenses incurred in connection with moving for the within relief sought and for the eight (8) day period leading up to the Comeback Hearing. It is contemplated that the Professionals Group will have extensive involvement during the CCAA proceedings. The Professionals Group have contributed and will continue to contribute to the Applicants' efforts in these CCAA proceedings, and will ensure that there is no unnecessary duplication of roles among them.

Directors' Charge

- (o) Inscape maintains a run-off directors' and officers' liability insurance policy. However, the Inscape Group's ordinary course operations may give rise to potential director and officer liability. To address any potential exposure if they continue to act as directors or officers, the Inscape Group is seeking a Directors' Charge.
- (p) The quantum of the Directors' Charge was developed with the assistance and support of the Proposed Monitor. The Inscape Group is of the view that the quantum of the Directors' Charge is reasonably necessary at this time to address circumstances that could lead to potential directors' liability prior to the Comeback Hearing.

Authorization to Incur No Further Costs in Connection with Securities Filings

- (a) The Applicants seek authorization to dispense with certain securities filing requirements. In particular, the Applicants seek authorization for Inscap to incur no further expenses in relation to any filings (including financial statements), disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively, the “**Securities Filings**”) that may be required by any federal, provincial, or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including without limitation, the *Securities Act* (Ontario), RSO 1990 c S. 5 and comparable statutes enacted by other provinces of Canada, the CSE Policies 1-10 and other rules, regulations and policies of the CSE.
- (b) Incurring the time and costs associated with preparing the Securities Filings will detract from the Applicants’ ability to successfully develop a plan that will result in an orderly distribution to its creditors. There is no prejudice to stakeholders given that detailed financial information and other information regarding the Applicants will continue to be made publicly available through the materials filed in these CCAA proceedings.

Cash Management System

- (c) In the ordinary course of business, the Inscap Group uses a centralized banking and cash management system (“**Cash Management System**”) to, among other things, collect funds and pay expenses associated with its operations. Details on the Cash Management System are set out in the Affidavit of Eric Ehgoetz sworn January 10, 2023, filed in support of this Application.
- (d) The Applicants intend to continue using the existing Cash Management System during the CCAA Proceedings and are seeking the approval of the Court to do so. Given the scale and nature of the Inscap Group’s operations and the volume of transactions that are processed daily within the Cash Management System, the

Proposed Monitor is of the view that the continued use of the existing Cash Management System is required and appropriate during these CCAA proceedings.

GENERAL

- (e) The provisions of the CCAA;
- (f) Rules 2.03, 3.02, 14.05, 16.04 and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg 194, as amended; and
- (g) such further and other grounds as counsel may advise and this Honourable Court may deem just.

3. THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE APPLICATION:

- (a) The Affidavit of Eric Ehgoetz sworn January 11, 2023;
- (b) The consent of A&M to act as Monitor;
- (c) The pre-filing report of the proposed Monitor, to be filed;
- (d) Such further and other evidence as counsel may advise and as this Honourable Court may admit.

January 11, 2023

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Lawyers for the Applicants

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
INSCAPE CORPORATION, INSCAPE (NEW YORK) INC., AND INSCAPE INC.

Applicants

Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**NOTICE OF APPLICATION
(RETURNABLE JANUARY 12, 2023)**

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TAB 2

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Estate/Court File No. CV-23-00692784-00CL

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

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AFFIDAVIT OF ERIC EHGOETZ
(Sworn January 11, 2023)

TABLE OF CONTENTS

INTRODUCTION	3
Relief Sought	3
Purpose of CCAA	4
INSCAPE'S CORPORATE STRUCTURE AND OPERATIONS.....	4
Background to Business Operations	4
Corporate Structure	5
Employees and Payroll	6
Inscap Pension Plans	8
Leased Premises: Place of Business and Manufacturing Facilities	9
Cash Management System.....	13
Directors' and Officers Insurance Policies	17
FINANCIAL CIRCUMSTANCES AND CASH FLOW FORECAST	18
Financial Performance	18
Assets and Liabilities	18
Senior Secured Debt	19
PPSA Registrations	20
Crown Obligations and Priority Claimants.....	20
Unsecured Debt: Trade Creditors and Suppliers.....	20
EVENTS LEADING UP TO CCAA FILING.....	21
Inscap's Declining Financial Performance	21
Attempts to Improve Financial Situation.....	23
Hilco Engagement and Acquisition	24
CCAA PROCEEDINGS AND RELIEF SOUGHT	25
Need for CCAA Protection	25

Stay of Proceedings.....	26
Appointment of Monitor	26
ANTICIPATED RELIEF TO BE SOUGHT AT COMEBACK HEARING	28
CONCLUSION.....	29

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Applicants

AFFIDAVIT OF ERIC EHGOETZ
(Sworn January 11, 2023)

I, Eric Ehgoetz, of the City of Mississauga, MAKE OATH AND SAY:

1. I am the Chief Executive Officer (“**CEO**”) of Inscape Corporation (“**Inscape**”). I am also the CEO of Inscape (New York) Inc. (“**Inscape New York**”) and Inscape Inc. (“**Inscape Delaware**”, together with Inscape and Inscape New York, the “**Inscape Group**” or the “**Applicants**”).
2. I have acted as the CEO of the Inscape Group since March 2020. Prior to my role as CEO and from June 2016 to March 2020, I was a member of the Inscape Group’ Board of Directors and Chair of its Audit Committee. My professional qualifications include a Chartered Financial Analyst (CFA) charter holder designation, as well as an ICD.D. As a result of my roles with the Inscape Group, I have knowledge of the matters to which I hereinafter depose. Where I depose based on knowledge and belief obtained from others, I have stated the source of that information and belief and believe such information to be true.
3. All references to dollar amounts herein are Canadian dollars unless otherwise indicated.

INTRODUCTION

Relief Sought

4. This affidavit is sworn in support of an application for an order (“**Initial Order**”) substantially in the form of the draft order attached as **Tab “3”** to the within Application Record under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the “**CCAA**”), among other things:

- (a) abridging the time for and validating services of this notice of application and the application record and dispensing with service on any person other than those served;
- (b) declaring that the Applicants are companies to which the CCAA applies;
- (c) granting a stay of proceedings in favour of the Inscope Group and its directors and officers for an initial period eight (8) days up to and including January 20, 2023;
- (d) appointing Alvarez & Marsal Canada Inc. as the court-appointed monitor of the Inscope Group (in such capacity, the “**Proposed Monitor**”);
- (e) granting an administration charge in the amount of \$250,000 in favour of counsel for the Applicants, the Monitor and its counsel (the “**Administration Charge**”);
- (f) granting a director’s and officers’ charge (the “**D&O Charge**” together with the Administration Charge, the “**Priority Charges**”);
- (g) authorizing the Inscope Group to incur no further expenses in relation to the Securities Filings (as defined below) and declare that none of the directors, officers, employees, and other representatives of the Applicants, or the Monitor (and its directors, officers, employees and representatives) shall have any personal liability for any failure by the Applicants to make Securities Filings;
- (h) authorizing the Inscope Group to continue utilizing its cash management system (the “**Cash Management System**”); and

- (i) scheduling a comeback hearing (“**Comeback Hearing**”) for January 20, 2023.

Purpose of CCAA

5. The Inscape Group is in the business of manufacturing and selling office furniture equipment on contract. Over the last decade, the Inscape Group’s business has experienced declining financial performance and the Inscape Group no longer has access to sufficient working capital. The Inscape Group’s challenges continue to persist despite good faith efforts on the part of the Inscape Group and its advisors to revitalize the business. These challenges were intensified by the impact of the pandemic and its detrimental effects to the entire contract office furniture industry that the Inscape Group operates in.

6. As a result, the Inscape Group is insolvent, unable to meet its obligations as they become due and is in need of protection from its creditors. Without access to capital, the significant losses incurred by the Inscape Group can no longer be sustained and it is unable to complete any recovery of same. Further, the value of the Inscape Group continues to erode. The Inscape Group, in consultation with its advisors, has determined that the best path forward to maximize value for its stakeholders is through a court-supervised process under the CCAA.

7. At this time, the Inscape Group believes that it is in the best interest of its creditors to liquidate its assets and effect an orderly wind-up of the affairs of the business. The Applicants require the breathing room and stability offered by the CCAA in order to strategize and execute a path forward that will maximize the proceeds available for distribution to creditors on a more timely and cost-effective basis than alternative processes that may further harm the value of the Inscape Group and the value of its assets.

INSCAPE’S CORPORATE STRUCTURE AND OPERATIONS

Background to Business Operations

8. The Inscape Group is in the business of designing, manufacturing and selling office furniture and architectural walls and has been in operation for approximately 130 years. In particular, the Inscape Group’s business began in 1888 as a New York-based full-service provider of office furniture under the name Office Specialty. In the early 1900s, Office Specialty

moved to Canada and eventually relocated to Holland Landing, a community in the town of East Gwillimbury, 45 minutes north of Toronto.

9. Office Specialty Inc. became public on the TSX in 1997 and ultimately changed its name to Inscape Corporation. The business operates under two primary brand names, being Inscape and Office Specialty. The Inscape Group operates within the contract office furniture market such that it only produces products for customers based on firm purchase orders.

10. The Inscape Group's products are manufactured and produced out of two manufacturing facilities and are used to fulfill orders in Canada and in the United States.

11. Among other things, the Inscape Group designs, manufactures and distributes cubicles, movable walls, filing cabinets, bookcases and other ergonomic furniture for customers across North America and Europe. The Inscape Group has two divisions: (i) the "furniture" division, which provides storage, benching, and seating solutions; and (ii) the "wall" division, which provides architectural and movable partition walls for office spaces. The Inscape Group markets its products to both the commercial and consumer markets.

12. As further particularized below, the Inscape Group operates its design and manufacturing business out of two (2) leased facilities: (i) a facility in Holland Landing, East Gwillimbury, Ontario; and (ii) a facility in Jamestown, New York. The Inscape Group also maintains leased premises for showrooms in Chicago, Washington, and New York City.

13. Over the last decade, the Inscape Group's business has experienced declining financial performance. The Inscape Group's challenges continue to persist despite good faith efforts on the part of the Inscape Group and its advisors to revitalize the business through various cost-cutting measures and other strategic initiatives. These challenges were intensified by the impact of the pandemic and its detrimental effects to the entire contract office furniture industry.

Corporate Structure

14. On May 1, 2007, Inscape amalgamated with previous Canadian subsidiaries (which ceased to exist after the amalgamation) to form one corporation under Ontario's *Business Corporations Act*. Inscape is a publicly traded entity regulated by the Ontario Securities

Commission. Its shares are traded on the Toronto Stock Exchange under the trading symbol “INQ”. A corporate profile for Inscape is attached hereto as **Exhibit “A”**.

15. The Inscape Group’s corporate structure comprises of three legal entities:

- (a) Inscape (*ie*, the public Canadian parent company), with a registered head office located at 67 Toll Road, Holland Landing, Ontario, Canada;
- (b) Inscape Delaware, a holding company incorporated under the laws of the state of Delaware with a registered head office located at 15 Tiffany Avenue, Jamestown, New York, USA; and
- (c) Inscape New York, an operating company incorporated under the laws of the state of New York with a registered head office of 15 Tiffany Avenue, Jamestown, New York, USA. Copies of the corporate profile report for Inscape Delaware and Inscape New York are attached as **Exhibits “B”** and **“C”**, respectively.

16. Inscape is the parent (and 100% owner) of Inscape Delaware. Inscape Delaware is the 100% owner of Inscape New York. An organization chart demonstrating the corporate structure of the Inscape Group is attached hereto as **Exhibit “D”**.

17. Each of the Applicants has the same Board of Directors. I am the CEO and Jon Szczur is the Chief Financial Officer of each of the Applicants.

Employees and Payroll

18. As at January 9, 2023, the Inscape Group had a total of 218 employees in Canada and the United States, broken down as follows:

- (a) Inscape employs 184 individuals, of which 83 are hourly employees and 101 are salaried employees. In respect of Inscape’s payroll: (i) the hourly employees are paid on a bi-weekly basis in arrears, with the last payroll issued on December 30, 2022 for the pay period ending on December 24, 2022; and, (ii) the salaried employees are paid on a bi-weekly basis up to date, with the last payroll issued on December 30, 2022 for the pay period ending on December 30, 2022;

- (b) Inscape New York employs 23 individuals, of which 14 are hourly employees and 9 are salaried employees. In respect of Inscape New York's payroll: (i) the hourly employees are paid on a weekly basis in arrears, with the last payroll issued on January 6, 2023 for the pay period ending on January 1, 2023; and, (ii) the salaried employees are paid on a bi-weekly basis up to date, with the last payroll issued on December 30, 2022 for the pay period ending on December 30, 2022 and
- (c) Inscape Delaware employs 11 individuals, all of which are salaried sales staff. In respect of Inscape Delaware's payroll, the salaried employees are paid on a bi-weekly basis up to date, with the last payroll issued on December 30, 2022 for the pay period ending on December 30, 2022.

19. The Inscape Group offers certain benefits to unionized and non-unionized employees including life insurance, healthcare coverage, and dental health care coverage. The Inscape Group is current on payroll and source deductions.

Collective Agreements

20. Approximately 92 of the Inscape Group's employees are unionized, as follows:

- (a) Unionized workers employed by Inscape (approximately 83) are members of the United Steelworkers 1-500 union ("USW"). Inscape and USW are party to a collective agreement dated October 1, 2016 ("**USW Collective Agreement**"), which was recently renewed effective October 1, 2021 for a three-year (3) term ending September 30, 2024. A copy of the USW Collective Agreement is attached as **Exhibit "E"**; and
- (b) Unionized workers employed by Inscape New York (approximately 9) are members of Local Union No. 112 of the Sheet Metal Workers' International Association ("**SMW**"). Inscape New York and SMW are party to a collective agreement dated June 1, 2017 ("**SMW Collective Agreement**"), which was renewed effective June 1, 2021 for a five-year term. A copy of the SMW Collective Agreement is attached as **Exhibit "F"**.

21. As of the date of this Affidavit, the Inscape Group has a total of approximately \$5,308.00 owing in respect of union dues.

Inscape Pension Plans

22. The Inscape Group maintains a total of four (4) pension plans for its employees in Canada and the United States, the full details of which are thoroughly set out in **Exhibit “G”** attached, and the key details of which are summarized as follows:

- (a) In Canada, Inscape currently administers the following two (2) plans (collectively, the **“Canadian Plans”**):
 - (i) a defined contribution pension plan for unionized hourly employees, which prior to April 2, 2022 had both a contributory defined benefit provision and a contributory defined contribution provision (the **“DC Converted Union Plan”**), and which presently has a frozen defined benefit component with no benefit accrual and a defined contribution component for current service;
 - (ii) a defined contribution pension plan for non-unionized salaried and hourly employees (the **“DC Non-Union Plan”**);
- (b) In the United States, Inscape New York currently administers the following two (2) plans (the **“US Plans”**):
 - (i) a defined benefit pension plan for certain employees with service frozen as of June 30, 1991 (for non-unionized employees) or August 15, 2013 (for unionized employees) (the **“US Frozen DB Plan”**); and
 - (ii) a 401(k) plan, which is a contributory defined contribution benefit plan for salaried and hourly employees (the **“US 401(k) Plan”**).
- (c) The current status of the Canadian Plans and the US Plans (as fully particularized in Exhibit “G”) is as follows:

- (i) in respect of the DC Converted Union Plan, there are currently no special payments or other contributions required in respect of the defined benefit component, and contributions in respect of the defined contribution component are current;
- (ii) in respect of the DC Non-Union Plan, contributions to that plan are current;
- (iii) in respect of the US Frozen DB Plan, there are currently no contributions required; and
- (iv) in respect of the US 401(k) Plan, contributions to that plan are current.

Leased Premises: Place of Business and Manufacturing Facilities

23. As noted above, the Inscape Group operates its business out of manufacturing and warehouse facilities (where the office equipment and walls are designed and manufactured) as well as through showrooms (where the completed pieces of office furniture and walls are showcased for viewing in support of contract orders). In this regard, the Inscape Group leases five (5) premises in total.

Manufacturing and Warehouse Facilities and Leases:

24. The Inscape Group operates its manufacturing business out of the following two (2) locations:

- (a) a manufacturing and warehouse facility in Canada located in an approximately 313,000 square foot building at the leased premises municipally known as 67 Toll Road, East Gwillimbury, Ontario (“**Holland Landing Facility**”); and
- (b) a manufacturing and warehouse facility in the United States located in an approximately 30,000 square foot building at the leased premises municipally known as 15 Tiffany Avenue, Falconer, Jamestown, New York (“**Jamestown Facility**”).

25. The products manufactured at the Holland Facility in Ontario are used to fulfill customer orders in both the United States and Canada and upon completion, are shipped to the appropriate customer location in order to complete the orders.

26. Similarly, the products manufactured at the Jamestown Facility in New York are used to fulfill orders in both the United States and Canada, and upon completion, are shipped to the appropriate customer location in order to complete the orders.

27. The Holland Landing Facility is currently leased pursuant to an agreement dated January 24, 2022 (“**Holland Landing Lease**”) between Inscape and Cedar City Paradise Toll Rd Inc. (“**Holland Landing Landlord**”). Pursuant to the Holland Landing Lease, a copy of which is attached hereto as **Exhibit “H”**, among other things:

- (a) The lease term commenced on January 24, 2022 and expires on January 23, 2032, for a total lease term of 10 years;
- (b) The monthly basic rent was \$173,090.11 for 2022, which increases by 2.5% each subsequent year; and
- (c) The Holland Landing Landlord is in possession of a \$2.5 million rent deposit paid by Inscape, as security for Inscape’s performance of the covenants and conditions in the Holland Landing Lease.

28. The monthly basic rent due and owing to the Holland Landing Landlord has not yet been paid. The Applicants intend to use the funding to be made available to them under the terms of the Forbearance Agreement (as defined and further described below) to make payments on account of rental amounts owing, as deemed appropriate by the Applicants in consultation with the Monitor.

29. The Jamestown Facility is currently leased pursuant to an agreement dated December 29, 2020 (“**Jamestown Lease**”) between Inscape New York and Lynn Development, Inc. (“**Jamestown Landlord**”). Pursuant to the Jamestown Lease, a copy of which is attached hereto as **Exhibit “I”**, among other things.

- (a) The lease term commenced on February 1, 2021 and expires on January 31, 2026, for a total lease term of 5 years;
- (b) Inscape New York provided the Jamestown Landlord a one (1) month security deposit in the amount of USD \$11,673.84 as security for its obligations under the Jamestown Lease; and
- (c) The monthly basic rent was USD \$11,907.31 for 2022, and increases by 2% each subsequent year.

30. On February 1, 2021 and pursuant to a Promissory Note dated January 19, 2021, Inscape advanced a loan in the amount of USD \$250,000 to the Jamestown Landlord on account of tenant improvements to be made at the Jamestown Facility leased premise, payable over seven (7) years at an interest rate of 7% (with monthly payments in the amount of USD \$3,773.17 (inclusive of interest) commencing on March 10, 2021 and ending March 10, 2028). The last payment was made by the Jamestown Landlord on January 1, 2023, leaving a total outstanding balance of approximately USD \$195,829 as at today's date. The monthly basic rent due and owing for December 2022 and January 2023 have not yet been paid. The Applicants intend to use the funding to be made available to them under the terms of the Forbearance Agreement (as defined and further described below) to make payments on account of rental amounts owing, as deemed appropriate by the Applicants in consultation with the Monitor.

Showroom Leases

31. The Inscape Group operates showrooms out of three (3) locations: Chicago, New York City, and Washington:

- (a) A Chicago showroom located in a 11,945 square foot floor of a building at the leased premises municipally known as the 8th floor of the 800 W. Fulton Market Street, in Chicago Illinois (the "**Chicago Showroom**");
- (b) A New York showroom located in a 6,525 square foot floor of a building at the leased premises known as the 6th floor of the building located at 414 West 14th Street, New York, New York ("**New York Showroom**"); and

- (c) A Washington Showroom located in a 3,750 square foot floor of a building at the leased premises municipally known as the 11th floor of the building located at 1090 Vermont Avenue, N.W., Washington D.C. (“**Washington Showroom**”).

32. The Chicago Showroom is leased pursuant to an agreement dated June 17, 2021, as amended by a First Amendment to Lease executed in or around October 2022 (collectively, “**Chicago Showroom Lease**”) between Inscape Delaware and Prevolv Inc. (“**Prevolv**”) (together as tenants) and Thor 816 W Fulton Owner LLC (“**Chicago Landlord**”). Inscape Delaware co-lease the Chicago Showroom with Prevolv, a commercial furniture dealership company that also operates their business out of this location. Pursuant to an arrangement between Inscape Delaware and Prevolv, each co-tenant is responsible for their respective portion of the rent under the Chicago Showroom Lease. No rental amounts are owing by Inscape Delaware under the Chicago Showroom Lease until on or about April of 2023.

33. Pursuant to the Chicago Showroom Lease, a copy of which is attached hereto as **Exhibit “J”**, among other things:

- (a) The lease term commenced on December 1, 2021 and expires on November 30, 2032, for a total lease term of 11 years;
- (b) The monthly basic rent was USD \$36,730 for 2022, and increases by 2.5% each subsequent year. The basic rent for 2023 will be USD \$37,648.25; and
- (c) The Chicago Showroom Landlord is in possession of a USD \$250,000 rent deposit, as security for Inscape Delaware’s performance of the covenants and conditions in the Chicago Showroom Lease.

34. The New York Showroom is leased pursuant to an agreement dated October 10, 2020 (“**NYC Showroom Lease**”) between Inscape and Ponte Gadea New York, LLC (“**NYC Showroom Landlord**”). Pursuant to the NYC Showroom Lease, a copy of which is attached hereto as **Exhibit “K”**, among other things:

- (a) The lease term commenced on November 1, 2020 and expires on November 30, 2032, for a total lease term of 11 years;

- (b) The monthly basic rent is USD \$54,375;
- (c) The NYC Showroom Landlord is in possession of a USD \$271,875 rent deposit, as security for Inscape's performance of the covenants and conditions in the NYC Showroom Lease.

35. The Washington Showroom is leased pursuant to an agreement dated April 5, 2018 ("**Washington Showroom Lease**") between Inscape Delaware and 100 Vermont Avenue N.W. Associates Limited Partnership ("**Washington Landlord**"). Pursuant to the Washington Showroom Lease, a copy of which is attached hereto as **Exhibit "L"**, among other things:

- (a) The lease term commenced on June 1, 2018 for a period of seventy-two (72) months, and is therefore set to expire on May 31, 2024;
- (b) The monthly basic rent was USD \$17,246 for 2022, and increases by 2.5% each subsequent year; and
- (c) The Washington Landlord is in possession of a security deposit in the amount of USD \$15,625.

36. Currently, the Inscape Group continues to occupy all five (5) of the leased premises. The showrooms are currently open to the public. Rental amounts for November 2022 and December 2022 in respect of the Washington Showroom Lease and the New York Showroom Lease have not been paid.

Cash Management System

37. In the ordinary course of business, the Inscape Group uses a centralized banking and cash management system ("**Cash Management System**") to, among other things, collect funds and pay expenses associated with its operations. The Inscape Group's funds are managed by the Inscape Group's treasury team based in Canada. The Cash Management System is administered by the Inscape Group's finance department at Inscape's head office in Holland Landing, Ontario (the "**Canada Head Office**").

38. The Cash Management System has several functions, comprised of: (a) collection of accounts receivable from third parties (b) disbursements to fund payroll and benefits, capital expenditures, maintenance costs, payments to inventory vendors and other service providers; and (c) intercompany cash transfers amongst Inscape, Inscape Delaware and Inscape New York (the “**Intercompany Transfers**”).

39. Generally, Inscape Group’s customers are invoiced as follows:

- (a) Canadian customers of the furniture segment are invoiced by Inscape;
- (b) US customers of the furniture segment are invoiced by Inscape Delaware; and
- (c) All customers of the walls segment are invoiced by Inscape (New York).

40. Intercompany Transfers are payments made between Inscape, Inscape Delaware and Inscape New York for: (a) inventory sales from Inscape to Inscape Delaware; (b) the provision of net shared services by Inscape, comprising essential corporate functions from the Canada Head Office; and (c) any additional funding required to support ongoing operations of the entities, made by way of intercompany loans.

41. Inscape Group utilizes eight (8) bank accounts, of which, three (3) are held at Royal Bank of Canada (“**RBC**”) in Canada, four (4) are held at KeyBank in the US and one (1) is held at Platinum Bank in the U.S. (collectively, the “**Bank Accounts**”). An overview of the Bank Accounts is as follows:

- (a) KeyBank Deposit Account Control Agreement account owned by Inscape (New York), denominated in USD (“**DACA Account**”). The DACA Account is used to collect receipts from the majority of US customers, regardless if they are invoiced by Inscape or Inscape New York. The Inscape Group’s access to the DACA Account is restricted to deposits only and Hilco controls disbursements from this account;
- (b) KeyBank operating account owned by Inscape New York, denominated in USD (“**KeyBank Operating Account**”). The KeyBank Operating Account is mainly funded by advances under the Hilco Credit Facility (defined below) via a transfer

from the DACA Account initiated by Hilco (defined below). Certain US customers, such as government entities and general contractors, continue to deposit receipts into the KeyBank Operating Account. The Inscape Group manually transfers any customer receipts to the DACA Account. The KeyBank Operating Account is used to fund Inscape New York vendor payments and US payroll disbursements. The Inscape Group utilizes Ceridian, a third-party payroll services provider, to administer its payroll;

- (c) RBC operating account owned by Inscape Delaware, denominated in USD (“**RBC USD Account**”). The RBC USD Account is funded through Intercompany Transfers from the KeyBank Operating Account. It is used to pay disbursements to most US vendors, excluding a small number of vendors paid out of the KeyBank Operating Account;
- (d) RBC FX spot trade account owned by Inscape, denominated in USD (“**RBC FX Account**”). The RBC FX Account is used as an intermediary account to receive USD funds from the RBC USD Account and buy CAD funds for transfers out to the RBC CAD Account (defined below). The Inscape Group has a third-party hedging agreement in place, which hedges its USD to CAD foreign exchange rate;
- (e) RBC CAD operating account owned by Inscape, denominated in CAD (“**RBC CAD Account**”). The RBC CAD Account is funded through payments from Canadian customers and Intercompany Transfers from the RBC USD Account. All Canadian vendors are also paid out of the RBC CAD Account, as well as payroll for Canadian employees;
- (f) Two KeyBank employee benefits funding accounts owned by Inscape New York, denominated in USD (“**US Employee Benefits Accounts**”). The US Employee Benefits Accounts are funded by intercompany transfers from the KeyBank Operating Account and used to make payments towards US employee group health benefits and the FLEX health plan; and

- (g) Platinum USD account owned by Inscape Delaware, denominated in USD (“**Platinum Account**”). The Platinum Account is a restricted cash account holding a security deposit related to the Chicago showroom lease.

42. On a weekly basis, the Inscape Group’s finance department reviews near term cash requirements, cash receipts, residual account balances and availability under the Hilco Credit Facility (as defined below). Based on this review, forecast cash required to fund disbursements is requested from Hilco UK (as defined below). Approved funds are advanced by Hilco UK (as defined below) or transferred from the DACA Account into the KeyBank Operating Account.

43. Certain employees of the Inscape Group are issued an AMEX corporate credit card for business purposes. On a monthly basis, the Inscape Group initiates a payment towards the credit card balance from the RBC CAD Account for Canadian credit cards and from the KeyBank Operating Account for US credit cards.

44. The Applicants intend to continue using the existing Cash Management System during the CCAA Proceedings and are seeking the approval of the Court to do so.

45. Given the scale and nature of the Inscape Group’s operations and the volume of transactions that are processed daily within the Cash Management System, I am advised by the Proposed Monitor that it is of the view that the continued use of the existing Cash Management System is required and appropriate during these CCAA Proceedings.

46. As part of its monitoring procedures, if appointed, the Proposed Monitor will:

- (a) review receipts and disbursements processed through the Bank Accounts;
- (b) review weekly receipts and disbursements summaries, compare the summaries to the corresponding 13-week cash flow forecasts and review variances with management; and
- (c) review disbursements, as reasonably appropriate, for compliance with provisions of the Proposed Initial Order.

Directors' and Officers Insurance Policies

47. Prior to Inscape's recent change in ownership (described below), Inscape carried the following insurance for its directors and officers in a total amount of \$15 million which was set to expire on April 29, 2023:

- (a) A directors' and officers' liability insurance policy with Travelers Insurance Company of Canada Company (the "**D&O Policy**") with a policy limit of \$5 million;
- (b) An excess directors' and officers' liability insurance policy with Berkley Insurance Company (the "**Berkley Excess Policy**") with a policy limit of \$5 million; and
- (c) An excess directors' and officers' liability insurance policy with Chubb Insurance Company of Canada (the "**Chubb Excess Policy**" together with the D&O Policy and Berkley Excess Policy, the "**D&O Policies**") with a policy limit of \$5 million.

48. I am advised by the Inscape Group's insurance broker that the D&O Policies ceased to be in effect post the change in ownership. Accordingly, and as part of the transaction that resulted in Inscape's recent change in ownership (as described below), Inscape arranged to carry a run-off directors' and officers' liability insurance policy in a total amount of \$10 million and for a period of six (6) years expiring December 23, 2028 ("**Run-Off D&O Policies**"), as follows:

- (a) with Travelers Insurance Company of Canada Company with a policy limit of \$5 million; and
- (b) an excess directors' and officers' liability insurance policy with Berkley Insurance Company with a policy limit of \$5 million.

49. Notwithstanding the existence of the Run-Off D&O Policies, the Inscape Group's ordinary course operations may give rise to potential director or officer liability. To address legitimate concerns expressed with respect to their potential exposure if they continue to act, the directors and officers have requested reasonable protection against personal liability that might

arise during the post-filing period. The Directors' Charge, in the proposed amount discussed in the proposed Monitor's pre-filing report, to be filed, is intended to address potential claims that may be brought against the director and officers.

50. The quantum of the Directors' Charge was developed with the assistance and support of the Proposed Monitor. The Inscape Group is of the view that the quantum of the Directors' Charge is reasonably necessary at this time to address circumstances that could lead to potential directors' and officers' liability prior to the Comeback Hearing.

FINANCIAL CIRCUMSTANCES AND CASH FLOW FORECAST

Financial Performance

51. The Inscape Group's fiscal year end is April 30. Attached hereto as **Exhibit "M"** are the Inscape Group's Consolidated Audited Year End Financial Statements from April 30, 2022 (the "**2022 Financial Statements**"). The 2022 Financial Statements indicate that as of April 30, 2022, the Inscape Group had total assets of approximately \$55,630,000, total liabilities of approximately \$41,454,000.

Assets and Liabilities

52. The most recent and up-to-date financial position of the Inscape Group (on a consolidated basis) is as of November 30, 2022, which include:

- (a) cash in the amount of \$1,672,000, receivables in the amount of \$10,041,000; and inventory in the amount of \$5,445,000, among other things; and
- (b) liabilities of approximately \$16,376,000, including accounts payable in the amount of \$11,080,000, among other things;

53. The most significant asset of the Inscape Group comprises of accounts receivable owed to Inscape New York and/or Inscape Delaware. Inscape also owns a large laser machine, which is used for the manufacturing of steel parts used for storage and systems products in its furniture plant at the Holland Landing Facility.

Senior Secured Debt

54. In the context of its restructuring efforts with Hilco Capital Limited (“**Hilco**”), as further detailed below, Hilco Capital Limited, through its subsidiary, HUK 116 Limited (“**Hilco UK**”), agreed to provide Inscape with an interim loan to help fund ordinary course financial obligations.

55. Hilco UK (as lender), Inscape (as borrower), and Inscape New York and Inscape Delaware (as guarantors) are party to a credit agreement dated October 28, 2022 (“**Hilco Loan Agreement**”). Pursuant to the Hilco Loan Agreement, Hilco UK made available a revolving demand facility in the principal amount of \$5 million (“**Hilco Loan Facility**”), to be used for, among other purposes, the Inscape Group’s working capital requirements. A copy of the Hilco Loan Agreement is attached as **Exhibit “N”**.

56. As security for Inscape’s obligations under the Hilco Loan Agreement:

- (a) Inscape executed a general security agreement in favour of Hilco UK (“**Hilco GSA**”) over all personal property of Inscape; and
- (b) Inscape New York and Inscape Delaware executed a guarantee (“**Hilco Guarantee**”) and accompanying general security agreement (“**Hilco Guarantors GSA**”). Copies of the Hilco GSA, Hilco Guarantee, and Hilco Guarantors GSA, are attached as **Exhibits “O”, “P”, and “Q”**, respectively.

57. As at January 10, 2023, the total indebtedness outstanding under the Hilco Loan is \$1,323,698, inclusive of interest, management fees and expenses.

58. Following the financial results reported by the Inscape Group that were not satisfactory to Hilco UK, Inscape is in default of certain of its obligations under the Loan Agreement and accordingly, Hilco UK advised the Inscape Group that it will not continue funding the Inscape Group. Inscape has requested that Hilco UK forbear from exercising its rights and remedies under the Loan Agreement and the security to allow the Inscape to utilize the CCAA Proceedings to maximize value for its creditors and stakeholders; and (ii) allow Inscape to access the Hilco Loan Facility in order to fund the CCAA Proceedings, as further described below.

PPSA Registrations

59. A number of parties have registered interests against the Inscape Group under the *Personal Property Security Act* (“**PPSA**”):

- (a) Hilco UK has a registration against Inscape with respect to all present and after-acquired personal property of Inscape for all collateral classifications except consumer goods; and
- (b) Dell Financial Services Canada Limited (“**Dell**”) has a number of registrations against Inscape with respect to computer equipment and peripherals. Attached hereto as **Exhibit “R”** is a true copy of the certified Personal Property Registry search results for Inscape in Ontario.

Crown Obligations and Priority Claimants

60. In 2017, Canada Revenue Agency (“**CRA**”) issued to Inscape a notice of reassessment alleging approximately \$2.6 million in tax liability. The Inscape Group engaged a financial advisor to assist with an independent review of the notice of reassessment and on or about October 13, 2022, Inscape filed a notice of objection (“**Objection**”).

61. The Inscape Group is current on its HST remittances up to and including October 2022. Going forward, HST remittances are reflected in the projected cash flows. As of the date of this affidavit, approximately \$1,257,000 in respect of HST refunds has been withheld by CRA pending determination of the Objection.

Unsecured Debt: Trade Creditors and Suppliers

62. The Inscape Group has unpaid trade and other unsecured debt accrued in the normal course of business. As of January 9, 2023, accounts payable balances totalled approximately CAD \$6,307,198.00.

63. Certain critical suppliers of the Inscape Group have recently imposed more stringent payment terms as a result of the Inscape Group’s inability to promptly meet payment schedules. Other suppliers have refused to fulfil orders due to non-payment. The Inscape Group is currently

delinquent in its payments to about 91% of its suppliers, with a number of accounts placed on credit hold and/or being escalated to collections.

Cash Flow Forecast

64. The Inscape Group, with the assistance of the Proposed Monitor, has prepared a projected 13-week cash flow forecast (the “**Cash Flow Forecast**”) for the period ending April 7, 2023 that is premised on, among other things, the assumption that the Applicants will be granted CCAA protection. I believe that the Cash Flow Forecast is a reasonable forecast of the Applicants’ cash flow over the next quarter, which includes the Further Advances agreed upon and defined below. A copy of the Cash Flow Forecast is appended to the pre-filing report of the Monitor, to be filed.

Forbearance Agreement

65. On January 10, 2023, Inscape (as Borrower), Inscape Delaware and Inscape New York (as Guarantors) and Hilco UK (as Lender), entered into a Forbearance Agreement (the “**Forbearance Agreement**”), a copy of which is attached hereto as **Exhibit “S”**, whereby Hilco UK has agreed to (i) forbear from exercising its rights and remedies under the Hilco Loan Agreement and related security and (ii) allow Inscape to access the Hilco Loan Facility (the “**Further Advances**”), subject to the terms and conditions agreed upon therein. Pursuant to the Forbearance Agreement, among other things, Hilco UK has agreed to make Further Advances in accordance with the Cash Flow Forecast, as noted above and as attached thereto as Schedule “A”.

EVENTS LEADING UP TO CCAA FILING

Inscape’s Declining Financial Performance

66. The Inscape Group has operated at a net loss for the past five (5) years. The following simple chart demonstrates the Inscape Group’s declining financial performance:

Audit Year	30-Apr-18	30-Apr-19	30-Apr-20	30-Apr-21	30-Apr-22	YTD Nov 2022

Sales Revenue	\$93,936,000	\$90,583,000	\$75,818,000	\$38,203,000	\$ 38,741,000	\$21,399,000
Net Loss	\$(2,992,000)	\$(8,746,000)	\$(5,406,000)	\$(891,000)	\$(839,000)	\$(15,337,000)
EBITDA	\$(2,454,000)	\$(4,708,000)	\$(1,609,000)	\$3,908,000	\$521,000	\$(11,943,000)

67. Several factors have contributed to the Inscape Group's continued financial decline. The Inscape Group has faced a number of challenges as a result of extended impact of the Covid-19 pandemic, which directly affected the entire contract office furniture industry that Inscape operates in, and which industry was heavily impacted given the work from home mandates in Canada and the U.S. This includes a dramatic decline in the size and sales mix of incoming orders and much lower than expected order volumes. Many of these challenges are reflected in the slower than expected return-to-office by corporate employees throughout North America, varying degrees of hybrid/work from home policies, many companies instituting full-time work from home/virtual policies, with many companies also transitioning to an entirely virtual office environment.

68. The Inscape Group has also suffered from a number of supply chain issues, including a shortage of production materials (e.g. height adjustable bases and medium density fibreboard). These issues have perpetuated delays to the completion of existing customer projects and over all order fulfillment.

69. Other general operating costs have increased dramatically over the last few years. Among other things, the Inscape Group has suffered from increases to the cost of steel, aluminum, petroleum-based products and freight, all of which has had a negative impact on margins.

70. In light of the declining demand, the Inscape Group is becoming increasingly unable to sustain the high ongoing costs of running its business.

Attempts to Improve Financial Situation

71. As a result of these challenges, between March 2020 and December 2022, management implemented a number of initiatives to help improve the Inscape Group's operations, financial performance, and liquidity.

72. In early 2021, the board of directors (the "**Board**") of Inscape established a special committee to complete the sale and leaseback of the Holland Landing Facility and monetize its redundant real estate assets. It also arranged a \$16 million bridge debt facility, which facility closed on April 29, 2021, to enable to the Inscape Group to operate pending sale of the real estate. This transaction was completed in January of 2022, and it allowed the Inscape Group to repay its previous debt facility in full and replenish cash resources and working capital. In April of 2022, the Inscape Group also sold an additional parcel of surplus property, and completed its real estate monetization efforts.

73. In February of 2022, Inscape entered into a letter agreement with Stump & Co ("**Stump**"), a financial M&A advisory firm based in North Carolina specializing in the furniture industry, to formally seek potential strategic or financial buyers for the business. These efforts proved unsuccessful, and the Inscape Group continued to struggle to meet its financial projections. By the end of the quarter ended July 31, 2022, the Inscape Group had incurred a net loss of \$6.2 million.

74. Throughout the second half of 2022, the Inscape Group continued to implement measures including right-sizing its workforce and increasing automation, rationalizing excess space, refinancing its debt, and expanding the availability of work from home furniture through online platforms.

75. Most recently, in December, 2022, the Inscape Group made approximately 30 employee terminations and further reduced spending on product research and development.

76. Unfortunately, despite these measures, the Inscape Group continues to face a liquidity crisis as it no longer has access to capital to complete its turnaround efforts, even as markets begin to recover, sales volumes begin to restore and employees return to work.

Hilco Engagement and Acquisition

77. Inscape engaged Hilco Capital Limited (“**Hilco**”) in the summer of 2022 as part of its efforts to explore restructuring opportunities. Hilco specializes in restructuring and refinancing distressed companies across the globe.

78. Among other service offerings, Hilco provides distressed companies with turnaround solutions to help maximize the value of a business, including by acquiring under-performing businesses and assets.

79. Throughout the month of August, representatives of Hilco met with management of Inscape and conducted substantial due diligence on the Inscape Group’s business and assets. Among other things, Hilco determined that the Inscape Group’s equity value was extremely low, and significant financial investment was required for the Inscape Group to restructure. The Inscape Group worked directly with Hilco for several months to identify restructuring solutions for the business.

80. The decision was ultimately made by Hilco to submit an offer (“**HUK Offer**”) to acquire all of the issued and outstanding subordinate voting shares of Inscape (the “**SVS Shares**”) through a friendly take-over bid pursuant to National Instrument 62-104 – *Take-Over Bids and Issuer Bids* (“**NI 62-104**”) through its affiliate, HUK 121 Limited (“**HUK**”).

81. On October 28, 2022, HUK and Inscape entered into a support agreement, pursuant to which HUK agreed to make the HUK Offer and Inscape agreed to, among other things, support the HUK Offer and not solicit any competing proposals. In addition, certain shareholders of Inscape owning 11,660,282 SVS Shares, or approximately 81.1% of the issued and outstanding SVS Shares (the “**Locked-Up Shareholders**”) entered into lock-up agreements with HUK, pursuant to which such Locked-Up Shareholders agreed to deposit or cause to be deposited their SVS Shares to the HUK Offer.

82. The HUK Offer was launched on November 17, 2022 through the mailing of the take-over bid circular (the “**Take-Over Bid Circular**”), which contained the HUK Offer (with an expiry time of 5:00 p.m. (Toronto time) on December 23, 2022), detailed summaries of the HUK Offer and the conditions thereto, instructions on how to accept the HUK Offer, together with a

number of ancillary documents, to shareholders of Inscape. A copy of the Take-Over Bid Circular is attached as **Exhibit “T”**.

83. On November 25, 2022, the previous directors of Inscape issued a circular (the “**Directors’ Circular**”) as required under NI 62-104, supporting the HUK Offer, and recommending that Inscape shareholders deposit their SVS Shares and accept the HUK Offer. Attached as **Exhibit “U”** is a copy of the Directors’ Circular.

84. On December 23, 2022, Inscape and HUK jointly announced that the conditions to the HUK Offer had been satisfied or waived by 5:00 p.m. (Toronto time) and that the SVS Shares that had been deposited to the HUK Offer had been taken up by HUK.

85. In accordance with NI 62-104, the HUK Offer was extended until 5:00 pm on January 3, 2023 (“**Mandatory Extension Period**”). On January 3, 2023, HUK confirmed that the HUK Offer had expired and no additional SVS Shares had been tendered to the HUK Offer during the Mandatory Extension Period. As a result, HUK currently owns 12,661,625 SVS Shares, representing approximately 88.05% of the outstanding SVS Shares.

CCAA PROCEEDINGS AND RELIEF SOUGHT

Need for CCAA Protection

86. Given the Inscape Group’s continued declining financial performance and the overall negative impacts on the contract office furniture market, the Inscape Group, in consultation with its advisors and the Proposed Monitor, believes it is in the best interests of all of its stakeholders to pursue a strategy that focuses on liquidating the Inscape Group’s assets and ultimately effecting an orderly wind up of the affairs of the business. The Inscape Group continuing to operate at a net loss is unsustainable and the value of the Inscape Group and its assets continues to erode. The Inscape Group believes that pursuing this strategy will maximize value for its stakeholders, and will enable it to protect the interests of its creditors by enabling an orderly distribution at a later date.

Stay of Proceedings

87. The Inscape Group seeks a stay of proceedings to provide the breathing room necessary for it to effectively develop a strategy and path forward, with a view to maximizing value for all of its stakeholders.

88. In addition to a stay of proceedings against the Inscape Group and its assets, the Applicants are also seeking a stay of proceedings in favour of the Inscape Group's directors and officers to ensure that they are able to focus their efforts on the Inscape Group's path forward.

Appointment of Monitor

89. The Applicants seek the appointment of Alvarez and Marsal Canada Inc. ("**A&M**") as Monitor of the Applicants in these CCAA proceedings. A&M has assisted in the preparation of the Cash Flow Statements and has provided guidance and assistance in the commencement of these CCAA proceedings. As a result, A&M has developed critical knowledge about the Applicants, their business operations, financial challenges, strategic initiatives and restructuring efforts to date.

90. A&M has consented to act as the Monitor, subject to Court approval. Attached as **Exhibit "V"** is a copy of the proposed Monitor's consent.

Administration Charge

91. The Applicants seek a super-priority Administration Charge over the Applicants' Property (as defined in the Initial Order) in favour of the Monitor, counsel to the Monitor, Canadian and U.S. counsel to the Applicants, and counsel to the Board, if any, (collectively, the "**Professionals Group**"), to secure payment of their professional fees and disbursements, whether incurred before or after the date of the Initial Order.

92. The proposed Administration Charge being sought at the initial CCAA Application is for a maximum amount of \$250,000 in order to secure the payment of fees and expenses incurred in connection with moving for the within relief sought and for the initial ten (10) day protection period leading up to the first Comeback Hearing. The Administration Charge is proposed to rank as a first-priority charge on the Property.

93. It is contemplated that the Professionals Group will have extensive involvement during the CCAA proceedings. The Professionals Group have contributed and will continue to contribute to the Applicants' restructuring efforts, and will ensure that there is no unnecessary duplication of roles among them.

94. In preparation of the Cash Flow Forecast, the Applicants, in consultation with the Proposed Monitor, considered the professional fees forecasted to be incurred on a bi-weekly basis during the cash flow period. The Applicants have forecast to incur significant professional fees in connection with the CCAA proceedings to the end of the week of the Comeback Hearing including, without limitation, preparing for the Comeback Hearing, communicating with employees and stakeholders following the initial filing, and complying with statutory notices, mailings and communications.

95. Accordingly, I believe the quantum of the Administration Charge sought is reasonably necessary at this time to secure the professional fees of the Professionals Group.

Directors and Officers' Charge

96. The Applicants are seeking a Directors' Charge on the Property in the amount proposed in the proposed Monitor's pre-filing report, to be filed. To ensure the ongoing stability of the Inscape Group during the CCAA proceeding, it requires the continued participation of its officers and directors. The officers and directors have skills, knowledge and expertise, as well as established relationships with various stakeholders that will contribute to a successful path forward.

97. The Inscape Group's directors have an insurance policy which I understand provides them with coverage for certain claims and liabilities that may arise. However the policy contains exclusions and exceptions to such coverage as provided. The Inscape Group's ordinary course operations give rise to potential director or officer liability, including payroll and sales tax. To address legitimate concerns with respect to their potential exposure, the directors and officers have requested reasonable protection against personal liability that might arise during the post-filing period.

98. The quantum of the Directors' Charge was developed with the assistance and support of the proposed Monitor. The Inscope Group is of the view that the quantum of the Directors' Charge is reasonable, and that the charge is necessary at this time to address circumstances that could lead to potential directors' liability prior to the Comeback Hearing.

Authorization to Incur no Further Costs in Connection with Securities Filings

99. The Applicants seek authorization to dispense with certain securities filing requirements. In particular, the Applicants seek authorization for Inscope to incur no further expenses in relation to any filings (including financial statements), disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively, the "Securities Filings") that may be required by any federal, provincial, or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including without limitation, the *Securities Act (Ontario)*, RSO 1990 c S. 5 and comparable statutes enacted by other provinces of Canada, and the rules, regulations and policies of the Toronto Stock Exchange.

100. In my view, incurring the time and costs associated with preparing the Securities Filings will detract from the Applicants successfully developing a plan that will result in an orderly distribution to its creditors. Further, there is no prejudice to stakeholders given that detailed financial information and other information regarding the Applicants will continue to be made publically available through the materials filed in these CCAA proceedings.

ANTICIPATED RELIEF TO BE SOUGHT AT COMEBACK HEARING

101. If the Initial Order is granted, the Applicants propose to return to Court for a Comeback Hearing on January 20, 2023 and are seeking to schedule same at the hearing of this application.

102. At the Comeback Hearing, the Applicants intend to seek the Court's approval of an amended and restated Initial Order.

103. For the benefit of this Court and the Applicants' stakeholders, this section highlights critical relief that the Applicants intend to seek at the Comeback Hearing. The Applicants may

seek additional relief if the Applicants, in consultation with the Proposed Monitor, determine such relief is necessary during the course of the Initial Stay Period:

- (a) **Extension of Stay of Proceedings:** the Applicants intend to seek an extension of the stay of proceedings for a sufficient length of time to allow the Applicants and the Monitor to pursue and effect an orderly wind-up of the Inscape Group's business;
- (b) **Adjust the Amount of Charges:** if appropriate, the Applicants intend to seek adjustments to the quantum of the Administration Charge and the Director's Charge to better align with the protections required during the CCAA proceedings and the financing needs for the duration of the proceedings.
- (c) **Key Employee Retention Plan ("KERP"):** The Applicants intend to develop a KERP, with input from the Proposed Monitor, to facilitate and encourage the continued participation of certain key management employees in the business that are necessary to ensure stability and enhance the effectiveness of a liquidation process. The Applicants intend to seek Court approval of same.

104. At this time, it is anticipated that foreign recognition proceedings in the U.S. will likely be necessary in order to efficiently pursue and undertake the proposed liquidation and wind-up of the Inscape Group's business and affairs. At the Comeback Hearing, or such other date thereafter as the Applicants, in consultation with the Monitor, may deem appropriate, the Applicants intend to seek Court authority for myself (Eric Ehgoetz) to act as the foreign representative of the Inscape Group and to apply for foreign recognition of the within proceedings in the U.S. pursuant to Chapter 15 of Title 11 of the U.S. Code.

CONCLUSION

105. The Applicants, with the assistance of their legal and financial advisors, have determined that the proposed CCAA proceedings represent the best available strategy to maximize value for the Inscape Group's stakeholders.

106. I believe that the Applicants ought to be granted protection under the CCAA. I am confident that granting the draft Initial Order is in the best interests of the Applicants as well as their stakeholders.

107. As set out above, I believe that CCAA protection will enable the Applicants to strategize and execute a path forward that will maximize proceeds available for distribution to creditors on a more timely and cost-effective basis than the available alternatives, and will provide for an orderly claims process and distribution process.

108. I swear this affidavit in support of the Applicant's application for protection pursuant to the CCAA, including the Initial Order attached at **Tab "3"** to this Application Record and for no other or improper purpose.

SWORN BEFORE ME via video-conference with
the deponent in the City of Mississauga, in the
Province of Ontario, and the Commissioner in the
City of Mississauga in the Province of Ontario this
11th day of January, 2023

DocuSigned by:
Eric Ehgoetz
EDF781AED28246B...

ERIC EHGOETZ

DocuSigned by:
Monica Faheim
A0273284405742A...

A Commissioner for taking Affidavits
MONICA FAHEIM

**This is Exhibit "A" referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 11th day of January, 2023**

DocuSigned by:

Monica Faleim

A027328446B742A

A COMMISSIONER FOR TAKING AFFIDAVITS



Ministry of Public and
Business Service Delivery

Profile Report

INSCAPE CORPORATION as of December 28, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	INSCAPE CORPORATION
Ontario Corporation Number (OCN)	1733687
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Amalgamation	May 01, 2007
Registered or Head Office Address	67 Toll Road, Holland Landing, Ontario, Canada, L9N 1H2

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

This report sets out the most recent information filed on or after June 27, 1992 in respect of corporations and April 1, 1994 in respect of Business Names Act and Limited Partnerships Act filings and recorded in the electronic records maintained by the Ministry as of the date and time the report is generated, unless the report is generated for a previous date. If this report is generated for a previous date, the report sets out the most recent information filed and recorded in the electronic records maintained by the Ministry up to the "as of" date indicated on the report. Additional historical information may exist in paper or microfiche format.

Active Director(s)

Minimum Number of Directors 3
Maximum Number of Directors 10

Name TANIA BORTOLOTTI
Address for Service 533 College Street, 401, Toronto, Ontario, Canada, M6G 1A8
Resident Canadian Yes
Date Began March 06, 2018

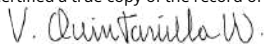
Name BARTLEY F. BULL
Address for Service 4810 The Grange Sideroad, Caledon, Ontario, Canada, L7C 0C7
Resident Canadian Yes
Date Began May 01, 2007

Name ERIC EHGOETZ
Address for Service 67 Toll Road, Holland Landing, Ontario, Canada, L9N 1H2
Resident Canadian Yes
Date Began July 20, 2016

Name DEZSO HORVATH
Address for Service 4700 Keele Street, 435 Schulich School Of Business, Toronto, Ontario, Canada, M3J 1P3
Resident Canadian Yes
Date Began May 01, 2007

Name QUENTIN KONG
Address for Service 171 Stibbard Avenue, Toronto, Ontario, Canada, M4P 2C4
Resident Canadian Yes
Date Began September 12, 2019

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Name
Address for Service

DAVID LASALLE
1114 Arroyo View Street, Thousand Oaks, California, United States, 91320

Resident Canadian
Date Began

No
September 12, 2018

Name
Address for Service
Resident Canadian
Date Began

TRACY TIDY
67 Toll Road, Holland Landing, Ontario, Canada, L9N 1H2
Yes
December 09, 2020

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V. Quintanilla W.

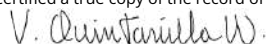
Director/Registrar

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Active Officer(s)

Name	BARTLEY F. BULL
Position	Chairman
Address for Service	4810 The Grange Sideroad, Caledon, Ontario, Canada, L7C 0C7
Date Began	March 07, 2018
Name	ERIC EHGOETZ
Position	Chief Executive Officer
Address for Service	67 Toll Road, Holland Landing, Ontario, Canada, L9N 1H2
Date Began	March 06, 2020
Name	JON SZCZUR
Position	Chief Financial Officer
Address for Service	267 Lucas Street, Richmond Hill, Ontario, Canada, L4C 4R2
Date Began	January 06, 2020
Name	JON SZCZUR
Position	Secretary
Address for Service	267 Lucas Street, Richmond Hill, Ontario, Canada, L4C 4R2
Date Began	June 25, 2020

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Corporate Name History

Name

INSCAPE CORPORATION

Effective Date

May 01, 2007

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V. Quintanilla W.

Director/Registrar

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Amalgamating Corporations

Corporation Name
Ontario Corporation Number

INSCAPE LTD.
1020691

Corporation Name
Ontario Corporation Number

OFFICE SPECIALTY LTD.
1570991

Corporation Name
Ontario Corporation Number

INSCAPE CORPORATION
1269942

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V. Quintanilla W.

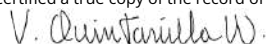
Director/Registrar

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Active Business Names

Name	INSCAPE
Business Identification Number (BIN)	990671505
Registration Date	June 17, 1999
Expiry Date	June 12, 2024
Name	OFFICE SPECIALTY
Business Identification Number (BIN)	301078416
Registration Date	September 29, 2020
Expiry Date	September 28, 2025

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Expired or Cancelled Business Names

Name

Business Identification Number (BIN)

Status

Registration Date

Expired Date

OFFICE SPECIALTY

100621937

Inactive - Expired

May 30, 2000

May 26, 2020

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V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: ERIC EHGOETZ - DIRECTOR	May 05, 2021
CIA - Notice of Change PAF: ERIC EHGOETZ - DIRECTOR	February 02, 2021
CIA - Notice of Change PAF: SHELDON PLENER - OTHER	July 30, 2020
Annual Return - 2019 PAF: AZIZ HIRJI - DIRECTOR	November 10, 2019
CIA - Notice of Change PAF: AZIZ HIRJI - OFFICER	August 01, 2019
Annual Return - 2018 PAF: AZIZ HIRJI - DIRECTOR	November 04, 2018
CIA - Notice of Change PAF: BRIAN MIRSKY - DIRECTOR	March 14, 2018
Annual Return - 2017 PAF: AZIZ HIRJI - DIRECTOR	November 19, 2017
Annual Return - 2016 PAF: TERENCE LAM - DIRECTOR	November 20, 2016
Annual Return - 2015 PAF: TERENCE LAM - DIRECTOR	November 22, 2015
Annual Return - 2014 PAF: TERENCE LAM - DIRECTOR	November 15, 2014
CIA - Notice of Change PAF: TERENCE LAM - OTHER	June 27, 2014
CIA - Notice of Change PAF: TERENCE LAM - OTHER	February 05, 2014

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V. Quintanilla W.

Director/Registrar

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Annual Return - 2013 PAF: TERENCE LAM - DIRECTOR	November 09, 2013
Annual Return - 2012 PAF: TERENCE LAM - DIRECTOR	May 15, 2013
Annual Return - 2011 PAF: TERENCE LAM - DIRECTOR	November 19, 2011
CIA - Notice of Change PAF: TERENCE LAM - OTHER	November 14, 2011
Annual Return - 2010 PAF: TERENCE W LAM - OTHER	May 16, 2011
CIA - Notice of Change PAF: SHELDON PLENER - OTHER	December 02, 2009
Annual Return - 2009 PAF: LAM TERENCE - DIRECTOR	November 21, 2009
Annual Return - 2008 PAF: KENT SMALLWOOD - OFFICER	November 22, 2008
CIA - Notice of Change PAF: SHELDON PLENER - OTHER	April 09, 2008
CIA - Initial Return PAF: KENT SMALLWOOD - OFFICER	October 31, 2007
BCA - Articles of Amalgamation	May 01, 2007

All "PAF" (person authorizing filing) information is displayed exactly as recorded in the Ontario Business Registry. Where PAF is not shown against a document, the information has not been recorded in the Ontario Business Registry.

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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**This is Exhibit “B” referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 11th day of January, 2023**

DocuSigned by:

Monica Fakhim

A027929446B742A

A COMMISSIONER FOR TAKING AFFIDAVITS

State Of Delaware

Entity Details

12/30/2022 11:02:01AM

File Number: 3063010

Incorporation Date / Formation Date: 6/29/1999

Entity Name: INSCAPE INC.

Entity Kind: Corporation

Entity Type: General

Residency: Domestic

State: DELAWARE

Status: Good Standing

Status Date: 4/2/2020

Registered Agent Information

Name: THE CORPORATION TRUST COMPANY

Address: CORPORATION TRUST CENTER 1209 ORANGE ST

City: WILMINGTON

Country:

State: DE

Postal Code: 19801

Phone: 302-658-7581

Tax Information

Last AnnualReport Filed: 2021

Tax Due: \$ 0

Annual Tax Assessment: \$250

Total Authorized Shares: 10000

Filing History (Last 5 Filings)

Seq	Description	No of Pages	Filing Date mm/dd/yyyy	Filing Time	Effective Date mm/dd/yyyy
1	Stock Corporation	3	6/29/1999	11:00 AM	6/29/1999

**This is Exhibit “C” referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 11th day of January, 2023**

DocuSigned by:

Monica Faleim

1927326d140b742a...

A COMMISSIONER FOR TAKING AFFIDAVITS

Department of State
Division of Corporations

Entity Information

Return to Results

Return to Search

Entity Details

ENTITY NAME: INSCAPE (NEW YORK) INC.	DOS ID: 138568
FOREIGN LEGAL NAME:	FICTITIOUS NAME:
ENTITY TYPE: DOMESTIC BUSINESS CORPORATION	DURATION DATE/LATEST DATE OF DISSOLUTION:
SECTIONOF LAW: -	ENTITY STATUS: ACTIVE
DATE OF INITIAL DOS FILING: 06/08/1961	REASON FOR STATUS:
EFFECTIVE DATE INITIAL FILING: 06/08/1961	INACTIVE DATE:
FOREIGN FORMATION DATE:	STATEMENT STATUS: CURRENT
COUNTY: CHAUTAUQUA	NEXT STATEMENT DUE DATE: 06/30/2023
JURISDICTION: NEW YORK, UNITED STATES	NFP CATEGORY:

ENTITY DISPLAY NAME HISTORY FILING HISTORY MERGER HISTORY ASSUMED NAME HISTORY

Service of Process on the Secretary of State as Agent

The Post Office address to which the Secretary of State shall mail a copy of any process against the corporation served upon the Secretary of State by personal delivery:

Name: THE CORPORATION
Address: 15 TIFFANY AVENUE, JAMESTOWN, NY, UNITED STATES, 14701

Electronic Service of Process on the Secretary of State as agent: Not Permitted

Chief Executive Officer's Name and Address

Name: ERIC EHGOETZ
Address: 67 TOLL RD, HOLLAND LANDING, ONT, CANADA

Principal Executive Office Address

Address: 15 TIFFANY AVENUE, JAMESTOWN, NY, UNITED STATES, 14701

Registered Agent Name and Address

Name:
Address:

Entity Primary Location Name and Address

Name:

Address:

Farmcorpflag

Is The Entity A Farm Corporation: NO

Stock Information

Share Value	Number Of Shares	Value Per Share
PAR VALUE	100,000	\$5.00000

Department of State

Division of Corporations

Entity Name History

Return to Results

Return to Search

Entity Details



ENTITY NAME: INSCAPE (NEW YORK) INC.

FOREIGN LEGAL NAME:

ENTITY TYPE: DOMESTIC BUSINESS CORPORATION

SECTIONOF LAW: -

DATE OF INITIAL DOS FILING: 06/08/1961

EFFECTIVE DATE INITIAL FILING: 06/08/1961

FOREIGN FORMATION DATE:

COUNTY: CHAUTAUQUA

JURISDICTION: NEW YORK, UNITED STATES

DOS ID: 138568

FICTITIOUS NAME:

DURATION DATE/LATEST DATE OF DISSOLUTION:

ENTITY STATUS: ACTIVE

REASON FOR STATUS:

INACTIVE DATE:

STATEMENT STATUS: CURRENT

NEXT STATEMENT DUE DATE: 06/30/2023

NFP CATEGORY:

[ENTITY DISPLAY](#) [NAME HISTORY](#) [FILING HISTORY](#) [MERGER HISTORY](#) [ASSUMED NAME HISTORY](#)

Search

File Date	Document Type	Entity Name	File Number
06/08/1961	CERTIFICATE OF INCORPORATION	DOWCRAFT CORPORATION	272827
11/06/2002	CERTIFICATE OF AMENDMENT	INSCAPE (NEW YORK) INC.	021106000032

Rows per page: 5 1-2 of 2 < >

Department of State
Division of Corporations

Entity Filing History

Return to Results

Return to Search

Entity Details

ENTITY NAME: INSCAPE (NEW YORK) INC.
FOREIGN LEGAL NAME:
ENTITY TYPE: DOMESTIC BUSINESS CORPORATION
SECTIONOF LAW: -
DATE OF INITIAL DOS FILING: 06/08/1961
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FOREIGN FORMATION DATE:
COUNTY: CHAUTAUQUA
JURISDICTION: NEW YORK, UNITED STATES

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ENTITY DISPLAY NAME HISTORY FILING HISTORY MERGER HISTORY ASSUMED NAME HISTORY

Search

File Date	Cert Code	Document Type	Description/Amended Information	Page Count	File Number
10/28/2022	32	BIENNIAL STATEMENT	CHIEF EXECUTIVE OFFICER NAME/ADDRESS,PRINCIPAL EXECUTIVE OFFICE,SERVICE OF PROCESS	1	221028000802
04/02/2020	32	BIENNIAL STATEMENT	CHIEF EXECUTIVE OFFICER NAME/ADDRESS	1	200402060142
07/31/2019	32	BIENNIAL STATEMENT	CHIEF EXECUTIVE OFFICER NAME/ADDRESS	1	190731002068
08/02/2011	32	BIENNIAL STATEMENT	CHIEF EXECUTIVE OFFICER NAME/ADDRESS,PRINCIPAL EXECUTIVE OFFICE	1	110802002907
06/08/2009	32	BIENNIAL STATEMENT		1	090608002263
07/24/2007	32	BIENNIAL STATEMENT		1	070724002652
06/28/2006	32	BIENNIAL STATEMENT	CHIEF EXECUTIVE OFFICER NAME/ADDRESS,PRINCIPAL EXECUTIVE OFFICE	2	060628002959
06/04/2003	32	BIENNIAL STATEMENT	CHIEF EXECUTIVE OFFICER NAME/ADDRESS	2	030604003036
11/06/2002	02	CERTIFICATE OF AMENDMENT	ENTITY NAME	2	021106000032
06/28/2001	32	BIENNIAL STATEMENT		2	010628002604

Department of State
Division of Corporations

Entity Filing History

Return to Results

Return to Search

Entity Details

ENTITY NAME: INSCAPE (NEW YORK) INC.
FOREIGN LEGAL NAME:
ENTITY TYPE: DOMESTIC BUSINESS CORPORATION
SECTIONOF LAW: -
DATE OF INITIAL DOS FILING: 06/08/1961
EFFECTIVE DATE INITIAL FILING: 06/08/1961
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COUNTY: CHAUTAUQUA
JURISDICTION: NEW YORK, UNITED STATES

DOS ID: 138568
FICTITIOUS NAME:
DURATION DATE/LATEST DATE OF DISSOLUTION:
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REASON FOR STATUS:
INACTIVE DATE:
STATEMENT STATUS: CURRENT
NEXT STATEMENT DUE DATE: 06/30/2023
NFP CATEGORY:

ENTITY DISPLAY NAME HISTORY FILING HISTORY MERGER HISTORY ASSUMED NAME HISTORY

Search

File Date	Cert Code	Document Type	Description/Amended Information	Page Count	File Number
06/21/1999	32	BIENNIAL STATEMENT	CHIEF EXECUTIVE OFFICER NAME/ADDRESS,PRINCIPAL EXECUTIVE OFFICE,SERVICE OF PROCESS	2	990621002181
06/06/1997	32	BIENNIAL STATEMENT		2	970606002291
08/30/1993	32	BIENNIAL STATEMENT		0	000044006061
01/20/1993	32	BIENNIAL STATEMENT	CHIEF EXECUTIVE OFFICER NAME/ADDRESS,PRINCIPAL EXECUTIVE OFFICE,SERVICE OF PROCESS	2	930120002577
11/10/1992	02	CERTIFICATE OF AMENDMENT	STOCK	3	921110000184
06/17/1991	06	CERTIFICATE OF MERGER		3	910617000314
06/17/1991	06	CERTIFICATE OF MERGER		3	910617000314
03/26/1991	06	CERTIFICATE OF MERGER		3	910326000198
03/26/1991	06	CERTIFICATE OF MERGER		3	910326000198
03/26/1991	06	CERTIFICATE OF MERGER		3	910326000198

Department of State

Division of Corporations

Entity Filing History

[Return to Results](#)

[Return to Search](#)

Entity Details



ENTITY NAME: INSCAPE (NEW YORK) INC.

FOREIGN LEGAL NAME:

ENTITY TYPE: DOMESTIC BUSINESS CORPORATION

SECTIONOF LAW: -

DATE OF INITIAL DOS FILING: 06/08/1961

EFFECTIVE DATE INITIAL FILING: 06/08/1961

FOREIGN FORMATION DATE:

COUNTY: CHAUTAUQUA

JURISDICTION: NEW YORK, UNITED STATES

DOS ID: 138568

FICTITIOUS NAME:

DURATION DATE/LATEST DATE OF DISSOLUTION:

ENTITY STATUS: ACTIVE

REASON FOR STATUS:

INACTIVE DATE:

STATEMENT STATUS: CURRENT

NEXT STATEMENT DUE DATE: 06/30/2023

NFP CATEGORY:

[ENTITY DISPLAY](#) [NAME HISTORY](#) [FILING HISTORY](#) [MERGER HISTORY](#) [ASSUMED NAME HISTORY](#)

Search

File Date	Cert Code	Document Type	Description/Amended Information	Page Count	File Number
04/15/1985	06	CERTIFICATE OF MERGER		0	B215103-4
06/08/1961	01	CERTIFICATE OF INCORPORATION		0	272827

Rows per page: 10 21-22 of 22 < >

Department of State
Division of Corporations

Entity Merger History

Return to Results

Return to Search

Entity Details

ENTITY NAME: INSCAPE (NEW YORK) INC.
FOREIGN LEGAL NAME:
ENTITY TYPE: DOMESTIC BUSINESS CORPORATION
SECTIONOF LAW: -
DATE OF INITIAL DOS FILING: 06/08/1961
EFFECTIVE DATE INITIAL FILING: 06/08/1961
FOREIGN FORMATION DATE:
COUNTY: CHAUTAUQUA
JURISDICTION: NEW YORK, UNITED STATES

DOS ID: 138568
FICTITIOUS NAME:
DURATION DATE/LATEST DATE OF DISSOLUTION:
ENTITY STATUS: ACTIVE
REASON FOR STATUS:
INACTIVE DATE:
STATEMENT STATUS: CURRENT
NEXT STATEMENT DUE DATE: 06/30/2023
NFP CATEGORY:

ENTITY DISPLAY NAME HISTORY FILING HISTORY MERGER HISTORY ASSUMED NAME HISTORY

Search

File Date	Cert Code	Document Type	Survivor Result Entity	Constituents	File Number
06/17/1991	06	CERTIFICATE OF MERGER	INSCAPE (NEW YORK) INC.	BOONE CORPORATION	910617000314
03/26/1991	06	CERTIFICATE OF MERGER	INSCAPE (NEW YORK) INC.	ELLISON BRONZE CO., INC.	910326000198
03/26/1991	06	CERTIFICATE OF MERGER	INSCAPE (NEW YORK) INC.	D.C. ROLLFORM CORPORATION	910326000198
04/15/1985	06	CERTIFICATE OF MERGER	INSCAPE (NEW YORK) INC.	ODSONIA CORPORATION	B215103-4

Rows per page: 5 1-4 of 4

Department of State

Division of Corporations

Entity Assumed Name History

[Return to Results](#)

[Return to Search](#)

Entity Details



ENTITY NAME: INSCAPE (NEW YORK) INC.	DOS ID: 138568
FOREIGN LEGAL NAME:	FICTITIOUS NAME:
ENTITY TYPE: DOMESTIC BUSINESS CORPORATION	DURATION DATE/LATEST DATE OF DISSOLUTION:
SECTIONOF LAW: -	ENTITY STATUS: ACTIVE
DATE OF INITIAL DOS FILING: 06/08/1961	REASON FOR STATUS:
EFFECTIVE DATE INITIAL FILING: 06/08/1961	INACTIVE DATE:
FOREIGN FORMATION DATE:	STATEMENT STATUS: CURRENT
COUNTY: CHAUTAUQUA	NEXT STATEMENT DUE DATE: 06/30/2023
JURISDICTION: NEW YORK, UNITED STATES	NFP CATEGORY:

[ENTITY DISPLAY](#) [NAME HISTORY](#) [FILING HISTORY](#) [MERGER HISTORY](#) [ASSUMED NAME HISTORY](#)

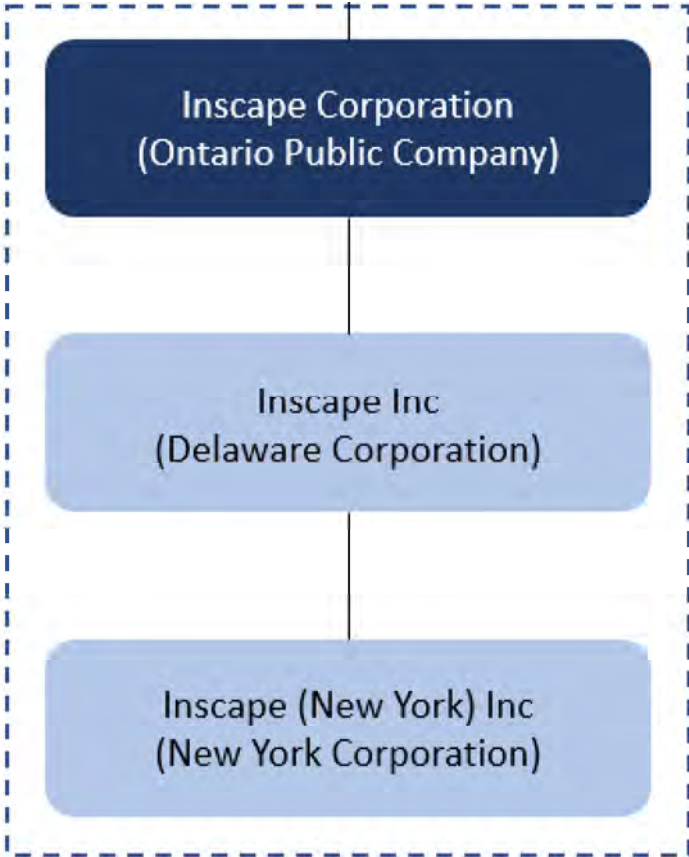
No Assumed Name History result.

**This is Exhibit “D” referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 11th day of January, 2023**

DocuSigned by:

Monica Fakeim

A COMMISSIONER FOR TAKING AFFIDAVITS



**This is Exhibit "E" referred to in the affidavit of
ERIC EHGOETZ, SWORN BEFORE ME
this 11th day of January, 2023**

DocuSigned by:

Monica Faleim

A COMMISSIONER FOR TAKING AFFIDAVITS

AGREEMENT

EFFECTIVE OCTOBER 1st - 2021
TO SEPTEMBER 30th - 2024

BETWEEN

INSCAPE CORPORATION
- FILING DIVISION
HOLLAND LANDING, ONTARIO PLANT

AND

United Steelworkers Local 1-500
HOLLAND LANDING, ONTARIO PLANT
Holland Landing, Ontario

INDEX - UNION AGREEMENT

Title	Article	Page
Arbitration	7	6
Benefits	25	34
Bulletin Boards	19	27
Call in Pay	10:07	10
Compulsory Deduction of Dues for Employees	24	33
Discharge Cases	8	7
Discipline	22	31
Duration	26	34
Grievance Procedure	6	4
Hours of Work	11	12
Incentive Time Standard	23	31
Job Posting	17	22
Jury Duty	20:06	29
Layoff and Recall	15	20
Leave of Absence	20	27
Management Rights	4	3
Meal Allowance	11:06	13
No Strikes - No Lockouts	9	8
Overtime	12	13
Overtime Bank	12:05	14

Purpose	1	1
Relationship	3	2
Safety and Health	13	16
Safety Boots/Shoes	13:02	16
Safety Glasses	13:06	17
Seniority	14	17
Plant Holidays	21	29
Temporary Transfers	16	20
Transfer – Duration	16:02	22
Tool Allowance	10:06	10
Union Grievance Committee and Stewards	5	4
Union Recognition	2	2
Vacations With Pay	18	24
Wages	10	9
Wages - Schedule of Rates	App. “A”	43
	App. “B”	44
	App. “C”	
Job Classifications	App. “D”	45
Physical Disability	App. “E”	47
Pension Plan	App. “F”	48
Group Insurance Plan & Dental Coverage	App. “G”	54
Education Fund	App. “H”	58
Letter of Understanding #1	35	
Letter of Understanding #2	35	
Letter of Understanding #3	36	
Letter of Understanding #4		
Letter of Agreement #1 Re Waiver of Recall Rights		
Letter of Agreement #2 Re Job Abolishment Process		
Letter of Agreement #3 Re Special Early Retirement Window		
Letter of Agreement #4 Re Upgrade Training		

THIS AGREEMENT is made and entered into this 8th Day of March 2022.
BETWEEN

INSCAPE CORPORATION – FILING DIVISION

Hereinafter referred to as “The Company”
OF THE FIRST PART

- And -

UNITED STEELWORKERS

Hereinafter referred to as “The Union”
OF THE SECOND PART

WHEREAS the Ontario Labour Relations Board has certified that the employees in the bargaining unit hereinafter set forth are members of the Union;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT: -

ARTICLE 1 - PURPOSE

1:01 The general purpose of this Agreement is to establish and maintain collective bargaining relations between the Company, the Union, and the employees, and to provide machinery for the prompt and equitable disposition of grievances and to establish and maintain mutually satisfactory working conditions and wages for all employees who are subject to the provisions of the Agreement.

ARTICLE 2 - UNION RECOGNITION

2:01 The Company recognizes the Union as the sole collective bargaining agency for all its hourly rated employees at its Holland Landing, Ontario, plant with the following exceptions: Office staff, supervisors and persons above the rank of supervisor, and this agreement shall apply to all employees in such bargaining unit.

2:02 In recognizing the union as the sole bargaining agency of the employees, the Company agrees that the Union, through its functioning committees, shall deal with the Company on all matters covered by this agreement and all amendments for the life of the agreement.

2:03 A supervisor shall not normally perform work normally performed by members of the bargaining unit but may do so if:

- (a) Instructing an employee or employees;
- (b) Experimenting (Including proving of tools and methods in start-up of new or revised products);
- (c) In an emergency. An emergency is defined as any time that available bargaining unit work cannot be performed by a bargaining unit member due to lack of skill and ability or availability.

ARTICLE 3 - RELATIONSHIP

3:01 The parties hereto mutually agree that any employee of the Company covered by this agreement must become a member of the Union.

3:02 The Company agrees that no employee shall in any manner be discriminated against or coerced, restrained or influenced on account of membership in any labour organization or by reason of any activity in any labour organization.

3:03 The Union agrees it will not discriminate against, coerce, restrain or influence any employee because of membership or activity in any labour organization.

3:04 The Union will not engage in Union activities during working hours or hold meetings at any time on the premises of the Company without the permission of his/her Supervisor and with reasonable notice.

ARTICLE 4 - MANAGEMENT RIGHTS

4:01 The Union acknowledges that it is, the exclusive function of the Company to hire, promote, demote, transfer, reclassify, and suspend employees; and also the right of the Company to discipline or discharge any employee for just cause, provided that a claim by any employee, who has acquired seniority, that he/she has been discharged, suspended or disciplined without just cause or demoted, transferred or reclassified in violation of this Agreement, may be the subject of a grievance and dealt with as hereinafter provided.

4:02 The Union further recognizes the right of the Company to operate and manage its business in all respects. The location of the plants, the direction of the working forces, the products to be manufactured, the schedules of production, the methods, processes and means of manufacturing used, the right to decide on the number of employees needed by the Company at any time, the right to use improved methods, machinery and equipment, and jurisdiction over all operations, buildings, machinery tools and employees are solely and exclusively the responsibility of the Company.

4:03 The Company also has the right to make and alter, and enforce, from time to time, reasonable rules and regulations to be observed by the employees, but before altering any such rules will consult with the Union Negotiating Committee and give them an opportunity of making representations regarding such proposed changes.

4:04 The rights reserved to management herein are subject to the provisions of this agreement and should be exercised in a manner not inconsistent with them. The express terms of this Agreement constitute the full agreement of the parties.

ARTICLE 5 - UNION GRIEVANCE COMMITTEE AND STEWARDS

5:01 The Company will recognize a grievance committee for each grievance which shall consist of four (4) persons selected by the Union as set out in Article 6:03, Step No. 2. The Company shall recognize grievances filed by the Chairperson, Vice Chairperson, Treasurer and Stewards.

5:02 The Company will recognize a shop steward(s) per shift from each department of the Company. All stewards shall be regular employees of the Company, who have completed the probationary period.

5:03 The Company undertakes to instruct all members of its supervisory staff to co-

operate with the stewards in the carrying out of the terms and requirements of this agreement.

5:04 The Union undertakes to instruct its officers, stewards, and members to co-operate with the Company and with all persons representing the Company in any supervisory capacity.

5:05 The Company agrees to reimburse up to four (4) members of the negotiating committee for time spent in negotiations, up to 8 hours per day.

ARTICLE 6 - GRIEVANCE PROCEDURE

6:01 The parties to this agreement are agreed that it is of the utmost importance to adjust complaints and grievances as quickly as possible. Any question or complaint by an employee must be first discussed with the employee's immediate supervisor and it is understood that an employee has no grievance until the supervisor has had an opportunity to adjust the complaint. The employee may elect to be accompanied by a Union Steward for such a meeting.

6:02 No grievance shall be considered:

- (a) Which usurps the function of the management as set forth in this agreement, or
- (b) Where more than five working days have elapsed since the date on which the alleged grievance occurred, or since the date on which the employee should have had knowledge of the circumstances being grieved.
- (c) For record of discussions as provided in 22:01 (c).

6:03 Grievances shall be adjusted and settled as follows:

Step No. 1 – Following the discussion required by article 6:01, the aggrieved employee with the assistance of the Steward, shall present the grievance orally or in writing to the Griever's Supervisor or where there is no Supervisor, to the Plant Manager or his/her designate. If a settlement satisfactory to the employee concerned is not reached within one (1) working day (or any other period of time, which may be mutually agreed upon), the grievance may be presented as follows, at any time within two (2) working days thereafter.

Step No. 2 - The aggrieved employee may submit the grievance, in writing to the Union Chairperson or Vice Chairperson. Any four (4) of the Union Chairperson, Vice Chairperson, Treasurer, Departmental Steward and Griever will meet with Management within eight (8) working days of the submission of the written grievance (or any other time that may be mutually agreed upon) to the Plant Manager or his/her designate. They may be accompanied by a National Representative of the Union if they so desire. After presentation of the grievance the griever will leave.

6:04 If final settlement of the grievance is not completed within five (5) working days after the Step 2 meeting, and if the grievance is one which concerns the interpretation or violation of this agreement, the grievance may be referred by either party to an Arbitrator as provided in Article 7 below at any time within twenty (20) working days after completion of Step 2.

6:05 Should a difference arise between the Company and the Union regarding the interpretation or alleged violation of this agreement, it shall be taken up at Step No. 2 of the grievance procedure outlined above. If no satisfactory settlement is reached, either party may file a request for arbitration in the manner outlined in Article 7. All

suspensions and discharges to be taken up at Step No. 2 of the grievance procedure.

6:06 Where both parties agree on the use of a grievance mediator, representation will be by any four (4) of the Union Chairperson, Vice Chairperson, Treasurer, Departmental Steward and Griever. They may be accompanied by a National Representative of the Union if they so desire.

ARTICLE 7 - ARBITRATION

7:01 Both parties to this agreement agree that any dispute or grievance concerning the interpretation or alleged violation of this agreement which has been properly carried through all the steps of the grievance procedure outlined in Article 6 above and which has not been settled will be referred to an Arbitrator at the request of either of the parties hereto at any time within twenty (20) working days after the completion of Step No. 2 above.

7:02 The decisions of the Arbitrator appointed in the above manner shall be binding on both parties.

7:03 The Arbitrator shall not have any power to alter or change any of the provisions of this agreement or to substitute any new provisions for any existing provisions.

7:04 Each of the parties of this agreement will jointly bear the expenses of the Arbitrator.

7:05 If both parties mutually agree in writing, a grievance may be referred to a grievance mediator prior to any referral to arbitration or pending an arbitration hearing. In such cases the parties will jointly share the expenses of the grievance mediator and each party will bear their own expenses. Bargaining unit employees that are on the clock will be paid by the Company for such time that they spend in grievance mediation meetings. If a settlement is not reached with the assistance of a grievance mediator, all discussions at mediation shall be without prejudice to the position of either party in any future arbitration proceedings. It is understood that this clause shall not prevent the parties from agreeing to appoint a person who will act as both mediator/arbitrator.

7:06 The Union and the Company will notify each other at least one week in advance of all known employees who will be absent from work to attend Arbitration hearings.

ARTICLE 8 - DISCHARGE CASES

8:01 In the event of an employee who has attained seniority being discharged from employment and the employee feeling that an injustice has been done, the cause may be taken up as a grievance.

8:02 All such cases shall be taken up within three (3) working days and disposed of within seven (7) working days of the date the employee is notified of discharge, except where a case is taken to arbitration. A claim by an employee who has attained seniority that he/she has been unjustly discharged from employment shall be treated as a grievance if a written statement of such grievance is lodged with the Senior Company Official in charge of Human Resources within three (3) working days after the employee ceases to work for the company. All preliminary steps of the grievance procedure prior to Step No. 2 will be omitted in such cases.

8:03 Such special grievance may be settled by confirming the Management's action in

dismissing the employee or by reinstating the employee in his/her former position with full compensation for time lost, or by any other arrangement, which is just and equitable in the opinion of the conferring parties.

8:04 When an employee has been dismissed without notice, he/she shall have the right to interview his/her Steward and/or a member of the Union Committee for a reasonable period of time before leaving the plant premises. The employee mentioned above shall be escorted out of the plant by his/her Steward and a Management Representative.

ARTICLE 9 - NO STRIKES - NO LOCKOUTS

9:01 In view of the orderly procedure established by this agreement for the settling of disputes and the handling of grievances, the Union agrees that, during the lifetime of this agreement, there will be no strike, slowdown or stoppage of work, either complete or partial, and the Company agrees that there will be no lockout.

9:02 The Company shall have the right to discharge or otherwise discipline employees who take part in or instigate any strike, stoppage or slowdown, but a claim of unjust discharge or treatment may be the subject of a grievance and dealt with as provided in Article 6 above.

9:03 Should the Union claim a cessation of work constitutes a lockout, it may take the matter up with the Company as provided in Step No. 2 of Article 6.

9:04 The Union further agrees that it will not involve any employee of the Company, or the Company itself, in any dispute, which may arise between any other employer and the employees of such other employer.

9:05 In the event of any such strikes, slowdown or stoppage of work, either complete or partial, the Union shall not be held responsible if it officially repudiates such action forthwith upon request by the Company in writing of such repudiation and does not, in any way, instigate or support any such action.

ARTICLE 10 - WAGES

10:01 The rate of all employees covered by this agreement, which the Company agrees to pay, and the Union agrees to accept are as follows and are hereby made part of this agreement:

EFFECTIVE

October 1, 2021 to April 2, 2022 – Appendices “A, B and C”

April 3, 2022 to September 30, 2022 – Appendix “D”

October 1, 2022 to September 30, 2023 – Appendix “E”

October 1, 2023 to September 30, 2024 – Appendix “F”

10:02 An employee commencing employment will receive no less than the starting rate for the classification as set out in the wage schedule in effect.

10:03 Persons working on the second shift and persons working on the third shift will receive a shift premium as outlined in the Wage Schedule, in effect, which is hereby

made part of this Agreement. The second and third shifts will be deemed as follows:

Monday to Friday inclusive:

Second Shift - to be those employees starting at or after 2:00 p.m. and prior to 10:00 p.m.

Third Shift - to be those employees starting at or after 10:00 p.m.

10:04 The distribution of job classification into wage groups is set out in Appendix "D" hereto, which is hereby made a part of this Agreement.

10:05 Certain provisions which have been agreed upon between the parties as to the application of the said job classifications and of the provisions of the wage scales have been set out in Appendix "D" hereto, which is hereby made a part of this Agreement.

10:06 - TOOL ALLOWANCE

Active employees of the tool room and maintenance departments, who are required to provide their own tools for work performed for the Company, will be reimbursed by the Company up to a maximum of \$340.00 per twelve (12) month period (annual calendar year, to purchase such tools, provided the tool allowance approval form is completed and authorized by his/her immediate supervisor. New employees in these departments will be eligible for this allowance after their first six (6) months of service in that department.

10:07 - CALL IN PAY

Any employee called into work after leaving the Company premises following the end of his/her scheduled shift and before his/her next scheduled reporting time, shall be paid at overtime rates for a minimum of four (4) hours. Call in pay does not apply in situations where an employee's hours of work are changed by mutual consent (commonly known as undertime). In situations where it is pre-arranged that an employee will come into work after leaving the premises following the end of his/her shift and before his/her next scheduled reporting time, they shall be paid at overtime rates for a minimum of two (2) hours.

10:08 On the second and third shifts there are occasions when only one maintenance person is on duty. To ensure security and cover emergencies during this normal lunch break, it is essential that the maintenance person remain on the premises. To compensate for this requirement, it is agreed that the lunch period be construed as overtime (when the normal hours worked on the shift are eight (8) or more) and be paid at one and a half times the employee's normal rate. When two (2) or more maintenance persons are on duty their lunch periods will be staggered and the above payment will not apply.

10:09 The Company may use on call workers to replace employees on vacation and/or during peak periods of production. Such on call workers will be paid the rate for regular employees. Any on call worker who has worked for the Company for 90 days within a one year period will gain seniority and will be deemed to have completed probation. On call workers will be placed on the bottom of the seniority list as on call employees and moved up to the regular seniority list upon completion of probation."

All on call workers will pay union dues in the amount paid by all permanent employees. All such dues will be remitted to the Union along with the regular union dues.

No employee will be laid off while any on call employee is working unless the employee is not willing to do the work required. There will be no lack of work days in any week in which on call workers work.

On call workers will only be used in circumstances as provided in this article. It is understood that the use of on call workers in no way interferes with the rights of full time employees under the terms of the Collective Agreement

ARTICLE 11 - HOURS OF WORK

11:01 The following paragraphs and sections are intended to define the normal hours of work and shall not be construed as a guarantee of hours of work per day or per week, or of days of work per week.

11:02 The regular work week shall consist of not more than forty (40) hours per week composed of eight (8) hours per day Monday to Friday, inclusive. In the event of significant and prolonged increases in product demand necessitating an additional shift or shifts, the Company and the Union may enter into discussions to develop different shift patterns that might change these hours of work. Any changes to hours of work would require the mutual agreement of the Company and the Union Committee.

In the event that shortage of hydro power makes it expedient to work on other days of the week, or at different hours of the day in lieu of the days and hours specified in this paragraph, the Company shall have the right to put into effect a revised schedule of hours during the period that such emergency continues, but before making any such change, will consult with the Union Committee and give them an opportunity of making representations regarding such proposed changes.

Once an employee's shift has been established, it will not be changed with less than three days notice, unless the employee agrees.

11:03 A rest period of ten (10) minutes will be provided during each half shift.

11:04 The Company agrees that employees reporting for work, unless otherwise notified the previous day, shall be paid for the half shift at the employee's current rate. If no suitable work is available employees shall be paid for the half shift in lieu of work. The Company shall be the sole judge of the suitability of the work, except that the work shall not be more hazardous than the employee's usual work. This clause shall not apply if the employee's failure to receive such notice is due to his/her absence the previous day.

11:05 Should a breakdown in equipment occur before the regular first half of an employee's shift is completed, the employees concerned shall be allowed to complete the first half of their scheduled shift without loss of rate, but may be given other suitable work to occupy them until necessary repairs have been made. Should no other work be available, employees shall be guaranteed rate for the first half shift he/she was working on.

11:06 - MEAL ALLOWANCE

Where advance notice of overtime requirement is not given the employee prior to arriving for the shift on which the overtime is to be worked, the employee shall be provided with a meal allowance in the amount of \$6.50 before his/her overtime commences. The amount of overtime worked must be a minimum of two (2) hours. Meal allowance will be provided at the start of overtime, regardless if the employee asks for

the payment.

ARTICLE 12 - OVERTIME

12:01 Overtime at the rate of time and one half the employees' rate shall be paid for all work performed over forty (40) hours per week, or over eight (8) hours per day Monday to Friday.

12:02 Overtime at the rate of time and one-half of the employee's rate shall be paid for all work performed on a Saturday, or a day celebrated as a Plant Holiday as governed by Article 21, and double the employee's regular basic wages for all overtime work performed on Sunday. This section shall not apply to those persons regularly scheduled to work on those days.

12:03(a) There shall be no pyramiding of overtime pay under the terms of this agreement, and under no circumstance will more than one basis of calculating overtime pay be used for the same hours.

(b) The Company will attempt to keep overtime to a minimum and as much advance notice as possible will be given an employee. The employee will give notice as to whether he/she has accepted overtime. The Union and the employee will co-operate in a responsible manner with the Company with respect to this requirement. However, it is understood that all overtime be on a voluntary basis with no disciplinary action taken for refusal to work overtime when requested unless the employee has agreed to work overtime and does not complete his/her commitment.

12:04 An employee working overtime prior to a shift (commonly known as "undertime") will be paid the shift premium of the shift the employee works. To be eligible an employee must complete his/her shift excluding the undertime portion.

12:05 OVERTIME BANK

(1) Compensating time-off in lieu of overtime pay may be banked by employees and taken subject to the terms of this article. Such compensating time-off shall be credited to the employee at the appropriate overtime rate.

(2) Each employee who works overtime may elect whether to be paid for such overtime, or to receive or bank compensating time-off in accordance with this article.

(3) The maximum amount of compensating time off an employee may bank will be eighty (80) hours. Each hour taken from the bank will be paid at time and one half. Once the employee has banked the eighty (80) hour maximum in any six month period, all further overtime work during that period will be paid in the normal manner.

(4) Banked hours must be cashed in before using holiday pay to cover lack of work days. Compensating time off banked by an employee between July 1st and June 30st, if it has not been taken as time-off during that period, shall be paid for in cash in the pay day immediately following June 30th.

(5) Compensating time-off can only be taken with the advance approval of the appropriate supervisor and only if such time-off does not interfere with the Company's operating requirements. In considering such requests, the supervisor shall also have regard for the relative seniority of the employee requesting compensating time-off, but once a request has been granted, such grant shall not be rescinded by virtue of a more senior employee making a similar request. (i.e. "bumping"). Compensating time-off may not be used in respect of absence due to lateness, illness, and workers' safety and

insurance or insured disability leaves.

(6) At the employee's discretion, compensating time-off may be utilized as an alternative to a layoff or lack of work day.

(7) Employees who are entitled to four weeks or less of vacation per year may, once they have banked forty (40) hours or more of compensating time-off, request an additional week of vacation in the following vacation year. If the request is granted, forty (40) hours will be removed from the bank and re-allocated as "second choice vacation" for the following year. In any subsequent year, after all regular vacation requests have been scheduled in accordance with the Company's usual procedures, requests for such "second choice vacation time" shall be considered.

(8) Employees shall be paid one and a half times their rate for each hour of compensating time-off taken. Incentive earnings earned during overtime hours worked will be paid in the pay period during which the work is done, and shall not be carried into the bank.

(9) Compensating time-off shall not be treated as time worked for the purpose of premium entitlements or for any other purposes.

ARTICLE 13 - SAFETY AND HEALTH

13:01(a) The Company shall continue to make reasonable provisions for the health and safety of its employees during the hours of employment. The Union agrees to assist the Company in maintaining proper observation of all safety and health rules. Protective devices and other equipment deemed necessary to protect employees properly from injury shall be supplied by the Company, but this shall not include personal wearing apparel other than gloves, goggles, non-prescription eye protection, hearing protection, painter's skull caps and respirators where necessary.

(b) When maintenance/ tool room are called to a machinery breakdown they will be notified of any previous activity on the machine related to that breakdown. Should maintenance/ tool room arrive at a machine and there is no operator or management present they are to ask the Supervisor for information regarding the breakdown.

13:02 - SAFETY BOOTS AND SHOES

The Company will pay a subsidy up to two hundred and fifty dollars (\$250) (Paintline - three hundred and fifty dollars (\$350)) for the purchase of C.S.A. approved safety boots or shoes including insoles and shoelaces, every two calendar years. Employees shall not be entitled to a subsidy during their probationary period, after they have submitted their resignation or while on layoff.

13:03 There shall be a Plant Safety Committee consisting of representatives of the Union and representatives of Management. The Committee shall meet on a monthly basis. It is the duty of the committee to investigate and provide recommendations regarding Health and Safety issues in accordance to Ontario Legislative Requirements.

13:04 The Company will appoint up to ten (10) employees to be First Aid Attendants whose rate will be increased by 45 cents per hour provided such employees qualify under the St. John's Standards or equivalent and agrees to carry out the duties of a First Aid Attendant.

13:05 Coveralls, smocks, or denim aprons, will be available for workers in the

following departments: Maintenance, Tool Room, Paint, Rework and Touch-up in department PF03.

13:06 - SAFETY GLASSES

(a) The Company will pay 75% of the cost of Prescription Industrial SAFETY Standard Glasses (Lenses and Frames) including tinted lenses if prescribed by Physician, once every calendar year.

(b) For employees not requiring prescription lenses the Company will provide without charge, up to three (3) pairs of non-prescription Safety Glasses, in any calendar year. If the lenses become scratched or the frames damaged, they will be repaired or replaced, free of charge provided employee presents damaged glasses. Glasses supplied other than through the above provision will be charged to the employee at Company cost.

13:07 (a) Any information requested by union certified worker or his/her designate will be provided to the union with the permission of the injured worker.

(b) No employee with ten years seniority or more will be displaced or laid-off to accommodate return to work unless the senior employee agrees.

ARTICLE 14 - SENIORITY

14:01(a) Any employee who completes sixty (60) days of actual work during one period of employment will be considered as having completed his/her probationary period and his/her name will be added to the Departmental Seniority List in the order of his/her seniority and will date back to the first day of his/her most recent hire. Employees, who complete their probationary employment including any extension thereof, will qualify for the following benefits provided, however that they qualify under all other provisions of the contract.

(i) Payment for any holidays described in 21:01 which fell within the period of their probation.

(ii) Bereavement pay as in 20:04.

(iii) Safety equipment as in 13:02 and 13:06(a).

(iv) Tool allowance as in 10:06.

The probationary period for summer students will be ninety (90) working days.

(b) In the event that a probationary employee is terminated due to lack of work, it is agreed that if this employee is rehired within sixty (60) working days of such termination, then the probationary time served in that immediate previous employment, with the Company, will apply towards the total sixty (60) working days required to achieve seniority.

14:02 Seniority status, once acquired, will be lost and employment terminated for any one (1) of the following reasons:

(a) If an employee voluntarily quits his/her employment or is discharged and such discharge is not reversed through the grievance procedure.

(b) If the employee is laid off for a period equal to the seniority he/she has accumulated at the time of layoff, or for a period of eighteen (18) consecutive months, whichever period is the shorter.

(c) If the employee is absent from work for three (3) working days without notifying the Company and without reasonable cause.

(d) If the employee fails to report for work within five (5) working days after the mailing

date of a registered letter, or the date of a telegram of a notice to report for work to the employee's last address in the Human Resources Office records, or failed to report for work on any later date agreed to by the Human Resources Office.

(e) If the employee fails to report to work at the termination of a leave of absence, vacation, holiday or disciplinary layoff unless the employee can give satisfactory explanation acceptable to the Company for such failure to report.

(f) If the employee retires in accordance with the provisions of the Pension and Retirement Plan.

14:03 An employee shall accumulate seniority under any of the following conditions:

(a) While he/she is at work for the Company, after he/she has completed his/her probationary period.

(b) During a period of eighteen months maximum when he/she is prevented from performing his/her work for the Company by reason of injury or illness arising out of and in the course of his/her employment for the Company and for which he/she is receiving compensation under the provisions of the Workplace Safety and Insurance Act. The employee will cease to accumulate seniority after eighteen (18) months of absence. He/she will then retain his/her accumulated seniority for an additional eighteen (18) months or until declared by medical opinion, to be incapable of performing any job in the bargaining unit, whichever is less.

(c) During the first three (3) calendar months of any absence due to non-occupational illness or accident, or an approved leave of absence.

14:04 A seniority list shall be prepared by the Company and a copy shall be posted on the bulletin boards. The list shall be revised whenever requested by the Union Committee not more frequently than once every three (3) months. Seniority as referred to in this agreement shall be on a departmental basis.

14:05 An employee who is permanently transferred from one department to another shall retain his/her departmental seniority in each department in which he/she has worked and shall not lose his/her seniority except as provided in section 14:02.

14:06 In the event that an employee covered by this agreement should be promoted to a supervisory or confidential position beyond the scope of this agreement, he/she shall retain the seniority previously acquired for a period of six (6) months. This shall not prevent an employee from returning to the bargaining unit if he/she is in the salaried position.

ARTICLE 15 - LAYOFF AND RECALL

15:01 In the event of a layoff, employees will be reduced in an inverse order of the Seniority List on which their names appear, provided there are more senior employees who can satisfactorily perform the work from which the junior employees are removed.

15:02 In the event of a layoff due to lack of work the Company agrees to give every employee who is to be laid off one clear working days' notice of such proposed layoff. This clause shall not apply if the employee's failure to receive such notice is due to his/her absence from work on the day on which he/she would have otherwise received such notice, unless the absence is due to a scheduled lack of work day. In this circumstance the company must provide one clear working day notice.

15:03 No probationary employees will be allowed to work while there is a layoff in effect, except if those on layoff are unwilling to perform the work in question or if they are incapable of performing the work.

15:04 In the event of recalling employees from layoff the recall will be based on the order of seniority.

The Company will provide 5 days of training to laid off employees following the principal of ask down and require up, in which the employee must then be able to perform the work required. Should the employee not be able to perform the work, they will be laid off and the Company will move to the next laid off person and provide 5 days of training. The Company will follow this process until a laid off employee can perform the work required. If there are no employees that can perform the work required, the Company reserves the right to hire. Any employee on the layoff list that refuses the training when required will be deemed as resigned.

15:05 Any employee's reinstatement after sick leave will be conditional on his/her supplying, when requested a certificate from a physician that he/she is fully recovered from the illness or injury which caused his/her absence.

15:06 The Company will schedule a number of tow motor drivers required for inventory and then schedule additional help in order of department seniority.

15:07 In the event of a layoff, the Union Committee shall be notified in advance.

15:08 Once a layoff has been in effect for a minimum of one week, employees who run out of work may be transferred into another job to perform work normally performed by laid off employees provided that the duration of any one transfer is no longer than one shift.

ARTICLE 16 - TEMPORARY TRANSFERS

16:01(a) Any employee who has been classified on a specified job classification, and who, for the convenience of the Company, is temporarily transferred to another job classification in which the rate is different to that in effect in such employee's regular job classification, shall be paid while so employed as follows:

(i) If the rate in the job classification to which he/she is transferred is less than the employee's regular pay, he/she shall receive his/her own higher rate **(ii)** If the rate for the job classification to which he/she is transferred is higher than the employee's regular pay, he/she shall receive the rate for the job classification to which he/she is temporarily transferred.

(b) An employee who, for the convenience and benefit of the employee is temporarily transferred to another job classification instead of being laid off due to lack of work, breakdown of machinery or other like cause, shall be paid while so employed as follows:

(i) If the rate in the job classification to which he/she is transferred is less than the employee's regular pay, he/she shall receive the lower rate paid in the job classification to which he/she is transferred.

(ii) If the rate in the job classification to which he/she is transferred is higher than the employee's regular pay he/she shall receive such higher rate provided he/she displays efficiency, skill and ability equal to that of the employees in the job classification to which he/she is transferred; and until such time as he/she displays such efficiency, skill or ability, he/she shall continue to receive his/her own regular rate.

16:02- DURATION OF TRANSFERS**(a) Between Departments**

Temporary transfers, not exceeding thirty (30) days will not be posted, but the Union shall be advised in writing, in advance if possible, otherwise as soon as possible.

By mutual consent between Union and Management job postings can be waived for temporary jobs exceeding thirty (30) working days.

(b) Within Departments

When an employee has been transferred to another classification and the position is to become permanent Article 16 shall apply after thirty (30) working days.

By mutual consent between Union and Management job postings can be waived for temporary jobs exceeding thirty (30) working days.

16:03 The Company will move the junior employee from his/her regular job first if the employee is qualified to do the work required and is not essential in his/her normal job, unless a senior employee has had a training request approved to be trained in the area that the junior employee is working and the training has not yet been completed.

When an employee is moved from his/her regular job out of seniority, he/she will be paid the rate of the job that he/she is moved to or the rate of his/her regular job, whichever is greater. This situation applies only when employees are moved by the Company.

ARTICLE 17 - JOB POSTING

17:01 In the event new jobs are created or vacancies in permanent jobs occur, such new jobs or vacancies shall be posted on the plant Job Posting bulletin board for three (3) working days. Candidates for the job will make application, in writing, to the Human Resources Department. (Retaining a copy for themselves). This will not apply to positions of a supervisory nature.

17:02(a) All applicants for the job will be interviewed by the Company. Selection will be made on seniority, skill, ability (update matrix and keep current) and physical fitness. Experience gained on temporary transfers will not be used as a determining factor for job posting. If no suitable applications are received, the Company reserves the right to hire.

(b) If there are no applicants or if the successful applicant vacates the new job within a period of twenty-one (21) working days since commencing the job, it will not be necessary to repost the job. If there are no other applicants, the most senior member on the recall list will be offered the position with the most junior being assigned to the vacancy as per "ask down require up". To fill the vacancy, to the extent that there were no other applicants for the original posting, and the recall list has been exhausted, the Company reserves the right to direct hire to fill the posting. **(c)** The successful applicant under 17:02(a) will be subject to a trial period of up to twenty-one (21) working days during which time the Company will determine whether the employee has the skill and ability to perform the job.

(i) In the event the Company determines that the employee is unable to satisfactorily perform the job, he/she will be returned to his/her former position.. The Union will be

advised why the employee was removed.

(ii) In the event the employee is unable to perform the new job, he/she shall be returned to his/her former position.

17:03 It is agreed that successful applicants of the job posting procedure will not be permitted to reapply for other postings for a period of three (3) months, or more often than two (2) times during a twelve (12) month period unless he/she is transferred by mutual consent, except that in the case of a new classification, all employees shall be eligible to apply.

17:04 All vacancies created by filling an initial posted job will be posted.

17:05 The name(s) of the successful applicant(s) shall be posted on the plant bulletin board within ten (10) working days of the date the job was posted.

17:06 In the event an employee's job is discontinued, the employee shall be permitted to return to the job classification, on which he/she last had worked at least thirty (30) days prior to starting work on such discontinued job.

17:07 Employees are not eligible to apply for job postings until they have attained six (6) months of service.

ARTICLE 18 - VACATIONS WITH PAY

18:01 All employees who have been steadily employed by the Company for a period of one (1) year prior to June 1, shall be entitled to two (2) weeks vacation with pay at a time convenient to the Company and shall receive as vacation pay an amount equivalent to four percent (4%) of such employee's earnings during the twelve (12) months immediately preceding June 1, of such year.

18:02 All employees who have been steadily employed by the Company for a period of five (5) years or more prior to June 1, or any year thereafter shall be entitled to three (3) weeks vacation with pay and shall receive as vacation pay an amount equivalent to seven percent (7%) of such employee's earnings during the twelve (12) months immediately preceding June 1, of such year. The time of vacation shall be determined by the Company after giving full consideration of preference expressed by, and seniority of the employee concerned and the requirements of the business.

18:03 All employees who have been steadily employed by the Company for a period of twelve (12) years or more prior to June 1, or any year thereafter shall be entitled to four (4) weeks vacation with pay and shall receive as vacation pay an amount equivalent to nine percent (9%) of such employee's earnings during the twelve (12) months immediately preceding June 1, of such year. The time of vacation shall be determined by the Company after giving full consideration to the preferences expressed by, and seniority of the employee concerned and the requirements of the business.

18:04 All employees who have been steadily employed by the Company for a period of twenty (20) years or more prior to June 1, or any year thereafter shall be entitled to five (5) weeks vacation with pay and shall receive as vacation pay an amount equivalent to eleven percent (11%) of such employee's earnings during the twelve (12) months immediately preceding June 1, of such year. The time of vacation shall be determined by the Company after giving full consideration of the preference expressed by, and seniority of, the employee concerned and the requirements of the business.

18:05 All employees who have been steadily employed by the Company for a period of twenty-eight (28) years or more prior to June 1, or any year thereafter, shall be entitled to six (6) weeks vacation with pay and shall receive as vacation pay an amount equivalent to thirteen percent (13%) of such employee's earnings during the twelve (12) months immediately preceding June 1, of such year. The time of vacation shall be determined by the Company after giving full consideration of the preference expressed by and seniority of, the employee concerned and the requirements of the business.

18:06 Where, not owing to illness or authorized absence, an employee has been absent from his/her employment in excess of one (1) working day in each month of the working year, the excess will be deducted from the vacation to which he/she would otherwise be entitled under this article. It is agreed that in the case of reported illness, the Company may require a doctor's certificate but such certificate shall be at the Company's expense.

18:07 Those employees having less than twelve (12) months service prior to the 1st of June in such year shall receive as vacation pay an amount equivalent to four per cent (4%) of the earnings of such employee from the time he/she commenced to work for the Company until the 31st of May in such year.

18:08 Employees who have been absent from work by reason of injury or illness for which such employees have been receiving Workers' Compensation or Group Insurance while so absent, shall be credited with the basic pay which they would have received during such absence for the purpose of computing applicable vacation pay; provided that under no circumstances shall this section apply to more than six (6) months absence in any twelve (12) month period, nor shall it apply where an employee does not work for the Company during the twelve (12) months upon which the vacation pay is based.

18:09 All employees will be required to take their entitlement of vacation between June 1st and May 31st. There shall be no vacation carry over from one year to the next.

18:10 Vacation pay will be paid to the employee on the pay for which it falls.

18:11 By mutual agreement between the employee and the Company, an employee with more than three (3) weeks vacation entitlement may work all or a portion of their additional vacation entitlement.

18:12

At the request of an employee on lay-off, or an employee that has been laid off, the Company will allow them to use vacation days that they have accrued. The employee will then be deemed to have taken the equivalent number of vacation days. The duration of layoff must be equal to, or greater than the vacation accrual released

18:13 Employees may allocate a maximum of five (5) days vacation, if they have a minimum of three (3) weeks vacation to days that they are absent due to sickness. Such absences will still be treated as absences under the Collective Agreement and are still subject to counseling and/or discipline as per the Attendance Policy.

18:14 Summer Vacation block is from the first full week in June until the last week prior to the Labour Day weekend. The Department supervisor will make the vacation schedule available for all employees to view. Summer vacation shall be limited to two consecutive weeks.

18.15 At the Company's discretion employees may take single vacation days which will be paid on the pay the vacation is taken.

18.16 For vacation requests outside the summer vacation block, the Company will respond within three working days to all requests that are given within three weeks of the time requested. Employees must request remaining vacation by the end of December each year. Any unrequested statutory vacation not scheduled by the end of December each year will be scheduled at the Company's discretion.

ARTICLE 19 – BULLETIN BOARDS

19:01 Bulletin boards will be provided by the Company for each department for Union notices. Such notices shall be submitted to the Company for approval before posting. Such approval shall not be unreasonably withheld.

ARTICLE 20 – LEAVE OF ABSENCE

20:01 The Company will grant leave of absence without pay to not more than six (6) employees to attend Union conventions and conferences for a period or periods not exceeding the aggregate of sixty (60) days in any one (1) calendar year, provided that, in the opinion of the Company, this shall not interfere with the efficient operation of the plant.

20:02 An employee elected or appointed to a salaried position in the National Union shall on written request to the Company be granted a leave of absence of up to thirty-six (36) months. During such absence seniority will be governed by Article 14:03 (c). Extension of this leave may be granted by mutual agreement. It is agreed that such leave will only apply to one (1) employee at a time.

20:03 Female employees may be granted maternity leave as per the Employment Standards Act.

20:04 Bereavement leave will be granted to any employee suffering a death in the immediate family. The leave will start on the day following the day of death. Any employee on such leave will be paid his/her regular rate for all regular hours that he/she would have worked had he/she not been on bereavement leave.

(i) Five consecutive working days in case of Death of: Child, Spouse, Father, Mother, Brother or Sister of an Employee.

(ii) Three consecutive working days in case of Death of: Step-Father, Step-Mother, Father-in-Law, Mother-in-Law, and Grandparents and Grandchildren of the employee.

(iii) One working day in case of Death of: Grandparents of Spouse, Foster Children or former Foster Children who resided with the employee for at least ten (10) years, Sister-in-law or Brother-in-law, Aunt and Uncle of the employee.

The one day is meant to be the day of the funeral. If the funeral is on the Saturday the one day will be the Friday. If the funeral is on the Sunday the one day will be on the Monday.

20:05 Leave of absence without pay may be granted for good and sufficient reasons upon adequate prior application to and approval by the Senior Company

Official in charge of manufacturing, provided a suitable replacement is reasonably available. Normally vacation shall be used before leave of absence will be granted. The granting of leave of absence shall be at the discretion of the Company having consideration for the Company's obligation to its customers and the exigency of the operations.

20:06 – JURY DUTY

When an employee is summoned and reports for Jury Duty, or as a Crown Witness, he/she shall be paid the difference between the daily amount received for such duty and their rate. Proof of attendance of such court action is required prior to payment from the Company.

ARTICLE 21 – PLANT HOLIDAYS

21:01 The following shall be recognized as statutory holidays:

New Years Day Labour Day

Family Day Thanksgiving Day

Good Friday Christmas Day

Victoria Day Boxing Day

Canada Day Full shift prior to

Civic Holiday Christmas Day

(a) Where any of the above mentioned holidays fall on a Sunday, the Monday following will be recognized as a holiday. If the holiday falls on a Saturday, the Company will designate the preceding Friday, or the following Monday to be observed as the holiday. The Company and Union Committee may agree on other arrangements.

(b) Where any of the above mentioned holidays fall on a Tuesday, Wednesday or Thursday the Company and Union Committee by mutual agreement may designate the preceding Monday or following Friday to be observed as the holiday.

(c) The Company and Union Committee may mutually agree on arrangements, whereby time that normally would be paid at overtime rates may be worked at straight time rates and substituted for a normal working day or any other arrangements that the two parties deem suitable.

(d) All employees who have acquired seniority shall receive payment for such holidays based on their rate multiplied by the number of hours which would normally have been worked on such day, subject to the following conditions:

To be eligible for holiday pay, an employee must work the full of the work day immediately preceding the holiday and the full of the work day immediately following such holiday. Provided that this restriction shall not apply to:

(i) An employee who has been absent and receiving Workers' Compensation or sick benefits under the group insurance plan up to but not including the statutory holiday where such employee works the full work day immediately following such holiday.

(ii) Nor shall this restriction apply to an employee who has worked the full workday immediately preceding such holiday but who is absent and received Workers' Compensation or sick benefits under the group insurance plan for the work day immediately following such holiday.

(iii) Nor shall this restriction apply to an employee who is absent either the work day

immediately preceding or the work day immediately following such holiday by reason of bereavement as provided in Article 20:04.

(iv) Nor shall this restriction apply to those persons granted a written leave of absence.

(v) Nor shall this restriction apply to an employee who has been late up to seventy five (75) spaces (forty five (45) minutes) the work day immediately preceding the holiday or the work day immediately following such holiday.

(vi) Qualified employees that are laid off at the time of a plant holiday will be paid for the holiday as follows:

- Add all of the wages the employee earned and all of the vacation pay that was payable to the employee in the four weeks ending just before the work week with the plant holiday
- Divide this sum by twenty (20)

21:02 An employee shall receive any overtime pay to which he/she is entitled in accordance with Articles 12:01 and 12:02 for the work that he/she performs on such statutory holiday, in addition to his/her holiday pay.

21:03 For the purposes of clarity, the parties agree that the benefit provided in this article constitute a greater right or benefit than provided for in the Employment Standards Act.

ARTICLE 22 – DISCIPLINE

22:01(a) When a reprimand notice (written or confirmed verbal) is issued to an employee the Company must immediately issue a copy to the following:

- (i) Person disciplined;
- (ii) Steward who represented the person disciplined;
- (iii) Human Resources file.

Reprimands shall be given within five (5) working days following the day the Company had knowledge of the offence. For the purposes of this article, a working day shall be defined as a day in which the reprimanded employee works a minimum of four (4) hours.

(b) All reprimands shall have an effective duration of two (2) years.

(c) All suspensions have an effective duration of three years. If an employee is not actively at work, the timeline will stop until the employee returns

(d) If a Supervisor discusses with an employee an area of concern, he/she can note the contents of the discussion on an employee record of discussion form. The employee will sign this form and may add his/her comments. This form goes to the employee's Human Resources file as a record of this discussion.

22:02 A doctor's note must be submitted for all absences longer than three working days. If an employee is applying for Short Term Disability, the Attending Physician's Statement will qualify as the doctor's note and must be submitted within five days of commencement of the absence. If Short Term Disability is not being applied for, the doctor's note must be submitted by the fourth day of the absence, or upon return from the absence, whichever is shorter. Employees on the attendance management note program may be required to justify their absences on request.

ARTICLE 23 - COMPULSORY DEDUCTION OF DUES FOR EMPLOYEES

23:01(a) During the lifetime of this agreement the Company shall deduct from the pay of all employees in two (2) deductions per month, an amount equivalent to the current regular monthly dues uniformly assessed to the members of the Union in the bargaining unit and shall remit same on the last working day of each month to the Financial Secretary of the Local Union. The said sums shall be accepted by the Union as the regular monthly dues of those employees who are or shall become members of the Union.

(b) If, for any reason an employee has received pay for less than five (5) days in a calendar month, then the Union does not require the member to pay dues for that month.

23:02 During the lifetime of this Agreement, the Company shall deduct from the pay of all new employees who have completed the probationary period, a \$50.00 Union Initiation Fee and shall remit the same with monthly dues remitted following the date of the last deduction. The deduction shall be made on the second pay period following completion of the probationary period.

ARTICLE 24 - BENEFITS

24:01 The Company agrees that during the life of this Agreement, it will provide group insurance benefits to eligible employees covered by this Agreement, and their dependents where applicable, all in accordance with and subject to the terms and conditions of Appendix "I" attached hereto and made a part thereof.

24:02 The Company agrees that during the life of this Agreement, it will provide a pension plan to eligible employees covered by this Agreement in accordance with and subject to the terms and conditions of Appendix "H", with respect to employees hired before December 16, 2012 or subject to the terms and conditions of Appendix "K", with respect to employees hired on or after December 16, 2012 attached hereto and made part thereof.

ARTICLE 25 - DURATION

25:01 This Agreement shall become effective on the 1st day of October, 2021, and shall remain in full force and effect until the 30th day of September, 2024, and from year to year thereafter unless notice of intention to terminate or amend this Agreement is given by either party not more than ninety (90) days and not less than thirty (30) days before termination of the said Agreement.

In witness thereof each of the parties hereto has caused this Agreement to be signed by its duly authorized representatives as to the date and year first above written.

INSCAPE CORPORATION – Filing Division

D. Dyke

K. Ennis

J. Szczur

A. Follwell

United Steelworkers

B. Jagminas

M. Arthurs
 M. Salmon
 D. Guest
 R. Whitton

Letter of Understanding #1

The Company and the Union are committed to working together to ensure that senior employees are afforded the opportunity to be cross-trained in positions that will help to protect their seniority in the event of a layoff and/or lack of work.

However, it is understood that the provisions of Article 15 will apply in all cases of layoff and recall

Cross Training Procedures

Any employee that would like to be cross-trained in positions that will help to protect their seniority in the event of layoff or lack of work should take the following steps:

- Ensure that their cross-training preferences are identified on their annual appraisal and/or;
- Submit a training request to their supervisor on the approved form indicating what training they would like

The supervisor will respond to training requests within three weeks of the date of the request.

Follow up with their supervisor regarding agreement of their preferred training requests and the timing of such training.

Should the employee feel that their requests are not being met justly, they should escalate their concerns through the following chain-of-command:

Plant Manager
 Vice President, Manufacturing & Supply Chain
 Director, Human Resources

Any employee that has applied for cross-training will be trained on the job until such time as each employee is deemed competent in three jobs. Cross training that does not protect seniority may be denied by the company.

It is the intention of the Company to ensure that all employees that are involved in group incentive areas are cross-trained in multiple places in the cell within a reasonable time frame, so as to allow for job rotation within the cell.

The Company will log all approved training requests above as on the training matrix. All employees will record their training on the approved form and submit the completed form to their supervisor at the end of their shift. Once training has been completed and the employee has been deemed competent, the training matrix will be updated. An updated copy of the training matrix will be e-mailed to the secretary of the Union within ten (10) working days. The training matrix will be re-posted in the department monthly whenever changes to the matrix are made.

The Company will provide forms in triplicate for employees to make training requests. One copy of the form will be retained by the employee, one by the supervisor and one will be forwarded to Human Resources.

The Company and the Union will discuss all training requests in their regularly

scheduled meetings.

A quadruplicate copy of the training request for will be provided to the Union.

Letter of Understanding #2

Personal Emergency Leave

The Company will provide Personal Emergency Leave as per the Employment Standards Act of Ontario. It is understood that bereavement leave under Article 20:04 will not count towards Personal Emergency Leave.

Letter of Understanding #3

The Union and its members do not object to the Company extending funding any new solvency Deficiencies identified in the Report on the Actuarial Valuation of Pension Plan 4 years for a total of 10 years.

Letter of Understanding #4

The parties agree that for the duration of this agreement, when an employee has been given notice of layoff and there is an employee with less seniority retained, the senior employee shall have the opportunity to displace the junior employee if either of the following situations exist:

1. The senior employee has had a training request approved, but the training has not yet been completed for the work that the junior employee has been retained to perform.
2. The senior employee has been deemed as trained to perform the work that the junior employee is being retained to perform and this has been identified on the training matrix.

If the senior employee's training request has been approved, as per Letter of Understanding #1, but the training has not been completed, the senior employee shall be retained to be trained, for a maximum of one week, as opposed to being laid off. At the end of the training period, the employee will either be deemed competent or will not be deemed competent and will be laid off.

Training requests will not be unreasonably denied.

Appendix "A" – Effective October 1, 2021 to April 2, 2022

APPENDIX "A"					
EMPLOYEE HIRED BEFORE DECEMBER 11, 2016					
WAGE	CURRENT	EFFECTIVE	EFFECTIVE	EFFECTIVE	EFFECTIVE

GROUP	RATE	OCTOBER 1, 2017	OCTOBER 1, 2018	OCTOBER 1, 2019	OCTOBER 1, 2020		
INCENTIVE							
2	18.37	18.65	18.93	19.30	19.69		
3	18.70	18.98	19.27	19.65	20.04		
4	18.77	19.05	19.34	19.72	20.12		
5	18.84	19.12	19.41	19.80	20.19		
6	18.90	19.18	19.47	19.86	20.26		
7	19.10	19.38	19.67	20.06	20.46		
NON-INCENTIVE							
15	19.64	19.93	20.23	20.64	21.05		
16	19.72	20.02	20.32	20.72	21.14		
17	20.28	20.58	20.89	21.31	21.74		
21	21.03	21.35	21.67	22.10	22.54		
	Wage Group	Current Island	Ratification Rate	Oct 1 2017	Oct 1 2018	Oct 1 2019	Oct 1 2020
	22	\$26.20	\$26.20	\$26.59	\$26.99	\$27.53	\$28.08
	22	\$23.90	\$24.74	\$25.57	\$26.41	\$27.24	\$28.08
	23	\$28.50	\$29.12	\$29.75	\$30.37	\$31.00	\$31.62
	23	\$26.20	\$27.28	\$28.37	\$29.45	\$30.54	\$31.62
	23	\$26.90	\$27.84	\$28.79	\$29.73	\$30.68	\$31.62
	23	\$26.00	\$27.12	\$28.25	\$29.37	\$30.50	\$31.62
	23	\$29.50	\$29.50	\$29.94	\$30.39	\$31.00	\$31.62
	23	\$28.25	\$28.92	\$29.60	\$30.27	\$30.95	\$31.62
	25	\$31.50	\$31.50	\$31.97	\$32.45	\$33.10	\$33.76
	25	\$31.50	\$31.50	\$31.97	\$32.45	\$33.10	\$33.76

SHIFT PREMIUM

AFTERNOON SHIFT **.45/HOUR**

NIGHT SHIFT **.50/HOUR**

Appendix “B” Effective October 1, 2021 to April 2, 2022

APPENDIX “B”						
EMPLOYEE HIRED AFTER DECEMBER 11, 2016						
WAGE GROUP	STARTING BASE RATE	12 MONTH BASE RATE	24 MONTH BASE RATE	36 MONTH BASE RATE	48 MONTH BASE RATE	60 MONTH BASE RATE
INCENTIVE						
1	13.15					
2	15.09	15.74	16.39	17.04	17.69	18.37
3	15.42	16.07	16.72	17.37	18.02	18.70
4	15.47	16.12	16.77	17.42	18.07	18.77

5	15.53	16.18	16.83	17.48	18.13	18.84
6	15.58	16.23	16.88	17.53	18.18	18.90
7	15.78	16.43	17.08	17.73	18.38	19.10
NON-INCENTIVE						
15	16.33	16.98	17.63	18.28	18.93	19.64
16	16.40	17.05	17.70	18.35	19.00	19.72
17	16.90	17.55	18.20	18.85	19.50	20.28
21	17.43	18.08	18.73	19.38	20.03	21.03
SKILLED TRADES						
22	24.03	24.84	25.65	26.46	27.27	28.08
23	25.77	26.94	28.11	29.28	30.45	31.62
25	27.81	29.00	30.19	31.38	32.57	33.76
SHIFT PREMIUM						
AFTERNOON SHIFT .45/HOUR						
NIGHT SHIFT .50/HOUR						

Appendix “C” - Effective October 1, 2021 to April 2, 2022

Distribution of job classifications into wage groups

Incentive Classifications

Group 1

Probationary Employee

Summer Student

Group 2

Assembler - Class 1

Cell Operator - Class 3

Spray Painter - Class 2

Plant Cell Operator – Class 3

Group 3

Cell Operator - Class 2

Conveyor Loader/Unloader/Inspector

Spray Painter - Class 1

Group 4

Cell Operator - Class 1

Final Assembly - Line Leader

Utility Person

Plant Cell Operator – Class 2

Group 5

Brake Press Operator - Class 1

Spray Paint - Lead Hand

Group 6

Cell Co-ordinator

Final Assembly Co-ordinator

N.C. Brakepress Operator

N.C. Punchpress Operator

Plant Cell Operator – Class 1

Group 7

Any Brake Press Operator, N.C. Punchpress Operator or N.C. Brakepress Operator that is capable of doing three different jobs.

Non-Incentive Classifications

Group 15

Janitor

Material Co-ordinator

Shear Set Up and Steel Stock

Shelf Goods Helper

Group 16

Receiver

Group 17

Paint Line Order Picker - Class 1

Group 21

Department - Lead Hand

Refinisher

Shipping Clerk

Group 22

Maintenance Technician - Class 2

Millwright

Tool, Die and Jig Maker - Class 2

Group 23

Maintenance Technician - Class 1

Tool, Die and Jig Maker - Class 1

Group 25

Maintenance - Lead Hand

Tool Room - Lead Hand

Shipping employees selected to perform shunt driving duties will receive \$2.00/hour in addition to their regular rate for performing such duties. The shunt driver's physical will be paid by the Company when requested by the Ministry of Transportation for AZ license.

PLANT CELL OPERATOR

All employees will be given the opportunity to move into any Plant Cell Operator positions should they choose to apply for Plant Cell Operator job postings. Subject to the provisions of Article 15, employees hired prior to October 1, 2004 will not be laid off and displaced by Plant Cell Operators with lower seniority.

All employees that move into a Plant Cell Operator position will continue to accrue seniority in their current department. All new hires into a Plant Cell Operator position will be assigned a home department. Any employee in a Plant Cell Operator – Class 3 or Plant Cell Operator – Class 2 position that successfully attains the skills required in any two positions in the next higher Plant Cell Operator category will be placed into the next higher Plant Cell Operator category.

Appendix D - effective April 3, 2022

New Pay Grade	Job Class	Hourly Wage Rate
1	Shelf Goods Helper	\$21.47
2	Cell Operator Class 3	\$22.65
	Spray Painter Class 2	
	Conveyor Loader/Unloader/Inspector	
	Material Co-ordinator	

	Brake Operator Class 1	
	Janitor	
3	N.C. Brakepress Operator Class 1	\$23.90
	Paint Line Order Picker Class 1	
	Assembler Class 1	
	Laser Class 2 (new job class)	
4	Shipping Clerk	\$25.21
	Utility Person	
	Final Assembly Line Leader	
	Tool, Die & Jig Maker Class 2	
	Receiver	
	Spray Painter Class 1	
	Cell Operator Class 1	
5	Laser Class 1 (new job class)	\$26.80
	Cell Coordinator	
	Spray Paint Lead Hand	
	Department Lead Hand	
	Final Assembly Coordinator	
6	Tool, Die & Jig Maker Class 1	\$32.25
	Maintenance Technician Class 1	
7	Tool Room Lead Hand	\$34.44
	Maintenance Lead Hand	

- Grandfather rate current toolmaker class 2 \$28.64

Shift Premium

Afternoon shift: 45 cents per hour

Night Shift: 50 cents per hour.

Appendix “E”

Increase the new wage rate in Appendix “D” by 2.0% effective October 1, 2022.

Appendix “F”

Increase the new wage rate in Appendix “E” by 2.0% effective October 1, 2023.

Appendix “G”

The following provisions have been agreed to between the parties as to the application of the above job classifications and these provisions will also form a part of the said Agreement:

1. It is recognized that certain of the present employees are handicapped by age or physical disability. These individual cases will be discussed with the Union Committee, and after the Union Committee has agreed to exclude such individuals from the regular classifications above set forth, the Company shall have the right to set special wage rates (which will not be less than the lowest wage group) for such individuals so excluded.
2. It is understood that the Company may pay any employee or employees wage rates in excess of those provided by the above schedule. In such circumstances, the rates will be negotiated with the Union Committee.

Appendix “H”

Pension Plan Interpretation: This outline reflects the Pension Plan’s current provisions under the Pension Plan for Hourly Employees of Inscape Corporation, as amended to July 1, 2012 (the “Plan”). The Plan currently provides pension benefits on a defined benefit basis (the “DB Component”). Employees who were hired prior to December 16, 2012 participate in the DB Component. Employees hired on or after December 16, 2012 will participate in the new defined contribution Component (the “DC Component”) of the Plan. An outline of the provisions of the DC Component is set out in Appendix “K” to this Agreement.

While the following outline of benefits is deemed to accurately describe the main provisions of the Pension Plan, no contractual or other rights are created or conferred. Benefits will be in accordance with the provisions of the Pension Plan document and in accordance with applicable legislation.

Future of the plans: The Company expects to continue the Plan indefinitely but

reserves the right in the event of unforeseen circumstances to modify or discontinue it at any time.

Eligibility: Full-time employees hired before December 16, 2012 are required as a condition of employment to become members of the DB Component on the first day of the month following two (2) years continuous service with the Company. Any part-time or temporary employee hired before December 16, 2012 who satisfy the legislated eligibility conditions will become members of the DB Component when so eligible.

Full-time employees hired on or after December 16, 2012 are required as a condition of employment to become members of the DC Component on the first day of the month following two (2) years continuous service with the company. Any part-time or temporary employee hired on or after December 16, 2012 who satisfy the legislated eligibility conditions will become members of the DC Component when so eligible. An outline of the provisions of the DC Component of the Plan is set out in "K" to this Agreement.

Retirement date: The Normal Retirement Date is the first day of the month coinciding with or next following the employee's 65th birthday. An employee may retire at a reduced pension during the ten (10) year period immediately preceding Normal Retirement Date. If an employee continues to work with the Company after 65, such employee will nevertheless receive their pension on the Normal Retirement Date.

Amount: The annual pension benefit shall be the greater of (a) or (b) as follows:

(a) An amount equal to 44.5% of the employee required contributions without interest from the date of Pension Plan enrolment. Or,

(b) \$360.00 per annum (\$30.00 per month) for each year of Pension Plan membership from the date of Pension Plan enrolment. Effective October 1, 2011, \$366.00 per annum (\$30.50 per month) for each year of Pension Plan membership for those that retire at Normal Retirement Date or later. The minimum monthly pension per year of Pension Plan membership calculation for early retirees remains at \$360.00 per annum (\$30.00 per month).

Effective January 1, 2017; employees who remain working after age 65 will continue to contribute to the pension plan. In such circumstances, the pension benefit will be deferred until retirement.

This is subject to other provisions of the Pension Plan.

Employee Contributions: The employee's required contribution will be 4.0% of his/her pensionable earnings up to the Canada Pension Plan Yearly Maximum Pensionable Earnings level plus 5.0% of any excess pensionable earnings that year. For employees in wage group 2 through 6, pensionable earnings shall mean 100% of wages, otherwise pensionable earnings shall mean wages.

Payments to employee: Pension payments will start on Retirement and continue monthly thereafter for life. Should an employee die within 5 years after retirement, the monthly payments will continue to the designated beneficiary until a total of 60 monthly payments have been made under the plan.

Optional forms of pension: Instead of the normal form of pension, an employee may elect on retirement an actuarially equivalent optional form of pension as follows:

(a) Joint and survivor option with benefits to continue after death to his/her surviving spouse.

(b) Instead of the regular guarantee of 60 months either a pension with no guarantee provision or a pension with other guaranteed minimum periods of payments up to 180 months.

By law, a retiring employee, who has a spouse will be required to have their pension actuarially adjusted so as to provide a joint and survivor benefit whereby 60% of the pension will continue after the retired employee's death to the surviving spouse for his/her remaining lifetime. Spouse is defined as a person of the opposite sex who at the date the pension begins is either legally married to the employee or has been living with the employee for 3 years in a common-law relationship. This mandatory form of pension can only be waived with the written consent of the spouse.

Early retirement: For those employees who retire before 65 years of age, the early retirement pension will be the amount of age 65 pension earned to the date of retirement but reduced by 6% per year for each year of retirement prior to age 65. The 6% reduction reflects the commencement of payments at an earlier age and the expectation that the payments will be made for a greater number of years. The reduction factor has been lowered to 4% per year for those employees retiring on or before September 30, 2015 with 28 or more years of service. The reduction factor has been lowered to 2% per year for those employees who have reached age 60 and are retiring on or before September 30, 2015 with 35 or more years of service.

Early retirees may carry on their benefit coverage to age 65 by paying the monthly premium costs in effect at the time of coverage.

Death benefits before retirement: If an employee should die before Normal Retirement Date, the designated beneficiary will be entitled to receive the lump sum commuted value of the accrued pension benefit, calculated in accordance with the minimum standards of provincial pension legislation and related regulations.

Absence from work: If you are laid off work, granted a leave of absence or are off work due to illness or accident for a period not exceeding one year, it will not be considered as a termination of employment for purposes of the Plan. During such absence, there are no employee contributions to be made and no additional pension benefits are earned.

Governmental pension Benefits: Pension benefits described above are paid in addition to benefits under the Canada Pension Plan to which both employees and the Company contribute and in addition also to the Old Age Security benefits.

Retiree life insurance: Employees who retire will receive a life insurance policy of two thousand dollars (\$2,000) payable to a designated beneficiary at the time of death. The premiums for this policy will be paid for by the Company.

Pension statement: A pension statement for each employee enrolled in the Pension Plan will be prepared for the year ending December 31, and issued not later than June 30, of the following year.

Termination benefits:

If an employee's employment is terminated prior to Normal Retirement Date, the terminated employee shall be entitled to receive a deferred vested pension commencing on his Normal Retirement Date.

Benefit portability options as required under provincial pension legislation are available which include the following settlement options:

1. Deferred pensions payable at Normal Retirement Date may be payable from the Pension Plan as a reduced early retirement pension from age 55.
2. The lump sum commuted value of the deferred pension payable at Normal Retirement Date may be transferred to a locked-in RRSP or LIRA of the employee.
3. If the terminated employee's new employer has a registered pension plan, and if that plan accepts benefit transfers, the cash settlement amount or the commuted value of the deferred pension may be transferred to the new employer's pension.

Pension Investment Committee:

There will be a pension investment committee that will consist of Company members and one Union member.

Notwithstanding anything to the contrary in Appendix "H", effective April 2, 2022, members currently enrolled under the Defined Benefit (DB) component of the pension plan will cease to accrue future DB benefits and will be transferred into the Defined Contribution (DC) Plan as outlined in Appendix K of this collective agreement for service on and after April 3, 2022. Each member's DB pension accruals, including credited service, shall be frozen as of April 2, 2022 and no further contributions shall be made with respect to future service under the DB component.

Appendix "I"

Group Benefits Plan

1. **Interpretation:** While the following outline of benefits is deemed to accurately describe the main provisions of the Group Benefits Plan, no contractual or other rights are created or conferred. Benefits will be in accordance with the full provisions of the policies as administered by the carriers and in accordance with applicable legislation.

2. **Eligibility:** Except where precluded by law, the employee will become eligible to receive all benefits from the Group Benefits Plan on the day following the day upon which they complete 3 months of continuous service.

3. Life Insurance/Accidental Death & Dismemberment

(a) Life Insurance \$32,000

Should you become totally disabled prior to age 65, the life insurance in effect at the time of disability will be continued in force without payment of premiums until age 65. Satisfactory proof of total disability must be submitted at least once every year.

Employees may purchase additional life insurance through the Company.

(b) Accidental Death & Dismemberment \$32,000

In case of accidental death by accidental means anywhere, within 365 days of the accident, the maximum will be paid to your beneficiary in addition to life insurance. Dismemberment benefits will be in accordance with the Schedule of Benefits, e.g. in the case of the loss of any two members (hands, feet or eyes) the full amount will be paid. Lesser amounts will be paid for other losses, as specified in the Insurance Schedule.

4. **Weekly Indemnity Benefits:** Weekly Indemnity Benefits will only be paid while the employee is being treated by a medical doctor and for a maximum of 52 weeks in any one period.

Benefits will start as follows:

- i) In the case of disability due to accident - on the first day following the accident.
- ii) On the sixth day following the day upon which the doctor signifies that the disability/sickness occurred.
- iii) In the case of hospitalization of 24 hours or more due to sickness, or non-minor surgery in the hospital due to sickness, benefits will start on the first day of verified sickness.

The Weekly Indemnity Benefit is 60% of the employee's average weekly earnings, as determined under the Employment Insurance Formula, to the Employment Insurance Maximum Benefit at the time of the employee's disability.

5. Accidents At Work: Any employee cannot receive Weekly Indemnity Benefits for any sickness or injury, which falls within the scope of the Workplace Safety and Insurance Act. However, claims can still be made for life insurance or accidental death and dismemberment benefits even though Workplace Safety and Insurance Act payments have been received.

6. Extended Health Care, Dental and Vision Care:

All employees as of October 1, 2006 can choose between Plan A or Plan B. Any employee that chooses Plan B cannot switch back to Plan A. All employees hired after October 1, 2006 will join Plan B when they become eligible. Dependents of married employees, as outlined in the Plan Document are covered under this provision.

Plan A is the benefit plan in place at September 30, 2006. Co-insurance will be paid utilizing the actual cost incurred to the maximum. Ex. On Plan B If a hospital stay is \$200 the employee will be reimbursed 80% of \$200 which is \$160. The following is a comparative outline of the two plans:

	PLAN A	PLAN B
MAJOR MEDICAL AND SUPPLEMENTAL HOSPITAL		
Deductible	\$25 annual	No deductible
Co-insurance	100%-drugs & hospital 80% - medical supplies & services 50% - vision	80% other than drugs
Hospital	semi-private to \$55/day	semi-private to \$175/day
Drugs	Reimbursement generic mandate	Drug Card generic mandate 80% of first \$500/single 85% of first \$500/single, effective October 1, 2013 80% of first \$1000/family 85% of first \$1000/family, effective October 1, 2013 100% coinsurance thereafter
	Subject to lifetime max \$20,000	\$10,000 annual max
	Anti-smoking \$300 lifetime	Anti-smoking \$300 lifetime
Drug Dispensing Fee	N/A	\$6 limit per prescription

Private Duty Nurse	\$5,000 lifetime	\$8,000 lifetime
Chiropractor	\$7/visit to 20 visits/year	\$30/visit to max of \$400 for
Osteopath	\$7/visit to 20 visits/year	all Paramedicals combined
Speech therapist	\$7/visit to 20 visits/year	
Physiotherapist	\$7/visit to 20 visits/year	
Out-of-Country	\$100,000 lifetime/hosp	\$1,000,000 lifetime max
	\$20,000 lifetime all other	
Travel assistance	not covered	1-800 Emergency Medical
Termination	Retirement	Age 65 or retirement, whichever comes earlier

All premiums for the above benefits are 100% paid by the Company.

DENTAL CARE

Covered services are diagnostic services (routine examinations and x-rays), preventative services (cleaning, scaling (Plan A - limited to two units of cleaning and scaling with a six month recall and Plan B – limited to three units of cleaning and scaling with a six month recall) and fluoride applications), restorative services (fillings), and surgical services (extractions and necessary anesthesia), denture, denture repair and root canal services.

	PLAN A	PLAN B
Deductible	\$10 single, \$20 family/year	No Deductible
Coinsurance	100% 90%	
Maximum	\$1500/year combined with dentures	\$2,000/year combined with dentures
	PLAN A	PLAN B
Dependent Ortho	50%	50%
Maximum	\$2,000 lifetime	\$3,000 lifetime
Eligible Fee Guide	Two year lag	current
Termination	Retirement	Age 65 or retirement whichever comes earlier

The premium cost will be shared between the Company and the employees on an 80/20 basis with the employee's contribution payable by payroll deduction.

Subject to the eligibility and entitlement provisions of the plan document, all employees will contribute except those who provide proof of coverage under another dental plan.

Payments with respect to dental claims will only be paid to the employees – i.e. cannot be assigned a dentist.

VISION CARE

The company will pay vision care costs for employees and their dependents as follows:

	PLAN A	PLAN B
Vision Care	Overall max \$200/24 months	Overall max \$350/24 months
Coinsurance	50% 80%	
Glasses/contacts	\$125/24 months	\$350/24 months
Eye exams	1/year	1/year

7. Absence Due to Layoff: Employees' life insurance, accidental death and

dismemberment, major medical, supplemental hospital (including drug plan) and OHIP continue until the last day of the third month following the date of layoff. Should an employee be recalled after the benefit period expires, then payment for all premiums is restored immediately. However, should an employee be in arrears on his/her dental premiums or OHIP coverage, such arrears (subject to approval of OHIP) will be deducted from an employee's pay.

8. Absence Due to Disability: Employees' life insurance, accidental death and dismemberment, major medical, supplemental hospital (including drug plan) and OHIP will continue until the last day of the month in which the employee ceases to become eligible for Weekly Indemnity Benefits, or in the case of Workers' Compensation, as required by the Workplace Safety and Insurance Act. However, should an employee be in arrears on his/her dental premiums or OHIP coverage, such arrears will be deducted from an employee's pay.

9. Termination of Employment: If you leave the Company, all insurance will be terminated. However, you may convert your Group Life Insurance to any of the regular policies (Term Insurance excepted) issued by the Insurance Company, without a medical examination. However, you must make application for conversion within 31 days of the date of termination of employment. Should death occur during this 31 day period following termination of employment, the life insurance will be paid to your beneficiary.

10. OHIP: Employees will join the OHIP and cease to belong in accordance with the Ontario Law. The Company will contribute 100% of the premium commencing with payment due on the first day of the month following the month in which the employee completes his/her probationary period.

Appendix "J"

Education Fund – The Company shall remit to the Union a total of one thousand dollars (\$1,000.00) per year for the education of its members.

Appendix "K"

Pension Plan – Defined Contribution

Interpretation: This outline reflects the current provisions under the defined contribution component ("DC Component") of the Pension Plan for Hourly Employees of Inscape Corporation (the "Plan"). The plan has one component, all employees at the Inscape Holland Landing facility will be part of the Defined Contribution Plan on and after April 3, 2022. Employees who were hired prior to December 16, 2012 participate in the defined benefit component ("DB Component") of the plan for service prior to April 3, 2022, which was closed effective April 3, 2022. An outline of the provisions of the DB Component, which was closed to future pensionable service credits effective April 2, 2022, is set out in Appendix "H" to this Agreement.

While the following outline of benefits is deemed to accurately describe the main provisions of the Defined Contribution Component of the Plan, no contractual or other rights are created or conferred. Benefits will be in accordance with the full provisions of

the Plan document and in accordance with applicable legislation.

Future of the Plan: The Company expects to continue the Plan indefinitely but reserves the right in the event of unforeseen circumstances to modify or discontinue at any time.

Eligibility: All full time employees at the Inscope Holland Landing facility are required as a condition of employment to become members of the DC Component of the Plan following completion of two (2) years of continuous service with the company. The enrolment date will be the 1st day of the month following completion of the two (2) year waiting period. Any part-time or temporary employee who satisfies the legislated eligibility conditions will become a member of the DC Component when so eligible.

Pension Plan Statement: A statement will be provided at least annually.

Retirement Date: The Normal Retirement Date is the first day of the month coinciding with or next following the employee's 65th birthday. An employee may retire during the ten (10) year period immediately preceding the Normal Retirement Date. If an employee continues to work with the Company after age 65, such employee will nevertheless receive a settlement of their pension on the Normal Retirement Date.

Amount: On retirement, the employee's full Account balance, including employee required contributions, employee voluntary contributions and investment income is payable. Except for the portion of the Account attributable to employee voluntary contributions, if any, the Account must be used to provide lifetime retirement income. Employee voluntary contributions, if any, may be paid in cash, subject to withholding taxes.

The options available at the time of retirement include:

1. The Account balance may be transferred to a locked-in RRSP or LIRA of the employee.
2. The Account balance may be applied to purchase an annuity, which provides lifetime retirement income, from an insurance company.

The employee will receive detailed information with respect to the options, at that time.

Employee Contributions: The employee's required contribution will be 5.0% of his/her pensionable earnings up to the Canada Pension Plan Yearly Maximum Pensionable Earnings level (the "YMPE") plus 5.0% of any excess pensionable earnings that year. Pensionable earnings shall mean wages.

Employee Voluntary Contributions: An employee may voluntarily contribute more than the required amount.

Company Contributions: The Company shall contribute 5% of each Member's pensionable earnings up to the YMPE plus 2.5% of excess Member pensionable

earnings over the YMPE, subject to these amounts when combined with member regular contributions and member additional voluntary contributions not exceeding the amounts deductible from taxable income under the Income Tax Act (Canada).

The Company will not match the voluntary contributions of any employee.

If no enrolment form is completed within thirty (30) days of the eligibility date, eligible employees will automatically be enrolled into the Plan's default investment fund.

Death benefits before retirement: If an employee should die before Normal Retirement Date, the deceased employee's spouse or, if none, the designated beneficiary will be entitled to receive the full Account balance.

Absence from work: If you are laid off work, granted a leave of absence or are off work due to illness or accident for a period not exceeding one year, it will not be considered as a termination of employment. During such time, you are not required to contribute and Company contributions will not continue.

Governmental pension benefits: Pension benefits described above are paid in addition to benefits under the Canada Pension Plan to which both employees and the Company contribute and in addition to the Old Age Security benefits.

Termination Benefits: In an employee's employment is terminated prior to Normal Retirement Date, the full account balance is payable. Except for the portion of the Account attributable to employee voluntary contributions, if any, the account balance is locked-in and must be used to provide lifetime retirement income. Pension legislation prohibits a cash settlement of such benefit, in most instances. Employee voluntary contributions, if any, may be paid in cash, subject to withholding taxes.

Benefit portability options as required under provincial pension legislation are available, including the following settlement options:

1. The Account balance may be transferred to a locked-in RRSP or LIRA of the employee.
2. The Account balance may be applied to purchase an annuity, which provides lifetime retirement income, from an insurance company.
3. If the terminated employee's new employer has a registered pension plan, and if that plan accepts pension transfers, the Account balance may be transferred to the new employer's pension plan.

The employee will receive detailed information with respect to the options at that time.

Letter of Agreement #1 Re Waiver of Recall Rights

This letter of agreement shall be in force for a period of six (6) months following the completion of the downsizing reduction initiative as discussed in Collective Bargaining 2021-24 listed below.

In the event of a reduction of people at the Inscape Holland Landing site, the Company agrees to allow employees to waive recall rights and pay all outstanding notice and severance requirements under the *Ontario Employment Standards Act*.

Employees would be able to access any legally required notice and severance within one month of layoff and upon receiving said severance the impacted employees would waive all recall rights at Inscape.

The Company may only cap the number of employees who are eligible for waiver of recalls in order to maintain a recall list up to ten (10) employees in the event of immediate labour needs. In the event a recall list is maintained the list will be created by seniority only using the principle of a “ask down, require up”. *

* Recall rights can only be waived with the acceptance of ESA based severance / terminations pay as prescribed or any enhanced severance packages or bridging options

Letter of Agreement # 2 Re Job Abolishment Process

This letter of agreement shall be in force following the ratification of this collective agreement.

Job abolishment is the permanent elimination of a job classification within the company. This does not include fluctuations due to demand.

Employees whose jobs have been abolished will have the opportunity to train on another job classification within their department for 21 days, based on their seniority.

Employees unable to demonstrate the skills and ability to adequately perform the job classification after 21 days of training will be laid off out of seniority.

Letter of Agreement # 3 Re Special Early Retirement Window.

This letter is without prejudice and precedent.

The Company and the Union agree that should any Inscape Holland Landing employees that is a member of the Defined Benefit Pension plan qualify as outlined below, and wish to exercise any of these provisions, the Company will amend the pension plan so as to allow for the following provisions to be exercised.

Early retirement:

For those employees who retire before 65 years of age, the early retirement pension will be the amount of age 65 pension earned to the date of retirement but reduced by 6% per year for each year of retirement prior to age 65. The 6% reduction reflects the commencement of payments at an earlier age and the expectation that the payments will be made for a greater number of years.

The reduction factor has been lowered to 0% per year for those employees retiring on or before April 3, 2022 who are aged 62 or more with 17 or more years of service. Any employee who retires under this provision will also receive a \$5,000 one time lump sum payment, less deductions required by law, upon retirement.

If employees do not qualify for the conditions above, but are over the age of 62 as of April 3, 2022 then the company would offer a \$10,000 lump sum to retire, less deductions required by law.

This early retirement program does not apply to Maintenance employees.

Letter of Agreement # 4 Re Upgrade Training

Training shall be offered to all employees to upgrade to their highest pay band level and such training shall be provided within 18 months from the date of ratification with sufficient time to allow a member to qualify for the new classification. If an individual declines the offer for training then such employee shall remain at their pay band level. Employees who opt in for training shall be moved to the new pay band level at the successful completion of their training and in any such case shall be moved to the higher rate no later than 18 months from the date of ratification where the employer has failed to train or provide reasonable training.

Example 1.

employee who is a spray painter class 2 (\$22.65/hr) wants to move to a spray painter class 1 (\$25.21)

Example 2.

Conveyor unloader/loader/inspector (\$22.65) wants to move to spray painter class 1 (\$25.21)

Example 3.

Break operator class 1 (\$22.65) wants to train to be an NC Break Press operator class 1 (\$23.90)

Example 4

Laser Class 2 (\$23.90) trains to be a laser class 1(\$26.80)

Example 5

Cell operator class 3 (\$22.65) to cell operator class 1 (\$25.21).

**This is Exhibit "F" referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 11th day of January, 2023**

DocuSigned by:

Monica Faleim

A COMMISSIONER FOR TAKING AFFIDAVITS

AGREEMENT

INSCAPE (NEW YORK) INC.

15 TIFFANY AVENUE

JAMESTOWN, NEW YORK 14701

And

LOCAL UNION NO. 112

Of the

SHEET METAL WORKERS'

INTERNATIONAL ASSOCIATION

Jamestown, New York 14701

JUNE 1, 2021

AGREEMENT

ARTICLE 1
EXECUTIVE AND DATE OF AGREEMENT

The Agreement executed and effective as of the 1st day of JUNE, 2017 by and between Inscape (New York) Inc., 15 Tiffany Avenue, Jamestown, New York, its successor or assigns, hereinafter referred to as the COMPANY and LOCAL UNION NO. 112 of the Sheet Metal Workers' International Association, hereinafter referred to as the UNION.

ARTICLE 2
RECOGNITION AND SCOPE OF AGREEMENT

A. The COMPANY recognizes the UNION as the sole and exclusive representative for the purpose of collective bargaining with respect to wages, hours, and other conditions of employment for all production and maintenance employees of the COMPANY employed at 15 Tiffany Avenue, Jamestown, New York, excluding only Supervisors, Office Clerical help, Watchmen and Guards, as defined in the National Labor Relations Act of 1947, as amended.

B. The COMPANY shall assign all production and maintenance work under this Agreement to employees covered by this Agreement. Production and maintenance work shall not be performed by supervisors or by any other persons excluded from the bargaining unit except for the purpose of:

- 1) instructing an employee or employees;
- 2) experimentation, that is, the testing and proving of tools and methods related to the start-up of new products or the revision of processes or products;

3) in an emergency.

116

ARTICLE 3
UNION SECURITY CHECK-OFF

A. The UNION agrees that membership in the UNION will be made available to all on an equal basis without discrimination.

B. All employees covered by this Agreement shall be required, as a condition of employment, to become and remain members of the UNION in good standing during the term of this Agreement. All COMPANY factory employees shall make application for membership in the UNION at the beginning of their employment. All temporary employees will also make application to the Company. New employees will be evaluated within the first sixty (60) cumulative working days, by management. These employees will not be covered by the contract until accepted by the UNION at the end of the sixty (60) cumulative working days probation period. In situations where the workload is expected to decrease, the probationary period may be extended by mutual agreement between the UNION and the COMPANY.

C. Upon receipt of written notice from the UNION that an employee has not acquired and maintained good standing with the UNION, as provided for in this Article, and upon the request by the UNION that the employee be discharged because he is not in good standing, the COMPANY shall immediately discharge such employee.

D. Upon receipt of a signed individual authorization from any employee covered under this Agreement, the COMPANY shall withhold from such employee's earnings, payment for UNION dues and other obligations under the terms and conditions specified in the individual's authorization. Deductions shall be made from the first pay of each month of said

employee and promptly remitted to the Financial Secretary of the UNION together with a list of the names of the employees to who said monies are to be credited. Should any employee have no earnings due him or her on the first payday of any month, deductions shall be made from the next succeeding pay of employee.

ARTICLE 4 **MANAGEMENT RIGHTS AND PLANT RULES**

A. Nothing in this Agreement is intended to limit the COMPANY'S right to supervise and direct its workforce including the right to establish new jobs, increase or decrease the number of jobs, change materials or equipment, schedule and assign work to be performed, hire, re-hire, recall, transfer, or layoff employees according to production needs, all subject to limitations imposed in this Agreement. The COMPANY shall have the right to discipline or discharge employees for just cause, it being understood that the COMPANY shall not unlawfully discriminate against any employee. If it is determined that any employee has been unlawfully discriminated against, said employee shall be offered reinstatement to his/her job with full compensation for any lost earnings.

If the production schedule requires qualified day shift personnel to work nights to maintain a shipping schedule, management will have the right to do so for a period of fifty-six (56) calendar days while training inexperienced individual(s) on the night shift. This is to be done using the least senior qualified employee in the Job Classification for a period of fourteen (14) calendar days maximum per individual. If further training were required, the next least senior qualified employee would be assigned and so on until the maximum period of fifty-six (56) calendar days per individual has been met.

The COMPANY shall have the right to schedule employees to shifts as per production requirements, provided that no employee

shall involuntarily be required to work a shift other than day shift
for more than two (2) consecutive weeks. 118

B. The COMPANY shall have the right to establish, maintain, and enforce reasonable rules and regulations to assure orderly plant operations, it being understood that such rules and regulations shall not be inconsistent, or in conflict with, any provisions of this Agreement. The COMPANY shall maintain on its Bulletin Boards, and furnish the UNION with, a written or printed copy of all such rules and regulations and all changes therein. Changes in existing plant rules and regulations, as well as new rules and regulations promulgated by the COMPANY, shall not become effective until five (5) regular work days after copies thereof have been furnished to the UNION and posted on the Bulletin Boards. If the UNION considers a proposed COMPANY rule or regulation to be inconsistent, or in conflict with any provision of this Agreement, it may submit to the grievance and arbitration procedure herein. Before altering rules and regulations the COMPANY will consult with the UNION Committee and give them an opportunity of making representations regarding such proposed changes.

ARTICLE 5

HOURS OF WORK AND OVERTIME

A. The regular workweek shall consist of a 40-hour week divided into five (5) workdays of eight (8) hours each, running consecutively from Monday to Friday. The regular workday shall consist of eight (8) consecutive hours, exclusive of the lunch period. The starting, ending and break times will be determined by the COMPANY and will be posted by the COMPANY. Before making any changes to the starting, ending and break time, the COMPANY will consult with the UNION Committee and give them an opportunity of making representations regarding such changes.

B. Premium pay of forty-five cents (\$0.45) shall be paid for all second shift work.

C. The COMPANY agrees to notify the UNION at least two (2) working days in advance prior to reducing work hours below forty (40) hours per week.

NOTICE OF OVERTIME: The COMPANY agrees to notify employees at least forty-eight (48) hours before scheduling overtime except in emergencies.

FOR THE PURPOSE OF THIS COLLECTIVE BARGAINING AGREEMENT, EMERGENCY IS DEFINED AS “ANY EVENT THAT JEOPARDIZES THE RELATIONSHIP WITH THE CUSTOMER.”

D. All work performed by an employee after working (8) hours per day and over (40) hours per week shall be compensated at one and one-half (1-1/2) times his regular rate of pay. Double time shall be paid after twelve (12) hours in any shift. Tracking of the time an employee is NOT available to work is an essential part of the Overtime Equalization Process.

Time lost for the following absence reasons will be considered ‘Unavailable’ and documented by the COMPANY as ‘hours worked’ in tracking Overtime Equalization and for determining when overtime payment is due subject to the provisions of this article:

Jury Duty	Bereavement
Vacation	Paid Holiday
Injury on Job	
Vacation Day or Floating Holiday	
One day per year Emergency Call-In	
Loss time as a result of job related injury	
Doctor/Dentist appointments	

E. All work performed on Sundays and on holidays specified in this Agreement, shall be compensated at two (2) times the employee’s

regular rate of pay. Past practice may be continued regarding Second Shift hours worked on Sunday for the employee's convenience.

F. It is understood and agreed that there shall be no duplication of overtime payments.

G. There shall be no discrimination in the assignment of overtime work and overtime shall, insofar as is practical, be allocated equally among the employees qualified to perform the work operation in question.

The COMPANY shall keep records of overtime for the purposes of equalization. It is the responsibility of the employee to ensure that they verify that their posted accumulated overtime hours are correct.

The COMPANY will track 'Overtime Hours Worked', 'Refused Hours' and 'Unavailable Hours' and total them to arrive at "Total Overtime" when tracking Overtime Equalization. The Lead person must denote on an Overtime Sheet or email to the keeper of the Overtime Equalization Spreadsheet (OES) whether an employee would have been asked to work overtime had they been at work (Unavailable Hours), or whether an employee has refused to work overtime (Refused Hours). All overtime including Saturdays, Sundays and Holidays scheduled with proper notice shall be considered in the OES calculation.

Emergency Overtime Hours (less than 48 hours notice) are not included in the OES calculation.

The OES will be zeroed out at the start of each calendar year.

H. The need for scheduled (mandatory) overtime is typically driven by customer requirements. Without the ability to meet production demand, we can potentially jeopardize the customer relationship. Our customer is our lifeline; therefore scheduled overtime must always remain an option.

Overtime shall be offered as follows when overtime is required:

- a. The Lead person/Supervisor will first ask the employees with the least amount of accumulated Total Overtime on the most current OES in the area where the overtime is required. If some employees in that area do not wish to work the overtime, their places will be scheduled by the “qualified individuals” with the skill and ability to perform the required work starting with a review of the individual with the least amount of accumulated Total Overtime on the most current OES. This process will continue until all positions are filled.
- b. Mandatory overtime may be scheduled on a Saturday, if working overtime during the week is not feasible. The Company will make every effort to accommodate employees that are not able to work Saturday overtime.
- c. Any employee that commits to working Saturday and does not fulfill that commitment will be subject to disciplinary action.
- d. Scheduled Mandatory Overtime

Should there not be enough employees to work the required amount of overtime, the COMPANY may schedule overtime. Scheduled overtime works as follows:

- i. The COMPANY may schedule up to five (5) hours of overtime per week
- ii. Any failure to work scheduled overtime will be dealt with the same as any other unexcused absence
- iii. Overtime can be scheduled in no more than two (2) hour increments on weekdays
- iv. Scheduled overtime will be scheduled at least 48 hours in advance

- v. Should an employee have a verified, scheduled doctors or dentist appointment that prevents them from working scheduled overtime, it will not result in any disciplinary action.
- e. Overtime will be afforded to all “qualified individuals” with seniority before considering scheduling overtime for probationary employees.

ARTICLE 6

WAGES & JOB CLASSIFICATIONS

New employees will receive a starting rate not less than the minimum rate prescribed by law for a period of no more than ninety (90) working days after which employees shall receive an hourly rate not less than the minimum base rate in the wage progression chart below.

	Start	1	2	3	4	5	6	7	8	9	Top
Grade 3	\$15.00	\$15.75	\$16.50	\$17.25	\$18.00	\$18.75	\$19.50	\$20.25	\$21.00	\$21.75	\$22.50
Grade 4					\$18.75	\$19.50	\$20.25	\$21.00	\$21.75	\$22.50	\$23.25

New employees will be assessed in six month intervals and move up the matrix from their start point based on skill level achieved in the six month period. All employees will move to the top rate within five years. This does not prevent an employee from achieving the top rate in less than five years based on their start point and their skill level attained.

LABOR CLASSES

123

Labor Class 3

Shear Operator

Press Operator

Brake Operator

N/C Operator

Line Sprayer

Welder

Stockroom Shipping Utility

Labor Class 4

Lead Brake Operator

Lead Welder

The company may appoint one person to be the Lead Brake Operator and one person to be the Lead Welder.

Any COMPANY employee driving the COMPANY Plant Truck will be paid \$0.24 per mile or his/her regular hourly rate at employee's choice, unless the trip is overnight. No overtime will be paid if he/she takes their regular hourly rate.

1. New employees must wait one (1) year from date of hire before he/she can bid on job postings unless no one signs for posted job.
2. Employees shall not be assigned any work that is normally performed in a job classification with a higher rate of pay than their own for more than three days, except for purposes of training said employees for permanent placement in a higher classification or unless an emergency or temporary work load exists. Under normal circumstances, the affected employee will receive the pay rate of the classification he/she has been moved into until the duration of the relocation assignment is over. Should their own rate of pay be higher than that of the class they move into, they will receive \$0.25 per hour, provided the employee has the necessary skills and ability to satisfactorily perform the work required.

It is the responsibility of the Employee / Lead person / Supervisor to alert payroll, preferably with a notation on their time card.

3. All wages and/or monies due each employee under this Agreement shall be paid each Friday. When a holiday occurs on the normal payday, employees shall be paid in full for the previous week on the day preceding the holiday, if possible; otherwise the day following the holiday.

4. When the COMPANY makes a substantial error (i.e., \$50.00 or more) on a paycheck, the error will be corrected the day the error is brought to the payroll department. Minor errors or conflicts will be included in the next paycheck. All employees will be paid by direct deposit and paperless. The COMPANY will provide a kiosk for printing pay stubs during breaks.

A Wage Schedule will be available to the Chief Steward at all times in the Production Department Office.

ARTICLE 7

SUBCONTRACTING OF WORK

A. During the term of this Agreement, the COMPANY agrees it will not subcontract out any production work regularly performed by members of the bargaining unit, which would result in:

a. Layoff of any member of the bargaining unit who is qualified to perform the work in question

---or---

b. Failure to recall any member of the bargaining unit who is qualified to perform the work in question

Provided that this provision does not apply to:

- a. Contracts that were made with vendors when there was no layoff in effect
- b. Work that a vendor is able to perform in a more cost effective manner
- c. Work that cannot be performed internally due to a process failure or capacity constraints
- d. Work that is subcontracted as a result of a customer request

ARTICLE 8

SENIORITY

A. Seniority is defined as length of service with the COMPANY and shall be computed from the date of employment or re-employment in the bargaining unit covered by this Agreement.

B. The COMPANY shall keep a record of each employee's service in the bargaining unit and shall furnish the UNION with an up-to-date copy of this list on a quarterly basis.

C. The COMPANY shall have the right to place new employees on probation for a period not to exceed sixty (60) working days, during which time such employees shall have no seniority rights.

D. In the event of a layoff, employees shall be laid off in inverse order of their seniority provided that, in all cases, the more senior employee can perform the work required. Employees shall be recalled from layoff in order of their seniority provided that, in all cases they can perform the work required. Provided that in the interest of maintaining continuity in the relations between the UNION and the COMPANY, Shop Stewards shall be the last laid off and the first recalled, provided they are capable of performing the available work. Probationary employees shall be the first to be laid off and the last to be recalled provided that, in all cases, senior employees are capable of performing the work required. When more than one employee is hired on the same date, the order of call back

from layoff shall be in alphabetical order, unless the job classification is the same as one of the call back employees. The COMPANY will consider all voluntary layoff requests before making seniority-based layoffs.

E. All new jobs and all new openings for existing jobs shall be posted by the COMPANY on its Bulletin Boards for a period of at least three (3) working days for the purpose of enabling employees in the bargaining unit to apply for such jobs. The COMPANY will consider the requirements and efficiency of operations and the knowledge, training, skill and ability acquired within the COMPANY as well as the physical fitness of the individual to perform the normal required work, in determining which employee will be the successful applicant to a job posting.

In the event an employee successfully bids a job and does not qualify, he or she will be returned to their old job.

In the event an employee successfully bids a job, and at any time in the first thirty (30) days, the COMPANY feels he is not capable of doing or learning this job, the COMPANY will meet with the UNION Committee for discussion. If the UNION Committee agrees, the employee will be returned to his or her old job, rate of pay, and seniority.

When qualifications are reasonably equal, the more senior employee will be the successful applicant.

An employee cannot successfully bid for more than one job in Labor Grade 3 and 4 within a twelve (12) month period (1 year).

F. In computing the total length of service in determining any employee's seniority, time lost as a result of any of the following shall be considered as time served: Military leave of absence, any other authorized leave of absence, illness or injury, layoff for a period of less than twenty-four (24) months.

G. All seniority rights shall be forfeited for any of the following reasons:

127

1. Death;
2. Voluntary quit;
3. Discharge with Cause;
4. Involuntary layoff
 - a. For those with 20 or more years of service, Involuntary Layoff in excess of twenty-four (24) months;
 - b. For those with from 1 to less than 20 years of service, Involuntary Layoff in excess of twelve (12) months;
 - c. For those with less than 1 year of service, Involuntary Layoff in excess of their actual months of service
5. Absence for disability, injury or illness in excess of twelve (12) months;
6. Failure to return from a leave of absence;
7. Failure to report to work or to communicate with the COMPANY within five (5) days after the sending of a registered letter to the employee's last address of record offering reinstatement, unless he or she gives a satisfactory reason for the failure to report or to communicate. A copy of such communication shall be simultaneously sent to the UNION.
8. Incarceration resulting from a conviction, which prevents the employee from working his or her regular schedule for more than three (3) days.
9. Engaging in a strike in violation of Article 15 (LOA) of this Agreement.

Notwithstanding anything to the contrary, in the event an employee who has lost his seniority and has been dropped from the employee list pursuant to the foregoing Section G4, is rehired, (s)he shall immediately have his(her) seniority rights reinstated as if (s)he had never left and

receive any wage increases that occurred subsequent to his¹²⁸(her) most recent date of layoff and his(her) rehire. This provision shall not create any guarantee of reinstatement to any person dropped from the employee list.

ARTICLE 9

SHOP STEWARDS

A. The COMPANY recognizes the right of the UNION to designate at least two (2) Shop Stewards in the shop covered under this Agreement. A Shop Steward shall report to and obtain the permission of his or her supervisor before leaving their station for the purpose of handling grievances under the contract and attending to UNION business. Permission will not be unduly withheld.

B. The COMPANY shall compensate each Shop Steward for allowable time off for handling grievances at their regular rate of pay for a total not to exceed four (4) hours per week. In addition, when a Shop Steward is required to leave his workstation at the request of the COMPANY, the COMPANY shall compensate him or her for any time lost at their regular hourly rate of pay.

ARTICLE 10

GRIEVANCE PROCEDURE

A. All complaints, disputes, and grievances arising between the parties to this Agreement, involving questions of interpretation, application or construction of any clause of this Agreement, or regarding any act or conduct involving compliance with the provisions of this Agreement, shall be presented by the party asserting the grievance to the other party as follows:

Step 1: Such employee shall, within forty-eight (48)¹²⁹ hours after the occurrence or the employee's knowledge of the occurrences of grievance (exclusive of Saturdays, Sundays, and Holidays) present his or her grievance to his or her Supervisor verbally. Every reasonable effort to adjust the grievance shall be made by the Supervisor, the aggrieved employee and/or the UNION Steward in whose section the aggrieved is employed. The Supervisor shall give his or her reply to the grievance as soon as possible but within forty-eight (48) hours from the time it has been presented to him (exclusive of Saturdays, Sundays, and Holidays).

Step 2: (a) If a settlement is not reached in Step 1, the aggrieved employee shall within forty-eight (48) hours (exclusive of Saturdays, Sundays, and Holidays) state his or her grievance in writing, giving the reason therefore, and give the same to the Steward in whose section the aggrieved is employed. The Steward, the grievant, and/or one other representative of the UNION, shall present it to the Management Representative. The said Representative shall give his or her reply to this grievance in writing as soon as possible, but within forty-eight (48) hours (exclusive of Saturdays, Sundays, and Holidays) from the time such grievance has been presented to him.

Step 2: (b) Whenever the UNION rejects Management's disposition of a grievance at Step 2, said rejection shall be in writing, shall include the UNION'S reasons for rejection, and shall be signed by the Chief Steward.

Step 3: If the grievance remains unsettled, it shall then be referred within five (5) days (exclusive of Saturdays, Sundays, and Holidays) to a conference consisting of the employee involved, the Steward in whose section the aggrieved is employed, representatives of the

UNION and the Plant Manager and an officer of the COMPANY.

The time limitations on the foregoing steps may be extended by mutual agreement. If the grievance is not satisfactorily settled in Step 3 within five (5) days (exclusive of Saturdays, Sundays, and Holidays) after the conference herein provided, unless more time is mutually agreed upon, the matter shall be referred to mediation in the manner hereinafter set forth.

B. Within five (5) days (exclusive of Saturdays, Sundays, and Holidays) the UNION may ask the Federal Mediation and Conciliation Service (FMCS) to arrange for a mediation conference and shall notify the COMPANY for such request. Such mediation conference is to take place within ten (10) days after the UNION gives notice unless said period is extended by mutual agreement. If no agreement is reached within seven (7) days following the mediation conference, unless additional time is mutually agreed to, the grievance shall be deemed “not settled”. Settlement offers or recommendations of the mediators shall not be submitted as evidence in any arbitration hearing.

C. If the grievance is not settled in the mediation conference, it may be submitted to arbitration within ten (10) days of the “not settled” date.

D. Depending on the circumstances, the COMPANY may delay the serving of a suspension until the grievance process is exhausted.

ARTICLE 11

ARBITRATION

A. If the grievance is not settled in the Mediation conference, it may be submitted to Arbitration within ten (10) days of the “not settled” date. Either party may request, within that ten (10) day period, that the Federal Mediation and Conciliation Service (FMCS) furnish, to the COMPANY and the UNION, a list of seven (7) qualified and impartial

arbitrators. Within five (5) calendar days after receipt of that list by the COMPANY, the COMPANY and the UNION shall alternately strike names from the list, until only one (1) name remains. The arbitrator whose name remains shall hear the grievance.

B. The decision of the Arbitrator shall be rendered within thirty (30) days of the date the case is heard. Such decision shall be in writing and shall be final and binding on all parties hereto.

C. The question of whether a grievance is arbitrable may be submitted to arbitration.

D. The jurisdiction and authority of the arbitrator and his opinion and award shall be confined exclusively to the interpretation or application of the express provision(s) of this Agreement at issue between the UNION and the COMPANY. He shall have no authority to add to, detract from, alter, amend or modify any provision of the Agreement or to impose on either party a limitation or obligation not explicitly provided for in this Agreement.

E. The Arbitrator shall not hear or decide more than one (1) grievance without mutual consent of the COMPANY and the UNION.

F. The costs of arbitration shall be shared equally between the UNION and the Employer.

ARTICLE 12

PAID HOLIDAYS

A. For the purpose of this Agreement, the following shall be recognized as paid holidays regardless of the day on which they fall:

New Year's Eve
New Year's Day
Good Friday
Memorial Day

Labor Day	
Three (3) Floating Holidays (See Note *)	132
Independence Day	
Thanksgiving Day	
Day after Thanksgiving	
Christmas Eve	
Christmas Day	

Note *: Employee will qualify for the Floating Holidays after six (6) months seniority. After qualifying for these holidays, they must be taken within the calendar year, January through December.

Unused Floating Holidays are unpaid at conclusion of calendar year. Between UNION, Payroll and Human Resources, the data (status of unused Floating Holidays) will be given to UNION Leadership on or about November 1 of each year, for communication to the UNION Body.

Employees who request the first day of Deer Season off (third Saturday in November) will not be scheduled to work provided that they request the day at least one (1) week in advance.

B. Should any of the foregoing holidays occur on Saturday or Sunday, the previous Friday or the following Monday, instead of such Saturday or Sunday, shall be recognized and observed as the holiday in question.

C. Each employee shall receive eight (8) times his regular hourly rate for each of the above recognized holidays or days observed as such.

D. Employees shall receive holiday pay provided they have been in the employ of the COMPANY for at least thirty (30) calendar days, and have worked the scheduled day preceding and the scheduled day following the holiday unless ill or excused.

E. Floating Holidays can be taken off using a minimum of one (1) hour¹³³ per occurrence, as approved by Management.

ARTICLE 13
PAID VACATIONS

A. All employees who have been steadily employed by the COMPANY for a period of one (1) year prior to January 1, shall be entitled to two (2) weeks vacation with pay in the following calendar year at a time convenient to the COMPANY and shall receive as vacation pay an amount equivalent to four percent (4%) of such earnings during the twelve months immediately preceding January 1, of such year.

All employees who have been steadily employed by the COMPANY for a period of five (5) years prior to January 1, shall be entitled to three (3) weeks vacation with pay in the following calendar year at a time convenient to the COMPANY and shall receive as vacation pay an amount equivalent to six percent (6%) of such earnings during the twelve months immediately preceding January 1, of such year.

All employees who have been steadily employed by the COMPANY for a period of twelve (12) years prior to January 1, shall be entitled to four (4) weeks vacation with pay in the following calendar year at a time convenient to the COMPANY and shall receive as vacation pay an amount equivalent to eight percent (8%) of such earnings during the twelve months immediately preceding January 1, of such year.

All employees who have been steadily employed by the COMPANY for a period of twenty (20) years prior to January 1, shall be entitled to five (5) weeks vacation with pay in the following calendar year at a time convenient to the COMPANY and shall receive as vacation pay an amount equivalent to ten percent (10%) of such earnings during the twelve months immediately preceding January 1, of such year.

Those employees having less than twelve (12) months service prior to the 1st of January in such year shall receive as vacation pay an amount equivalent to four percent (4%) of the earnings of such employee from

the time he/she commenced to work for the COMPANY until the 31st of December in such year.”

134

B. All vacation time (that is taken) must be taken in the vacation period of January 1st to December 31st in each year.

C. Prior to the vacation period, employees shall have the right to send a written request to the COMPANY specifying the period in which they prefer to have their vacation. The COMPANY shall consider the seniority of employees in filing their request concerning their vacation periods if at all practicable, provided that nothing in this section shall detract from the COMPANY'S right to schedule employee's vacation in accordance with production needs.

D. The COMPANY shall give notice of at least six (6) weeks to employees if it intends to schedule a mandatory vacation such as for a schedule vacation or shutdown period if requested at least six (6) working days prior to the beginning of the schedule vacation period.

E. If a holiday occurs during an employee's vacation period, he or she shall receive their holiday pay in addition to his full vacation pay. An employee may take holiday time off in addition to his vacation time off providing he notified the COMPANY in advance.

F. Vacation accrual from the previous year's earnings will be paid by direct deposit on the last pay in January of the following year.

G. A COMPANY employee must take a minimum of four (4) hours of vacation at one time. Approval of four (4) hours or a full day of vacation must be given by the end of previous shift. Pay will be given the week the vacation was taken unless pay was already received. Notwithstanding the prior, one (1) Vacation Day per calendar year can be applied in one (1) hour increments.

H. Within twenty-four (24) hours notice of a Shared Work day, an employee may rescind a previously booked vacation day.

It is agreed that once Plant Management has given approval to take¹³⁵ vacation time, that approval is final, unless the employee voluntarily agrees to change his vacation time.

ARTICLE 14
STRIKES AND LOCKOUTS

A. The UNION, its officials, affiliates and members and each employee-member, individually and collectively, agree that they will not directly or indirectly call, authorize, sanction, or take part in any strike action (sympathy or otherwise) while this Agreement is in effect. The UNION, its officers, agents and representative, shall refuse to aid or assist in any way, employees participating in any of the foregoing prohibited practices, and shall, in good faith, use reasonable efforts to have such practices terminated.

B. The Employer agrees that it shall not take any action during the term of this Agreement, which would constitute a lockout of employees in the unit covered by this Agreement.

ARTICLE 15
LEAVES OF ABSENCE

A. The COMPANY shall grant Leaves of Absence without pay to any employee for reasonable cause without prejudice to the employee's seniority or other rights, for a period of thirty (30) days, provided that, in the sole judgment of the COMPANY, the leave shall not interfere with the efficient operation of the plant. Application for leaves of absence must be made in writing to the COMPANY and be approved in writing by the COMPANY and a copy thereof given to the UNION. Extensions shall be granted up to six (6) months for good cause.

B. Any employee elected or appointed as a UNION officer or as a Delegate to any labor activity necessitating a leave of absence shall be granted such leave without pay for a period of one year, subject to renewal at the end of such period at the option of the COMPANY.

C. Employees granted leaves of absence will be re-employed by the COMPANY at the end of such leave in accordance with their accumulated seniority.

ARTICLE 16

SAFETY AND HEALTH

A. The COMPANY agrees to provide healthy, safe and sanitary conditions in its plants, including clean restrooms and adequate locker and storage space. The COMPANY further agrees to provide any additional clothing or equipment, which are considered necessary to the safety and health of employees.

B. Prescription/non-prescription safety glasses

1. The COMPANY will pay 80% of the cost of OSHA approved safety frames, lenses and side shields. The COMPANY will select a vendor from which safety glasses and lenses are purchased. If an employee goes to a non-approved vendor, the employee will be reimbursed for the amount the COMPANY would have paid at the approved vendor.
2. Each employee is responsible for his/her glasses being properly cared for, and should damage occur when used at home or due to any reason other than an occupationally related cause, it will be the responsibility of the employee to replace them.
3. It shall be the responsibility of the employee to make sure new glasses are correct in prescription and fit by the

optometrist or the eye doctor. If problems occur in getting any corrections made, the safety director must be notified within thirty (30) days after receipt of glasses. Any time after this, the COMPANY will no longer assume any responsibility.

4. New glasses or replacement parts for the eye glasses will be provided under the following conditions:
 - a. Prescription changes
 - b. Replacement for glasses or parts which have been damaged or broken during the performance of employees job
 - c. Frames will be replaced after two years

ARTICLE 17 ***PLANT VISITATION***

A. A representative of the UNION shall be permitted to visit the office or plant of the COMPANY for the purpose of investigating any matter arising out of this Agreement after notifying a representative of the COMPANY of his intention to do so.

ARTICLE 18 ***ANTI-DISCRIMINATION***

A. There shall be no discrimination of any kind against any member of the UNION for UNION activity.

B. There shall be no discrimination of any kind by any person in the employ of the COMPANY or by the UNION or any of its agents or members against any employee covered by the Agreement because of UNION activity, race, color, creed, national origin, age, sex, disability or sexual orientation and the parties shall continue to comply with existing State and Federal laws relating to equal employment

opportunities and non-discrimination with regard thereto, in the administration of this Agreement. 138

ARTICLE 19
BEREAVEMENT PAY

A. An employee who is absent from work solely because of death, his or her attendance at the funeral of employee's father, mother, father-in-law, mother-in-law, Wife, Husband, Child, Brother, Sister, Brother-in-law, Sister-in-law, Step Father, Step Mother, Grandparents or Grandchild shall be compensated on the basis of their regular rate of eight (8) hours, depending on the work schedules, for the time lost by them from their regular work schedule by reason of such absence, from the day of death up to a maximum of three (3) days.

B. The death of a Great Grandparent is included in the above policy except a maximum of one (1) day is allowed as a paid bereavement day.

If an employee wishes to attend a funeral for reason other than above, he/she must receive approval. Employee will not receive pay for this lost time.

ARTICLE 20
JURY DUTY PAY

A. If an employee who has completed his or her probationary period is required to appear for purpose of qualifying for jury duty or is required to serve on a jury on any of their scheduled work days and loses time from their regular work schedule, supplemental pay will be granted equal to the difference between the pay they receive for service as a juror and their regular pay for eight (8) hours.

B. An employee must notify his or her supervisor of pending jury service as soon as possible after receipt of notice. 139

C. An employee who claims supplemental jury duty pay must furnish the COMPANY with a statement, signed, by the Clerk of the Court, as to the amount of pay received and days served as a juror.

ARTICLE 21

INJURY ON THE JOB

A. Any employee injured on the job shall receive full pay for the day he or she is injured if ordered by the Doctor not to return to work. Same will apply should employee be required to report to the Doctor on second visit. Third visit and up to six (6) months, COMPANY will pay no more than four (4) hours lost time per day.

B. Any appointment before 8:00 A. M. as a result of injury on job, employee will be eligible to receive up to two (2) hours pay. Any appointment after 8:00 A. M. employee must report to work. Employee will be given one half (1/2) hour before the appointment and will receive up to two (2) hours pay (unless he/she has a slip from the doctor stating the time they left the doctor's office) or to the end of their scheduled working day.

ARTICLE 22

VOLUNTEER FIREMEN PAY

A. If an employee loses time from his regular work schedule because he was involved in fighting fires as a Volunteer Fireman, he will be compensated for such lost time at his regular rate of pay.

B. Before compensation for such duty may be authorized, the employee must present to his Supervisor a statement from his Fire Chief of the

time spent by the employee during his regular work hours in fire fighting activity.

140

ARTICLE 23

SICK PAY

When an employee qualifies for Disability (DBL) Insurance, the COMPANY will reimburse employee \$200.00, which represents the waiting period not covered by the insurance policy.

The union and the Company agree that this CBA is in compliance with New York State Paid Sick Leave (NYS labor law, Section 196B).

ARTICLE 24

COPIES OF CONTRACT AND CONTRACT FORMS

A. It is understood and agreed the COMPANY will furnish, at their expense, copies of this Agreement to each present and future employee. Pocket sized contract books will be printed within (3) months after a new agreement is signed.

B. It is further understood the COMPANY will furnish the grievance forms used for the administration of this Agreement.

ARTICLE 25

HEALTH INSURANCE, DENTAL AND LIFE INSURANCE

A. Employees will contribute 25 % of the premium cost of the Southern Tier Building Trades Benefit Plan. Any increase in premiums from the premiums in effect June 1, 2016 over the course of this contract will be shared 75/25 as is the current premium sharing arrangement. Any employee that works any portion of a month will be covered for the full month. The Company will contribute \$0.35 per hour worked to a maximum of 150 hours worked in a month, into a medical spending

account for each member. All employees must enter the Southern Tier Building Trades Benefit Plan when eligible under the terms of the Southern Tier Building Trades Benefit Plan. The three employees that were not members of the Inscope Benefit Plan as of May 31, 2016 will be exempt from the Southern Tier Building Trades Benefit Plan unless they choose to join the Southern Tier Building Trades Benefit Plan.

In the event that the current plan becomes too costly, or a more desirable plan becomes available, the Union and the Company shall consider and agree upon an alternative plan. Such agreement shall be reduced to writing. If agreement cannot be reached, a mutually selected, impartial third party knowledgeable in insurance matters shall be selected to provide a ruling. Any decision under this article, or made by the third party shall be final and will not be subject to grievance. Any cost of the third party shall be jointly shared by the parties.

Any premium increases in the first three years of this agreement will be paid by the employee. Any premium increases in the final two years of this agreement will be shared at the same ratio as the previous year.

B. A Flexible Spending Section 125 Plan (Medical and Dependent Care Reimbursement Account) will be maintained by the COMPANY. Employees can participate by contributing an amount of their choosing. Employees must make their choices by January 1st.

C. Dental coverage will remain in effect as current, with the dental premiums calculated January 1 of each year based on an average of the two most recent full plan years plus a generally accepted trend factor.

D. In addition, each covered employee has \$15,000 worth of term life insurance. Accidental death and dismemberment coverage is included in the life insurance coverage up to \$15,000. This article will be enforced effective June 1, 2021.

ARTICLE 26
PENSION & 401(k) PLAN

142

A. The Defined Benefit Pension Plan is frozen to all participants effective August 15, 2013. Plan members will accrue no further benefits beyond August 15, 2013.

B. The Company provides a 401(k) plan. Employee contributions of 1% to 3% of wages are matched at 100% by the Company. Employee contributions of 4% to 5% are matched at 50% by the Company. Contributions over 5% of wages will not be matched by the Company.

For employees hired after June 1, 2021, employee contributions of 1% to 6% of wages are matched at 50% by the Company. After 5 years of employment, employees will be moved to the matching formula noted above.

ARTICLE 27
REPORTING IN PAY

A. Any employee who is called, or scheduled, or required to work, and does report on any regular week day and is not put to work for at least four (4) hours, shall receive a minimum of four (4) hours pay from the COMPANY, except where failure of power, major breakdown of equipment or an Act of God prevents COMPANY from scheduling work.

ARTICLE 28
CALLBACK PAY

A. Whenever an employee who has finished his or her regularly scheduled shift and left the COMPANY premises is called back by the

COMPANY to work, said employee shall receive one (1) hour call-back pay plus the time worked. 143

B. Maintenance Personnel “Call-In”

Call-in pay will be based on a minimum of four (4) hours at straight-time pay. (Example: If Maintenance employee only worked two (2) hours, he would receive four (4) hours straight-time pay)

If the above Maintenance employee is required to remain beyond the four (4) hours, he or she will be paid for the time worked.

ARTICLE 29
REST PERIODS

A. Employees shall be entitled to two (2) ten minute rest periods each day; one period before and one period after the lunch or supper break. The second period may occur at the end of the shift, allowing the employee(s) to leave the building ten minutes early. However, the employee must clock out (punch out) signifying the end of his/her workday and is considered having completed his/her workday immediately.

ARTICLE 30
WASH-UP TIME

A. Employees shall be entitled to two (2) five-minute wash-up times each day; one to take place prior to the lunch break and the other to take place immediately preceding the end of the workday.

ARTICLE 31
MILITARY SERVICE

144

A. The COMPANY agrees to abide by all present and future laws regarding employees who enter the Armed Forces.

B. Employees called for training or emergency duty in the Armed Forces, Reserves or National Guard shall receive the difference between their military pay and their regular pay for two (2) weeks but is not to exceed their regular pay.

ARTICLE 32
BULLETIN BOARDS

A. Bulletin Boards shall be made available by the COMPANY for the exclusive use of the UNION for posting of UNION notices.

ARTICLE 33
NOTIFICATION OF LAYOFFS

A. The COMPANY shall notify affected employees at least two (2) working days in advance of any layoff, provided that this requirement shall not apply to layoffs of three (3) working days or less duration that are caused by a breakdown of machinery or other circumstances not under control of the COMPANY.

B. In the event of a permanent plant closing, the COMPANY will abide by any applicable Legislation, but in any event will notify the employees not less than 30 days in advance of plant closure.

C. When all employees are called back from lay-off, everyone will be returned to his/her original job, as soon as that job becomes available.

D. Voluntary Layoffs

- a. The COMPANY shall have the option of allowing employees to volunteer for layoff. If there are insufficient volunteers, the layoff shall be in accordance with Article IX, Sec. D of the agreement. If the volunteers either individually, or, in whole or in part, constitute a segment of the work force whose layoff would, in the judgment of the COMPANY, hamper the efficiency and productivity of the remaining work force, then the COMPANY shall have the option of not allowing certain individuals to volunteer. Acceptance of voluntary layoff will be at the sole discretion of the COMPANY.
- b. Voluntary layoff will be for thirty (30) days or for the duration of the layoff, whichever is shorter.
- c. A voluntary layoff may be made after a temporary or permanent non-voluntary layoff.
- d. Employees on voluntary layoff will be recalled by seniority in accordance with Article IX, Sec. D of the agreement before any employees on temporary non-voluntary layoff, and, in any event, will be recalled no later than thirty (30) days after layoff.

ARTICLE 34
SOCIAL FUND

- A. COMPANY agrees to maintain a no profit pricing agreement with the vending machine provider in order to provide the lowest pricing possible to all employees.

ARTICLE 35
BARGAINING

146

A. The COMPANY agrees to continue its past practice of bargaining on COMPANY time and expense.

B. The UNION agrees to cooperate by holding its Shop Employees' representation in bargaining to a maximum of two (2) employees.

ARTICLE 36
COMPANY FURNISHED TOOLS

A. COMPANY has agreed to furnish the necessary tools to perform work in the Press Room. Tools to consist of Scales, Squares, and Calipers.

ARTICLE 37
PLANT SALE

Successor/Purchase or Transfer of Employee Operations

This Collective Bargaining Agreement shall be binding upon the parties hereto and on any and all "Successors and Assigns" of the Employer and the UNION. "Successors and Assigns" shall include but not be limited to successors, assignees, transfers, administrators, executors, heirs, receivers in bankruptcy, receivers in equity, trustees of such other equivalent designee whether voluntary or pursuant to court decree, (hereinafter referred to as "successors and assigns"). Transactions (hereinafter referred to as "Sales and Transfer") covered by this provision include asset sales, stock sales, transfers, leases, mergers, assignments, reorganizations, acquisitions, consolidations, spin offs or any other method by which any part of or all of the business operations (including a subsidiary or division) of the Employer are transferred.

In the event of any “Sale and Transfer” of any part or of all the business operations of the Employer, the “Sale and Transfer” Agreement with “Successors and Assigns”, shall state that the “Successors or Assigns” shall fully accept the Collective Bargaining Agreement in force and protect the bargaining unit employees who are the subject of the Collective Bargaining Agreement and shall so state as part of the “Sales and Transfer” Agreement.

The Employer further states that in the event of a “Sales of Transfer” Agreement with “Successors or Assigns”, that it will state in writing in said “Sale or Transfer” Agreement that it has completely fulfilled all of its accrued obligations pursuant to the Collective Bargaining Agreement, and that the “Successors or Assigns” will be liable for these obligations to the UNION if in fact the Employer has failed to fulfill the same.

Furthermore, the Employer shall continue to be liable for the complete performance of the Collective Bargaining Agreement, until the “Successors and Assigns”, by execution of the “Sale or Transfer” Agreement have effectively agreed to be fully bound by the Collective Bargaining Agreement.

ARTICLE 38 ***EEO POLICY***

It is recognized that the COMPANY will maintain an Affirmative Action plan wherein it is the policy of the COMPANY to recruit, hire, train, and promote persons in all job classifications without regard to race, color, religion, sex, national origin, age, handicap, or status as a disabled veteran and/or veteran of the Vietnam Era.

ARTICLE 39
DURATION OF AGREEMENT

A. It is agreed that during the course of this Agreement, the parties may, by mutual consent, agree to amend or modify any section in this Agreement.

B. This agreement and any amendments thereto as provided above, shall commence on **June 1st, 2021**, and shall continue in force and effect until midnight of **May 31, 2026**, unless either party to the Agreement notified the other party in writing at least sixty (60) days prior to the expiration date of intention to renew or terminate this Agreement.

149

In witness whereof, this agreement has been executed by the parties hereto as of the date of the year first above written in the City of Jamestown, State of New York.

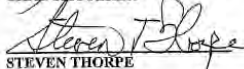
Dated: 07/29/2021

ACCEPTED ON BEHALF OF
THE UNION:


LARRY CAMPER


JIM MONROE


CHAD RETTERER


STEVEN THORPE

ACCEPTED ON BEHALF OF
THE COMPANY:


DENNIS DYKE


JASON YOUNGBERG


SALLY OVEREND

INDEX

150

Article Number	Subject	Page Number
18	Anti-Discrimination	23
11	Arbitration	16
35	Bargaining	32
19	Bereavement Pay	24
32	Bulletin Boards	30
28	Callback Pay	28
36	COMPANY Furnished Tools	32
24	Copies of Contract and Contract Forms	26
39	Duration of Agreement	34
1	Executive and Date of Agreement	1
38	EEO Policy	33
10	Grievance Procedure	14
25	Health Insurance, Dental and Life Insurance	26
5	Hours of Work and Overtime	4
21	Injury on the Job	25
20	Jury Duty Pay	24
6	Labor Classes	9
15	Leaves of Absence	21
4	Management Rights and Plant Rules	3
31	Military Service	30
33	Notification of Layoffs	30
12	Paid Holidays	17
13	Paid Vacations	19
26	Pension & 401(k) Plan	28
37	Plant Sale	32
17	Plant Visitation	23
2	Recognition and Scope of Agreement	1
27	Reporting in Pay	28
29	Rest Periods	29
16	Safety and Health	22
8	Seniority	11
9	Shop Stewards	14
23	Sick Pay	26
34	Social Fund	31
14	Strikes and Lockouts	21
7	Subcontracting of Work	10
3	UNION Security Check-Off	2
22	Volunteer Firemen Pay	25
6	Wages and Job Classifications	8
30	Wash-Up Time	29

**This is Exhibit “G” referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 11th day of January, 2023**

DocuSigned by:

Monica Fakhim

A COMMISSIONER FOR TAKING AFFIDAVITS

Full Details regarding Canadian Plans and U.S. Plans

Overview of Status of Registered Pension Plans

1. As is set out in more detail hereafter,¹ the Inscape Group administers four (4) registered pension plans – two (2) in Canada and two (2) in the United States. The Canadian Plans consist of a defined contribution pension plan, and a pension plan with a DC Component and a DB Component. The DB Component closed to future benefit accrual as of April 2, 2022. As of that date, the DB Component was fully funded. Recent estimates disclose that the DB Component has subsequently developed a deficit, but under the PBA, no contributions towards any deficit are presently required until at least April 2025. The DC Plan and the DC Component receive periodic contributions in respect of current service.

2. The US Plans consist of a frozen defined benefit plan, with credited service ceasing in 2013 and a 401(k) plan, which can be described as the US equivalent of a Canadian defined contribution plan. The frozen defined benefit plan was fully funded as of the most recent actuarial valuation, and no contributions are required to that plan. The 401(k) plan receives periodic contributions in respect of current service.

3. There are no contributions owing in respect of service arising prior to the filing date for the DB Plans so no cessation or stay of contributions that would be otherwise owing is sought as part of the relief being sought on this application.

Identification of Registered Pension Plans

4. Inscape sponsors the following two (2) registered pension plans in Canada (collectively, the “**Canadian Plans**”):

- (a) The Pension Plan for Hourly Employees of Inscape Corporation, registration #0288233 (the “**DC Converted Union Plan**”), which is presently a contributory defined contribution pension plan provided for unionized hourly employees of

¹ Capitalized terms in this “overview” section have the meaning prescribed to them below.

– 2 –

Inscape, but until April 2, 2022 had a contributory defined benefit provision and a contributory defined contribution provision; and

- (b) Pension Plan for Employees of Inscape Corporation, registration #0595637 (the “**DC Non-Union Plan**”) which is a contributory defined contribution pension plan provided for non-union salaried and hourly employees of Inscape.

5. The Canadian Plans are registered pursuant to the provisions of the *Pension Benefits Act*, R.S.O. 1990, c. P.8 and regulations made thereunder (collectively, the “**PBA**”) and the *Income Tax Act* (Canada) and regulations made thereunder (collectively, the “**ITA**”). Inscape is the administrator of the Plans for purposes of the PBA and the ITA. The Plans are administered in accordance with the provisions of the PBA and the ITA.

6. Inscape (New York), Inc. (“**Inscape NY**”), a subsidiary of Inscape, sponsors and administers the following two registered pension plans in the United States (collectively, the “**US Plans**”):

- (a) Inscape (New York), Inc. Retirement Income Plan (the “**US Frozen DB Plan**”), which is a defined benefit pension plan for certain unionized employees of Inscape NY with service frozen as of June 30, 1991 (non-union) or August 15, 2013 (union); and
- (b) Inscape Inc. 401K Plan (the “**US 401(k) Plan**”) which is a contributory defined contribution pension plan provided for salaried and hourly employees of Inscape NY.

7. The US Plans are registered and administered pursuant to the provisions of the US *Internal Revenue Code* and the *Employee Retirement Income Security Act*.

8. The Canadian Plans and the US Plans are hereafter collectively referred to as the “**Plans**”. The DC Component, the DC Non-Union Plan, and the US 401(k) Plan are hereafter collectively referred to as the “**DC Plans**”. The DB Component and the US Frozen DB Plan are hereafter collectively referred to as the “**DB Plans**”.

Conversion of the DC Converted Union Plan

9. Prior to April 2, 2022 (the “**DB Conversion Date**”), the DC Converted Union Plan consisted of a defined benefit provision (the “**DB Component**”) in which certain employees participated (the “**DB Employees**”) and a defined contribution provision (the “**DC Component**”).

10. Effective the DB Conversion Date, Inscape amended the DC Converted Union Plan (the “**DB Conversion**”) to:

- (a) cease all benefit accruals for DB Employees under the DB Component and provide for benefit accruals under the DC Component only for all employees;
- (b) at the option of each DB Employee:
 - (i) Maintain the DB Component accrued benefits for the DB Employee in the DB Component as a deferred benefit without further accrual (or were deemed to maintain the DB Component benefits); or
 - (ii) Convert the DB Component accrued benefits for the DB Employee to an amount to be held with the DC Component account of the DB Employee or settle the accrued benefits for the DB Employee outside the DC Converted Union Plan.

11. As administrator of the DC Converted Union Plan, Inscape caused periodic actuarial valuations of the DB Component to be carried out by Robertson Eadie & Associates Ltd., the actuarial firm retained by Inscape for the DB Component.

12. Robertson Eadie & Associates Ltd. prepared the following:

- (a) a valuation for the DB Component as of the DB Conversion Date (the “**Conversion Valuation**”), prepared in May, 2022 and filed with Financial Services Regulatory Authority of Ontario (“**FSRA**”) on May 31, 2022; and
- (b) an addendum to the Conversion Valuation which included an updated valuation (the “**Conversion Addendum**”) of the conversion position, a going concern valuation and a solvency valuation as of the DB Conversion Date. The Conversion Addendum was filed with FSRA on September 19, 2022.

13. Drew Luchies (“**Luchies**”) of Robertson Eadie & Associates Ltd. is the actuary with responsibility for the preparation of valuations for the DB Component, including the Conversion Valuation and the Conversion Addendum. The Conversion Addendum is the more recent and, for regulatory purposes in determining contributions, the operative valuation in respect of the funding position as of the DB Conversion Date.

14. I am informed by Luchies and do verily believe that the Conversion Addendum sets out the funded position of the DB Component as of the DB Conversion Date. Liabilities for the DB Component as of the DB Conversion Date have been calculated on a going-concern, solvency and wind up basis pursuant to the requirements of the PBA. These liabilities are intended to provide an estimate of the Plan’s obligations at the DB Conversion Date. The going-concern valuation assumes that the Plan remains operative indefinitely. The solvency valuation assumes that the Plan is terminated on the DB Conversion Date or other date set out below and that all liabilities are settled as at that date in the manner prescribed by the PBA. The wind up valuation is the same as the solvency valuation, except for an additional provision for wind up expenses of \$55,000, as set out in the Conversion Valuation, which is less than 0.4% of liabilities. A further estimate of the DB Component’s financial or funded position at the DB Conversion Date or other date can be derived by calculating the ratio (the “**Transfer Ratio**”) of the DB Component’s wind up or solvency liabilities as at the DB Conversion Date or other specified date to the market value of the assets held under the DB Component at the same date.

15. I am informed by Luchies and do verily believe that the Conversion Addendum discloses the following information related to the funding of the DB Component:

Wind up Funding	Transfer Ratio	Required Contributions for April 2, 2022 – April 1, 2025
\$35,000 (excess)	1.00	\$nil

16. There are no special payments required as the DB Component had a Transfer Ratio of at least 1.00 as of the DB Conversion Date. As a result of the funding position set out in the Conversion Addendum, I am informed by Luchies and do verily believe that Inscape does not need to make any payments in respect of the DB Component until at least the filing of the next valuation which must be as of no later than April 2, 2025 and filed within 6 months of the effective date.

17. I am further informed by Luchies and do verily believe that the funding estimates contained in the Conversion Addendum are based on asset information, membership data, assumptions, methods, and plan provisions disclosed in the Conversion Addendum. The Conversion Addendum may differ materially from the actual cost of settling the obligations of the DB Component from the Conversion. Material variations may arise due to a number of factors, including performance of the investment markets, fluctuations in certain interest rates, fluctuations in annuity prices, and changes in membership subsequent to the DB Conversion Date.

18. Inscape has received more recent estimates (the “**2022 Estimates**”) from the actuary as of December 31, 2022 (the “**Estimate Date**”) regarding the funded positions of the DB Component on a solvency and wind up basis. I am informed by Luchies and do verily believe that the 2022 Estimates are based on an extrapolation of the liabilities from the Conversion Addendum and updated asset values and discount rates as of the Estimate Date, but without consideration of any changes in member demographic data. The 2022 Estimates are order of magnitude estimates only and may differ materially from the funding positions that would result from a full actuarial valuation performed as of the Estimate Date or from the actual cost of settling the obligations of the DB Component in the event of actual plan wind-up. Material variations may arise due to a

number of factors, including performance of the investment markets, fluctuations in certain interest rates and changes in membership subsequent to the DB Conversion Date.

19. Subject to the foregoing, I am informed by Luchies and do verily believe that the following chart sets out the estimated funded position for the DB Component as of the Estimate Date on a wind up basis as well as the Transfer Ratio:

Wind up Funding Deficit	Transfer Ratio
\$1,680,400	90.8%

20. Despite the provisional wind up funding deficit set out above, I am informed by Luchies and do verily believe that Inscape's contribution obligations continue to be governed by the Conversion Addendum, which provides that Inscape does not need to make any payments in respect of the DB Component until at least the filing of the next valuation which must be prepared as of no later than April 2, 2025, and filed within six months of the effective date.

Status of Conversion Amendment Application to FSRA

21. On May 31, 2022, Inscape made application to FSRA for approval of the Conversion, and has now filed the Conversion Valuation and Addendum in support of that application. FSRA has not yet registered (approved) the Conversion. I am informed by Luchies and do verily believe that Inscape is required to administer the DC Converted Union Plan in accordance with the plan documents as filed with FSRA, pending registration of the Conversion by FSRA. I am not aware of any reason why FSRA will not register the Conversion upon completion of its review processes.

Post Conversion Status of the DC Converted Union Plan

22. As of April 2, 2022, the DB Component has beneficiaries, summarized by category of beneficiary, as follows:

Active Members	Retired Members	Deferred Members	Total Members
0	69	69	138

23. In addition, there were 11 payments-in-transit which occurred subsequent to April 2, 2022.

24. Subsequent to the DB Conversion Date, under the terms of the DC Component, contributions are as follows:

- a) DC Converted Union Plan members each contribute 5% of pensionable earnings; and
- b) Inscape contributes 5% of pensionable earnings up to the year's maximum pensionable earnings ("YMPE"), plus 2.5% of pensionable earnings above the YMPE on behalf of DC Converted Union Plan members.

25. As of December 31, 2022, the DC Component has beneficiaries, summarized by category of beneficiary,² as follows:

Active Members	Retired Members	Deferred Members	Total Members
80	0	3	83

Status of the DC Non-Union Plan

26. Under the terms of the DC Non-Union Plan, contributions are as follows:

- a) DC Non-Union Plan members contribute 3% of pensionable earnings up to the YMPE, plus 5% of pensionable earnings above the YMPE; and
- b) Inscape contributes 3% of pensionable earnings up to the YMPE, plus 2.5% of pensionable earnings above the YMPE on behalf of DC Non-Union Plan members.

² There is some duplication due to DB Employees who retain entitlements in the DB Component and also have entitlements in the DC Component

27. As of December 31, 2022, the DC Non-Union Plan has beneficiaries, summarized by category of member as follows:

Active Members	Retired Members	Deferred Members	Total Members
65	0	26	91

US Frozen DB Plan

28. As administrator of the US Frozen DB Plan, Inscape NY causes periodic actuarial valuations of the US Frozen DB Plan to be carried out by Standard Retirement Services, Inc., the actuarial firm retained by Inscape NY for the US Frozen DB Plan. Standard Retirement Services, Inc. prepared a valuation (the “**2021 Valuation**”) for the US Frozen DB Plan as of July 1, 2021 (the “**Valuation Date**”). Philip A. Oreto (“**Oreto**”) of Standard Retirement Services, Inc. is the actuary with responsibility for the preparation of valuations for the US Frozen DB Plan, including the 2021 Valuation.

29. I am informed by Oreto and do verily believe that the 2021 Valuation sets out the funded position of the US Frozen DB Plan as of the Valuation Date and the resulting contribution obligations of Inscape NY. As of the Valuation Date, the US Frozen DB Plan was 106.9% funded on a going concern basis and 87% funded on a wind-up basis. At this time, there are no contributions required from Inscape NY in respect of the US Frozen DB Plan. The next valuation in respect of the US Frozen DB Plan must be prepared as of July 1, 2022 and will be filed on or before June 30, 2023.

30. I am further informed by Oreto and do verily believe that the funding estimates contained in the 2021 Valuation are based on asset information, membership data, assumptions, methods, and plan provisions disclosed in the 2021 Valuation. The 2021 Valuation may differ materially from the actual cost of settling the obligations of the US Frozen DB Plan. Material variations may arise due to a number of factors, including performance of the investment markets, fluctuations in certain interest rates, fluctuations in annuity prices, employee elections, and changes in membership subsequent to the Valuation Date.

31. Inscape has received more recent estimates (the “**2023 Estimates**”) from the actuary as of January 1, 2023 (the “**US DB Estimate Date**”) regarding the funded positions of the US Frozen

DB Plan on a wind up basis. I am informed by Oreto and do verily believe that the 2023 Estimates are based on an extrapolation of the liabilities from the 2021 Valuation and updated asset values and discount rates as of the US DB Estimate Date, but without consideration of any changes in member demographic data. The 2023 Estimates are order of magnitude estimates only and may differ materially from the funding positions that would result from a full actuarial valuation performed as of the US DB Estimate Date or from the actual cost of settling the obligations of the US Frozen DB Plan in the event of actual plan wind-up. Material variations may arise due to a number of factors, including performance of the investment markets, fluctuations in certain interest rates, employee elections, and changes in membership subsequent to the US DB Estimate Date.

32. Subject to the foregoing, I am informed by Oreto and do verily believe that the US Frozen DB Plan is estimated to be between 84.2% and 88.2% funded on a wind up basis as of the US DB Estimate Date with an estimated wind up funding deficit of US\$500,000 to US\$700,000.

33. As of the Valuation Date, the US Frozen DB Plan has beneficiaries, summarized by category of beneficiary, as follows:

Active Members	Disabled Members	Retired & Beneficiaries	Vested Terminated Members	Total Participants
18	2	56	19	95

Status of the US 401(k) Plan

34. Under the terms of the US 401(k) Plan, Inscape NY and US 401(k) Plan members may contribute amounts from 1% of compensation to a maximum of US\$22,500 with an additional US\$7,500 if age 50 or over. Inscape NY contributes an amount equal to employee contributions up to 3% of compensation and one half of member contributions between 3% and 5% of compensation.

35. As of June 30, 2021, the US 401(k) Plan has beneficiaries, summarized by category of beneficiary, as follows:

Active Members	Inactive Members	Total Members
76	39	115

Intention to continue funding of current service costs for the DC Plans

36. Under the terms of the DC Plans, a beneficiary is entitled to the balance in the beneficiary's individual account at the relevant time – retirement, termination of employment or death. As a result, there cannot be deficits or special payments that arise in relation to the DC Plans. The financial obligation of the Inscope Group in respect of the DC Plans is to make current service contributions as required under the terms of the DC Plans.

37. Subject to sufficient cash flow, and any wind-up of the DC Plans, Inscope's current intention is to continue to fund current service contributions due in respect of service arising under the terms of the DC Plans before, on and after the date of the Order sought in this proceeding for the duration of the initial stay period.

**This is Exhibit “H” referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 11th day of January, 2023**

DocuSigned by:

Monica Fabeim

A COMMISSIONER FOR TAKING AFFIDAVITS

LEASE
(INDUSTRIAL)

BETWEEN

CEDAR CITY PARADISE TOLL RD INC.
- and -

INSCAPE CORPORATION

TABLE OF CONTENTS

ARTICLE 1 – DEMISE, TERM & DEFINED TERMS 1

 1.1 Premises 1

 1.2 Use of Common Areas 1

 1.3 Term 1

 1.4 Acceptance of Premises 1

 1.5 Quiet Enjoyment 1

ARTICLE 2 - RENT 2

 2.1 Intent of Lease 2

 2.2 Basic Rent 2

 2.3 Calculation of Basic Rent 2

 2.4 Additional Rent 3

 2.5 Deposit 3

 2.6 Payments to Landlord 3

 2.7 Overdue Rent 3

 2.8 No Set-Off 3

 2.9 Review of Tenant’s Financial Statements 3

ARTICLE 3 - TAXES 4

 3.1 Taxes Payable by Tenant 4

 3.2 Tenant’s Business and Other Taxes 4

ARTICLE 4 - OPERATING COSTS 5

 4.1 Tenant’s Covenant to Pay Operating Costs 5

 4.2 Payment of Operating Costs 5

ARTICLE 5 - UTILITIES 5

 5.1 Utility Charges 5

 5.2 Heating 5

 5.3 Service Contracts 5

ARTICLE 6 - MAINTENANCE & REPAIR 6

 6.1 Maintenance and Repair 6

 6.2 Alterations 7

 6.3 Notice of Accidents 8

 6.4 Construction Liens 8

 6.5 Removal of Fixtures and Improvements 8

 6.6 Repair on Termination 9

ARTICLE 7 - ASSIGNING & SUBLETTING 10

 7.1 Assigning or Subletting 10

 7.2 Change of Control 11

 7.3 Non-Consent Transfers 12

 7.4 Mortgage of Leasehold 13

 7.5 Advertising Premises 13

 7.6 Disposition by Landlord 13

 7.7 Roof of Leased Premises 13

ARTICLE 8 - USE 13

 8.1 Use of Leased Premises 13

 8.2 Rules and Regulations 13

 8.3 Observance of Law 14

 8.4 Waste and Nuisance 14

 8.5 Exterior Walls 14

 8.6 Signs 14

 8.7 Overloading Floors 14

 8.8 Plumbing Fixtures 15

 8.9 Outside Storage 15

 8.10 Environmental 15

 8.11 Covenants 16

ARTICLE 9 INSURANCE AND INDEMNITY 18

 9.1 Tenant’s Insurance 18

 9.2 Landlord’s Insurance 19

 9.3 Not to Affect Landlord’s Insurance 19

 9.4 Limit of Landlord’s Liability 19

 9.5 Limit of Tenant’s Liability 20

 9.6 No Consequential Damages 20

9.7 Mutual Release.....20

9.8 Mutual Indemnity.....20

ARTICLE 10 - DAMAGE AND DESTRUCTION20

10.1 Abatement of Rent20

10.2 Termination.....21

ARTICLE 11 - DEFAULT21

11.1 Events of Default21

11.2 Right of Re-entry22

11.3 Reletting.....23

11.4 Distress.....23

11.5 Right of Landlord to Cure Defaults23

11.6 Remedies Not Exclusive23

11.7 Non-Waiver.....24

11.8 Recovery of Adjustments.....24

ARTICLE 12 - SUBORDINATION & ACKNOWLEDGEMENTS24

12.1 Mortgages24

12.2 Certificates25

ARTICLE 13 - ACCESS BY LANDLORD.....25

13.1 Exhibiting Leased Premises.....25

13.2 Expansion, Alteration25

ARTICLE 14 - MISCELLANEOUS26

14.1 Notice.....26

14.2 Registration.....26

14.3 Planning Act.....26

14.4 Obligations as Covenants.....27

14.5 Severability27

14.6 Unavoidable Delays27

14.7 Evidence of Payments.....27

14.8 Demolition/ Substantial Renovation.....27

14.9 Overholding27

14.10 Intentionally Deleted.....27

14.11 Time of Essence.....27

14.12 Law27

14.13 Captions/Headings27

14.14 Joint and Several Liability27

14.15 Intentionally Deleted.....28

14.16 Intentionally Deleted.....28

14.17 Easements28

14.18 Entire Agreement.....28

14.19 Effect of Lease28

14.20 Extension of Term.....28

14.21 Tenant Self-Help.....29

14.22 Counterparts.....30

SCHEDULES

- SCHEDULE "A" - Legal Description
- SCHEDULE "B" – Definitions
- SCHEDULE "C" – Rules and Regulations
- SCHEDULE "D" – Furniture, Fixtures and Equipment

LEASE

THIS INDENTURE made as of the 24th day of January, 2022

B E T W E E N:

**CEDAR CITY PARADISE TOLL RD
INC.**

(hereinafter called the "**Landlord**")

OF THE FIRST PART

- and -

INSCAPE CORPORATION

(hereinafter called the "**Tenant**")

OF THE SECOND PART

ARTICLE 1 – DEMISE, TERM & DEFINED TERMS

1.1 Premises

WITNESSETH that in consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord does demise and lease unto the Tenant and the Tenant leases from the Landlord, the Leased Premises.

1.2 Use of Common Areas

The use and occupation by the Tenant of the Leased Premises includes the exclusive right of the Tenant, its employees, agents and invitees and persons having business with the Tenant, in common with the Landlord, to use the common areas on the Lands including the driveways, sidewalks and entrances; it being agreed, however, that Landlord’s right to use such common areas shall be solely limited to the performance of any of its maintenance, repair or replacement obligations or other access rights, in all cases, expressly set out in this Lease.

1.3 Term

To have and to hold the Leased Premises for and during the term of ten (10) years commencing on the 24th day of January, 2022 (the "Commencement Date") and ending on the 23rd day of January, 2032, subject to the provisions of Section 14.20 hereof.

1.4 Acceptance of Premises

The Tenant hereby accepts the Leased Premises and any existing leasehold improvements in an as is condition.

1.5 Quiet Enjoyment

If the Tenant pays the Rent hereby reserved and observes and performs the covenants on its part contained in this Lease, then the Tenant may peaceably possess and enjoy the Leased Premises for the Term hereby granted without disturbance from the Landlord or any other party lawfully claiming by, from or under the Landlord.

1.6 Defined Terms

Defined terms used herein and not otherwise defined herein are set out in Schedule “B” annexed

- 2 -

hereto.

ARTICLE 2 - RENT

2.1 Intent of Lease

The Tenant acknowledges that it is intended and agreed that this Lease is a completely carefree net lease for the Landlord except as expressly hereinafter set out and it is the mutual intention of the parties hereto that the Basic Rent herein provided to be paid shall be net to the Landlord clear of all taxes, costs, charges, expenses and outlays arising from or relating to the Leased Premises and that the Tenant shall be responsible for certain costs relating to the operation, maintenance and repair of the Leased Premises (save only as otherwise specifically set out in this Lease), including, and without limiting the generality of the foregoing, the Taxes and Operating Costs and all taxes, costs, charges, expenses and outlays of any nature or kind whatsoever relating to the Leased Premises, the use and occupancy thereof, the contents thereof and the business carried on therein, in all cases, except as otherwise expressly provided herein. Notwithstanding anything herein to the contrary, charges of a kind personal to the Landlord such as, without limitation, taxes assessed upon the income of the Landlord and principal and interest payments to be made by the Landlord in satisfaction of mortgages now or hereafter registered against the Leased Premises, inheritance or succession taxes, capital levy, corporation capital tax, large corporations tax, gross or net income taxes, transfer taxes, gift tax and franchise tax, penalties, payroll taxes, and gross receipts taxes, shall not be the responsibility or obligation of the Tenant.

2.2 Basic Rent

(a) Subject to paragraph (b) below, yielding and paying therefor yearly and every year during the Term unto the Landlord as Basic Rent for the Leased Premises the sum of \$2,077,081.27 in lawful money of Canada to be paid in advance in equal consecutive monthly instalments of One Hundred and Seventy Three Thousand and Ninety Dollars and Eleven Cents (\$173,090.11) on the first day of each and every month during the Term, the first of such payments to be made on the Commencement Date. If the Term commences on any day other than the first or ends on any day other than the last day of a month, then Basic Rent for the fractions of a month at the commencement and at the end of the Term shall be adjusted pro rata on a per diem basis. On each anniversary of the first day of the month in which the Commencement Date occurs, the Basic Rent shall increase by two and one half percent (2.5%).

(b) So long as the Tenant is not in default under the terms of this Lease (continuing beyond applicable notice and cure periods), the Tenant shall not be obligated to pay Basic Rent under Section 2.2(a) of this Lease for the first three (3) months from and including the Commencement Date (the "Basic Rent Free Period"), provided that during the Basic Rent Free Period, the Tenant shall be bound by all of the other terms, covenants and conditions contained in this Lease, including without limitation, the obligation to pay all Additional Rent due and payable under this Lease. However, if this Lease is disclaimed pursuant to Section 65.2(1) of the Bankruptcy and Insolvency Act, as amended or replaced from time to time (the "Act"), then for the purposes of Section 65.2(4) of the Act, the Tenant's obligation to pay Basic Rent for the whole of the Basic Rent Free Period will be deemed to have been reinstated effective as of the day before the effective date of the disclaimer of this Lease to the intent that this Lease shall be read so that Basic Rent was payable under this Lease for the entire Term.

2.3 Calculation of Basic Rent

The Basic Rent is calculated on the basis of the Rentable Area of the Building being 313,002 square feet multiplied by \$6.636 per square foot per annum. On each anniversary of the first day of the month in which the Commencement Date occurs, the Basic Rent rate shall increase by two and one half percent (2.5%). The Landlord's Architect's certificate regarding the measurement of the Rentable Area of the Building shall be conclusive and binding upon the Tenant so long as same is provided to Tenant on or before the Commencement Date, unless Tenant or Tenant's independent architect is able to demonstrate within sixty (60) days of receipt of such certificate that such measurement is in error. Notwithstanding anything herein to the contrary, the parties agree there shall be no remeasurement of the Leased Premises during the Term hereof.

- 3 -

2.4 Additional Rent

The Tenant shall pay Additional Rent due and owing to the Landlord within twenty (20) days of written demand therefor (accompanied by reasonable supporting documentation) or as otherwise hereinafter expressly set out.

2.5 Deposit

The Landlord acknowledges receipt of Two Million Five Hundred Thousand Dollars (\$2,500,000) (the "Deposit") to be held by the Landlord as security for the full and faithful performance by the Tenant of all the agreements, terms, covenants and conditions herein set forth and applied against expenses or other costs or damages incurred by the Landlord in the case of Tenant's default hereunder, continuing beyond applicable notice and cure periods, without prejudice to any further claims by the Landlord for damages and/or any remedy for recovery thereof. Provided that there is no Event of Default, the Deposit shall be reduced no later than the day immediately preceding the fifth (5th) anniversary of the Commencement Date to One Million Five Hundred Thousand Dollars (\$1,500,000) and Landlord shall deliver to Tenant a cheque in the amount of the portion of the Deposit (i.e., \$1,000,000) no later than such day. Provided that there is no Event of Default, the Deposit shall continue to be further reduced by Two Hundred Thousand Dollars (\$200,000) per Year commencing on the sixth (6th) anniversary of the Commencement Date, and thereafter on each anniversary of the Commencement Date occurring during the Term, and Landlord shall deliver to Tenant a cheque in the amount of \$200,000 on or before the first (1st) day of each month in which each such anniversary of the Commencement Date shall occur; provided that at no time shall the Deposit held by the Landlord be less than the greater of (i) Five Hundred Thousand Dollars (\$500,000), and (ii) the amount of the next two (2) months' Rent payable herein. In the event the Tenant observes and performs the terms and conditions on its part under this Lease, the balance of the Deposit shall be returned to the Tenant within thirty (30) days' after the expiry of the Term of this Lease.

2.6 Payments to Landlord

All payments to be made by the Tenant to the Landlord under this Lease shall be made at the address hereinafter designated or, at such other place or places as the Landlord may designate in writing, or to such agent of the Landlord as the Landlord may from time to time direct. The Landlord hereby directs all cheques and other payments to be made out to **Cedar City Paradise Toll Rd Inc.** at the address set out in Section 14.1 herein until further notice.

2.7 Overdue Rent

The Tenant covenants to pay the Basic Rent and all other charges provided for in this Lease on their respective due dates in full. The Tenant shall pay the Landlord interest on all overdue Rent, all such interest to be calculated from the date upon which the amount is first due hereunder until actual payment thereof and at a rate being the lesser of (i) five percent (5%) per annum in excess of the minimum lending rate charged to prime commercial borrowers by the Landlord's bank from time to time; and (ii) the maximum rate permitted by law.

2.8 No Set-Off

All Rent payable by the Tenant to the Landlord shall be paid without any deduction, set-off or abatement whatsoever except as hereinafter expressly provided.

2.9 Review of Tenant's Financial Statements

If the Tenant is late in the payment of any Rent (or any part thereof) more than twice in any twelve (12) month period, then the Tenant shall, at its own cost and expense, forthwith provide the Landlord within twenty (20) days of demand therefor with audited current financial statements and such other financial records and books of account of the Tenant as may be reasonably required by the Landlord and then available so as to adequately enable it to determine to its satisfaction the financial status of the Tenant, subject in all cases to Landlord entering into Tenant's commercially reasonable form of non-disclosure agreement. Notwithstanding the foregoing, so long as the Tenant is a publicly listed entity on a stock exchange in Canada or the United States of America, the Landlord will not have any right to demand financial statements and any such other financial records and books.

- 4 -

ARTICLE 3 - TAXES

3.1 Taxes Payable by Tenant

(a) The Tenant will as Additional Rent, in each Year included in the Term as and when due, pay to the Landlord or the taxing authorities as the Landlord may direct, and discharge all Taxes against the Leased Premises or any part thereof. To the extent that Taxes are received by the Landlord from the Tenant, Landlord shall timely pay same to the taxing authority. To the extent that the Landlord receives notices of assessment Landlord shall provide same to the Tenant on a timely basis.

(b) The Tenant agrees to provide to the Landlord within ten (10) days after demand therefor by the Landlord, a copy of any separate tax bills, and separate notices of assessments for the Leased Premises in the Tenant's possession. The Tenant will, within ten (10) days of request by the Landlord, deliver to the Landlord receipts for payment of all such Taxes paid to any such authorities and will furnish such other information in connection therewith as the Landlord may reasonably require.

(c) If and whenever during the Term a tax for the support of separate schools is assessed against or in respect of the Leased Premises at the request of the Tenant, the Tenant shall pay to the Landlord the amount by which such tax exceeds that which would otherwise be payable in respect of the Leased Premises for the support of public schools.

(d) Tenant will furnish to Landlord within 15 days after request by Landlord from time to time, evidence reasonably required by Landlord confirming payment of any Taxes.

(e) If any rental Year is less than twelve (12) calendar months, the Taxes that the Tenant is required to pay under this Section 3.1 will be subject to a per diem adjustment on the basis of three hundred and sixty-five (365) days.

(f) Landlord may, at its option, require Tenant to pay Taxes to Landlord as Additional Rent in accordance with the terms of this Lease, for prompt repayment by Landlord to the relevant taxing authorities.

3.2 Tenant's Business and Other Taxes

In addition to the Taxes payable by the Tenant pursuant to Section 3.11, the Tenant shall pay to the lawful taxing authorities or to the Landlord if the Landlord so directs:

(a) all taxes, rates, duties, assessments and other charges that are levied, rated, charged or assessed against or in respect of all improvements, equipment and facilities of the Tenant on or in the Leased Premises or any part thereof; and

(b) every tax and license fee which is levied, rated, charged or assessed against or in respect of and every business carried on in the Leased Premises or in respect of the use or occupancy thereof or any part of the Lands or the Building by the Tenant and every subtenant or licensee of the Tenant or against the Landlord on account of its interest in the Leased Premises, and whether in any case, any such taxes, rates, duties, assessments or license fees are rated, charged or assessed by any federal, provincial, municipal, school or other body during the Term; and

(c) The full amount of any taxes in the nature of a business transfer tax, value added tax, sales tax or any other tax levied, rated, charged or assessed in respect of the Rent payable by the Tenant under this Lease or in respect of the rental of space under this Lease, whether characterized as a goods and services tax, sales tax, value added tax, business transfer tax or otherwise.

- 5 -

ARTICLE 4 - OPERATING COSTS

4.1 Tenant's Covenant to Pay Operating Costs

The Tenant covenants to pay to the Landlord as Additional Rent the Operating Costs for the Year during each Year of the Term in accordance with the provisions of Section 4.2.

4.2 Payment of Operating Costs

The Tenant shall pay to the Landlord monthly, on the date for payment of monthly rental instalments, as Additional Rent, an amount equal to one-twelfth (1/12) of the amount reasonably estimated by the Landlord to be the amount of the Operating Costs for such Year. The Landlord shall be entitled subsequently during such Year, upon at least fifteen (15) days' notice to the Tenant, to revise its estimate of the amount of the Operating Costs and the said monthly instalment shall be revised accordingly. All amounts received under this provision in any Year on account of the estimated amount of the Operating Costs shall be applied in reduction of the actual amount of the Operating Costs for such Year. Within a reasonable time after the end of the period for which the estimated payments have been made (and in no event later than 120 days following the end of such period), the Landlord shall deliver to the Tenant a written statement setting out in reasonable detail the actual incurred amounts of the Operating Costs for such period calculated on the basis of a calendar year. If the amount received from Tenant based on such estimates is less than the actual amount of the Operating Costs for the Year in question (as shown in such written statement), the Tenant shall pay any deficiency to the Landlord as Additional Rent within fifteen (15) days following receipt by the Tenant of notice of the amount of such deficiency. If the amount received from Tenant based on such estimates is greater than the actual amount of the Operating Costs for the Year in question (as shown in such written statement), the Landlord shall either refund the excess to the Tenant as soon as possible after such determination is made, or at the Landlord's option, shall apply such excess against any amounts owing or becoming due to the Landlord by the Tenant. The parties' obligations to reconcile Operating Costs shall survive the expiration or earlier termination of the Term.

ARTICLE 5- UTILITIES

5.1 Utility Charges

Tenant will be entitled to use the utility services (which shall include electricity, telephone, water, gas and sewer) available to the Leased Premises (along with any well water service), and covenants to pay all costs and expenses therefor, including, without limitation, the cost of utilities consumed and the cost of maintenance, repair and replacement of any equipment, ducts, pipes and other facilities used in the supply or provision of such utilities, subject, however, to the provisions of Article 6 hereof and Section (n) of Schedule "B" annexed hereto relating to Operating Costs. Tenant will further be responsible for the replacement and lawful disposal of, at its own expense, all electric light bulbs, tubes or ballasts serving or forming part of the said equipment.

In no event shall the Landlord be liable for any injury to the Tenant, its servants, agents, employees, customers or invitees or to any property of the Tenant or to any property of any other person, firm or corporation on or about the Leased Premises caused by an interruption or failure in the supply of any such utilities to the Leased Premises, except to the extent caused by, or resulting from, the negligence or wilful misconduct of Landlord or any of its agents, servants, employees or contractors.

5.2 Heating

The Tenant covenants and agrees to heat the Leased Premises at its own expense to a reasonable temperature to prevent the occurrence of any damage to the Leased Premises and/or the Building, by cold or frost.

5.3 Service Contracts

The Tenant covenants and agrees to take out a standard servicing contract with a capable and reputable company for the service and maintenance of the heating units and furnaces and air-conditioning equipment serving the Leased Premises, such contract to include the monthly cleaning of exchangers

- 6 -

and replacement of filters, and to keep such contract in force at its own cost throughout the Term. The Tenant agrees to provide the Landlord with a copy of such servicing contract. As of the date hereof, Tenant has provided Landlord copies of all existing service contracts with respect to the Leased Premises, Landlord acknowledges receipt of the same and hereby approves the same.

ARTICLE 6 - MAINTENANCE & REPAIR

6.1 Maintenance and Repair

(a) Maintenance and Repair by the Tenant – Except as otherwise Landlord's responsibility pursuant to the provisions of Section 6.1(b) below, the Tenant shall at its own cost repair, replace and maintain and keep the Leased Premises and every part thereof, including without limitation, the Leasehold Improvements, the Building Systems (as hereinafter defined), fixtures and furnishings (whether or not installed or furnished by the Tenant, but specifically excluding Landlord's obligations set out below in Section 6.2 as to Building Structure and Building Systems, as such terms are hereinafter defined), in good and substantial repair and condition consistent with Tenant's Standard Procedures (as hereinafter defined), excluding only reasonable wear and tear and any repair, maintenance and replacements that are expressly the responsibility of Landlord pursuant to Section 6.1(b) below; it being agreed, however, that any such repair, replacement or maintenance work that is required by reason of any negligence, default or wilful misconduct of Landlord or any of its agents, servants, contractors or employees shall be performed by Landlord in a prompt manner at Landlord's sole cost and expense. The Tenant agrees that, upon no less than 24 hours' prior written notice to Tenant (except in the case of an emergency, in which case no such notice is required), the Landlord may enter and view the state of repair and condition of the Leased Premises and that the Tenant shall repair in accordance with notice in writing from the Landlord indicating in detail Tenant's failure to abide by the particular provisions of this Lease; provided that (I) Landlord shall use commercially reasonable efforts to minimize interference with Tenant's business operation in the Leased Premises and (II) if the Tenant neglects to so maintain or to make such repairs or replacements within thirty (30) days after notice, the Landlord may, at its option, do such maintenance or make such repairs or replacements at the expense of the Tenant together with an administration fee of fifteen percent (15%) of such costs, and in any and every such case the Tenant covenants with the Landlord to pay to the Landlord within ten (10) days of receipt of a detailed invoice therefor, as Additional Rent, all reasonable sums which the Landlord may have expended in doing such maintenance and making such repairs and/or replacements; provided further that the doing of such maintenance or the making of any such repairs or replacements by the Landlord shall not relieve the Tenant from its obligation to maintain, repair and replace. Tenant shall be responsible, at its sole cost and expense, in accordance with Tenant's Standard Procedures, for landscaping and snow plowing the Leased Premises during the Term. The Tenant shall also be required to undertake any maintenance, repair or alteration required by any Governmental Authority having jurisdiction with respect to the items for which Tenant is responsible pursuant to this Section 6.1(a), provided that if the Tenant fails to effect such maintenance, repair or alteration within a reasonable time, the Landlord, upon prior written notice to Tenant, may do so and recover the cost thereof as part of Operating Costs. For the avoidance of doubt, if a Governmental Authority shall require such maintenance, repair or alterations with respect to items for which Landlord is responsible pursuant to Section 6.1(b) below, Landlord shall be responsible for such required maintenance, repair or alterations.

For the purposes of this Lease, "**Tenant's Standard Procedures**" shall mean the manner and standards of operation, repair, maintenance, and management of the Leased Premises which are consistent with Tenant's past protocols related to the same existing prior to the date hereof during which time Tenant was the owner of the Leased Premises.

(b) Maintenance, Replacement and Repair by the Landlord - The Landlord shall, as a prudent owner would do as and when required, (I) replace the Building Systems and repair, maintain and replace the Building Structure and (II) perform major repairs and replacements of all parking areas (including, in connection with such replacement, line painting on such areas) located on the Lands, in each case, the cost of which will be recovered as Operating Costs, to the extent permitted pursuant to the provisions of Section (n) of Schedule "B" annexed hereto. If, however, the Landlord is required to maintain, repair or replace the Building Structure by reason of the willful misconduct, default or negligence of

- 7 -

the Tenant, its agents, contractors, employees, servants, licensees, subtenants, concessionaires, invitees or others for whom the Tenant is in law responsible, the Tenant shall pay on demand as Additional Rent, the Landlord's costs for making such maintenance, repairs or replacements, together with an administration fee of fifteen percent (15%) of such costs.

(c) Before making any required major repairs or replacements to the Building Structure and/or Building Systems, Landlord shall provide prior written notice to Tenant and the parties shall reasonably cooperate with each other to agree on the terms and timing of such work. If there is any dispute between the parties as to whether or not any such replacement to the Building Systems is required, Landlord shall have the right to appoint its own independent Building Systems consultant, which shall be acceptable to Tenant, acting reasonably, to advise on whether or not such replacement is appropriate and the decision of such consultant shall be binding on the parties. Landlord agrees to use Dantech Building Technologies Inc. or any other roofing contractor acceptable to Tenant, acting reasonably, in connection with any repairs or replacements to the roof of the Building.

(d) For the purposes hereof, (I) "**Building Systems**" means the heating, ventilating and air-conditioning equipment serving the Building (whether within or outside of the Building), fire suppression and sprinklers systems, lighting systems, electrical systems plumbing and septic systems and any other mechanical systems serving the Leased Premises; and (II) "**Building Structure**": means all portions of the Building's roof (including without limitation the roof membrane), roof structures, supports and walkpads, the foundation, footings and structural supports, exterior and load bearing walls, support beams and columns, concrete floor slab, and exterior windows of the Leased Premises, including gutters, downspouts, and exterior doors.

6.2 Alterations

The Tenant will not make any installations, alterations, additions, partitions, repairs or improvements (collectively "Alterations") to the Leased Premises without the Landlord's prior written approval, which will not be unreasonably withheld, conditioned or delayed if: (i) adequate plans and specifications are produced; and (ii) the Tenant has obtained all requisite governmental approvals. If Tenant requests in writing for Landlord to effect Alterations on Tenant's behalf, and if the Landlord agrees to effect such Alterations at the Tenant's request, the Tenant will pay to the Landlord, within twenty (20) days of demand therefor, all reasonable costs incurred by the Landlord in connection with the performance of such work, including architectural and engineering consultant's fees, plus 12.5% calculated on the cost of the Alterations on account of the Landlord's overhead and administration costs. The Tenant shall ensure that the changes required by the Landlord, acting reasonably, to such plans and specifications are incorporated therein and the Tenant shall then resubmit them to the Landlord for approval, which approval shall not be unreasonably withheld, conditioned or delayed. The Tenant shall pay, as Additional Rent, within thirty (30) days following the receipt of an invoice from the Landlord, all of the reasonable and out-of-pocket costs incurred by the Landlord for the analysis and approval of the plans and specifications. Landlord's consent for any proposed Alteration by Tenant (along with any plans and specifications with respect thereto) shall be given or withheld by Landlord within thirty (30) days of Tenant's request therefor (it being agreed that if Landlord shall withhold its consent therefor, it shall provide Tenant with reasonable details as to the reason it is withholding its consent).

Notwithstanding anything herein to the contrary, (I) Tenant shall be permitted to perform non-structural Alterations to the Leased Premises that do not affect the Building Systems, do not require a building permit, and cost less than, in the aggregate, \$50,000 per project, without Landlord's consent and (II) Landlord shall not charge Tenant any supervision fees in connection with any Alterations performed by or on behalf of Tenant and Tenant shall be permitted to use non-union labour for any Alterations.

All Alterations will be performed: (i) by competent workers; (ii) in a good and skillful manner; and (iii) in accordance with the approved plans and specifications and the Landlord's reasonable requirements. All open building permits in connection with any Alterations shall be closed by the Tenant to the satisfaction of the Landlord.

The Landlord may require that any Alterations to the Leased Premises be performed by the Landlord at the Tenant's cost if they adversely affect the Building Structure or base Building Systems of the

- 8 -

Leased Premises. In such case, the Tenant will pay to the Landlord, within twenty (20) days of demand therefor, the Landlord's reasonable costs of such Alterations, including architectural and engineering consultants' fees, plus 12.5%.

If any part of the Building requires repairs, replacement or alteration because of the negligence or wilful misconduct or default under the provisions of this Lease by the Tenant or its officers, directors, agents, employees, contractors, invitees or licensees then the Tenant will pay to the Landlord, on demand, the Landlord's cost of repairs, replacements or alterations, plus 15% calculated on said costs.

The Tenant shall be entitled to install equipment upon, or perform Alterations to, the roof of the Building in accordance with Tenant's Standard Procedures, subject to obtaining the prior written consent thereto by the Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Tenant shall be permitted to use Dantech Building Technologies Inc. as the roofing contractor for any such installations or Alterations. Landlord hereby approves any current installation on such roof existing as of the date hereof. Tenant shall not take any actions that would void Landlord's roof warranties. Landlord shall not install or cause the installation of any roof installations without the prior written consent of Tenant, such consent not to be unreasonably withheld, conditioned or delayed; it being agreed that Tenant shall be permitted to withhold such consent if Landlord's proposed installations to the roof may impede Tenant's business operations in any manner. The parties hereto agree to reasonably cooperate and coordinate any such work on the roof of the Building.

6.3 Notice of Accidents

The Tenant shall notify the Landlord promptly and in writing of any accident or damages to or defect in the Leased Premises, the Building, or any part thereof including, without limitation, the heating, ventilating and air conditioning apparatus, water and gas pipes, telephone lines, electrical apparatus or other building services of which it is aware or ought to have been aware.

6.4 Construction Liens

The Tenant covenants to pay promptly all its contractors and material men and do any and all things necessary to minimize the possibility of a lien attaching to the Leased Premises or to any part of the Building or the Lands and, should any such lien be made or filed, the Tenant shall discharge the same forthwith (after notice thereof is given to the Tenant) at the Tenant's expense. In the event the Tenant shall fail to cause any such lien to be discharged as aforesaid, then, in addition to any other right or remedy of the Landlord, the Landlord may, but it shall not be so obligated, discharge same by paying the amount claimed to be due into Court and the amount so paid by the Landlord and all costs and expenses including but not limited to reasonable solicitor's fees (on a solicitor and client basis), incurred for the discharge of such lien shall be due and payable by the Tenant to the Landlord as Additional Rent on demand.

6.5 Removal of Fixtures and Improvements

Leasehold Improvements shall immediately become the property of the Landlord upon affixation or installation without compensation therefor to the Tenant but the Landlord is under no obligation to repair, maintain or insure Leasehold Improvements. Leasehold Improvements shall not be removed from the Leased Premises either during or at the expiration or earlier termination of the Term; it being agreed that Tenant shall have no obligation to remove any such Leasehold Improvements at the end of the Term. The Tenant may, during the Term, remove its Furniture, Fixtures and Equipment in the ordinary course of its business, provided that the Tenant is not in default under this Lease (continuing beyond applicable notice and cure periods). The Tenant shall at the expiration or earlier termination of the Term remove its Furniture, Fixtures and Equipment as the Landlord may require or as Tenant may elect (in its sole and absolute discretion). Any removal of Leasehold Improvements and/or the Tenant's Furniture, Fixtures and Equipment shall be done at the Tenant's sole cost and expense and the Tenant shall forthwith repair at its own cost any damage caused to the Leased Premises or the Building or any part thereof by the installation or removal of Leasehold Improvements and/or Furniture, Fixtures and Equipment. If the Tenant does not remove its Furniture, Fixtures and Equipment at the expiration or earlier termination of the Term, then the Furniture, Fixtures and Equipment shall, at the option of the Landlord, become the property of the Landlord and may be removed from the Leased Premises and/or sold or otherwise disposed of by the Landlord in such manner as it deems advisable. The obligations of the Tenant set forth in this Section shall survive the

- 9 -

expiry or other termination of the Term.

6.6 Repair on Termination

At the expiration or sooner termination of the Term the Tenant shall, at its own expense:

(a) deliver up possession of the Leased Premises to the Landlord in the same condition in which the Tenant is required under this Lease to repair and maintain the Leased Premises, reasonable wear and tear and damage by casualty excepted, together with all Leasehold Improvements which the Tenant is required or permitted to leave therein or thereon free and clear of all encumbrances and in a broom clean condition and to deliver to the Landlord all keys and security devices;

(b) Pull back all cabling and wiring up to the ceiling of the Building and deactivate the same with respect to the cabling and wiring solely contained within the factory portion of the Building (but for the avoidance of doubt, Tenant shall not be required to remove or pull back any cabling or wiring contained within the office portion of the Building);

(c) Shear off and ground down to floor level any portions of the Building floor following removal of any bolted machinery therefrom and top up with new concrete to floor grade any portions of the Building floor upon removal of machinery that is inset below floor grade;

(d) Remove cure oven from roof of the Building, however Tenant shall leave any cure oven structural casing so that the roof is left intact;

(e) remove any and all materials which may be deemed by any applicable legislation as contaminated or hazardous and which have been brought onto the Leased Premises by or on behalf of the Tenant from and after the Commencement Date or which are a result of the Tenant's use or occupation of the Leased Premises during the Term, and clean up any and all resultant contamination in compliance with all Applicable Laws and regulations, in all cases, excluding any Pre-Existing Hazardous Condition (as hereinafter defined) and otherwise subject to the provisions of Section 8.11 hereof;

(f) remove from the Leased Premises at the option of the Landlord, in compliance with all Applicable Laws and regulations, any and all storage and/or holding tanks (whether above or below ground) installed by or on behalf of the Tenant; and

(g) Remove, at its sole cost and expense, all pits and trenches located in the Leased Premises, including any pits located on the floor area of the Building, and will fill them with concrete after such removal, subject to the following conditions:

- (i) Tenant will have the right, at its sole cost and expense, to remove the pits at any time during the Term in the regular course of its business, including, without limitation, in connection with any paint line consolidations, plant downsizing and/or Transfer in accordance with the provisions hereof of portions of the Leased Premises;
- (ii) If the pits have not been so removed during the Term, Tenant will be required to perform such removal of the pits prior to the end of the Term as a surrender obligation;
- (iii) Notwithstanding paragraph (ii) above, if Landlord intends to demolish or substantially redevelop the Building, Landlord shall provide written notice thereof to Tenant no later than eight (8) months prior to the expiration of the Term and in such case Tenant shall not be required to perform such removal of the pits. If Landlord does not provide such notice and Tenant shall remove the pits in accordance with the foregoing clause (ii), and thereafter Landlord nonetheless demolishes or substantially redevelops the Building within one year following the

- 10 -

expiration of the Term, then Landlord shall reimburse Tenant for all costs and expenses it incurred in connection with such removal of the pits and filling of the same. This provision must survive the expiration of the Term.

Notwithstanding anything to the contrary contained herein, Tenant shall have no obligation to remove any piping from the Leased Premises upon the expiration or earlier termination of the Term.

The covenants contained in this Section shall survive the expiry or other termination of the Term.

ARTICLE 7 - ASSIGNING & SUBLETTING

7.1 Assigning or Subletting

(a) The Tenant shall not assign this Lease or sublet or franchise, license, grant concessions in, or otherwise part with or share possession of the Leased Premises, or any part thereof, (each of the foregoing hereinafter referred to as a "Transfer") without the prior written consent of the Landlord, such consent not to be unreasonably withheld, conditioned or delayed and shall be given or withheld within thirty (30) days of Landlord's receipt of Tenant's request to Transfer along with the required information (as hereinafter defined); it being agreed that if Landlord shall withhold its consent to a proposed Transfer, it shall provide a reasonably detailed explanation as to why such consent was withheld. At the time the Tenant requests such consent the Tenant shall deliver to the Landlord such information in writing (the "required information") as the Landlord may reasonably require, including, without limitation, a copy of the proposed offer or agreement, if any, to Transfer and the name, address and nature of business and evidence as to the financial strength of the proposed assignee or subtenant or other user (any of the foregoing hereinafter referred to as a "Transferee"). The Landlord will be deemed to be reasonable in withholding its consent to any Transfer if, among other reasons, it is determined by Landlord, acting reasonably, that:

- (i) intentionally deleted;
- (ii) intentionally deleted;
- (iii) (1) the financial background, business history and capability of the Transferee is unsatisfactory; (2) the Transferee may not be able to pay the Rent in full when due and payable; or (3) the nature or character of the proposed business of the Transferee is such that it might harm the Landlord's business or reputation or reflect unfavorably on the whole or any part of the Building, the Landlord, or is unethical, immoral or illegal;
- (iv) the Transfer is a mortgage, charge or debenture in respect of this Lease or the Leased Premises; or
- (v) the Landlord does not receive sufficient information from the Tenant or the Transferee to enable it reasonably to make a determination concerning the matters set out above.

Notwithstanding anything else herein contained, in no event shall (I) any Transfer of this Lease release or relieve the Tenant in any regard whatsoever from any of its obligations or liabilities under or in respect of this Lease and (II) Landlord have any recapture rights or profit sharing rights in connection with any Transfer.

PROVIDED however, and it is made a condition to any Transfer that:

- (i) The proposed Transferee of this Lease shall agree in writing to the Landlord to assume and perform all of the terms, covenants, conditions and agreements by this Lease imposed upon the Tenant herein (and in the case of a partial sublease, such assumption shall be to the extent applicable to the partial sublease) in a form to be reasonably approved by the solicitor for the Landlord and the Tenant;

- 11 -

- (ii) The Transferee shall also waive any rights which it may have at common law in respect of relief from forfeiture and any rights it may have pursuant to Sections 21 and 39 (2) of the *Commercial Tenancies Act* (Ontario), as amended from time to time;
- (iii) The Tenant shall pay the Landlord its administration fee (not to exceed \$1,500 per Transfer) and all reasonable out-of-pocket legal fees in connection with the Transfer and consideration of consent;
- (iv) The consent of the Landlord is not a waiver of the requirement of the Landlord's consent for subsequent Transfers;
- (v) The acceptance by the Landlord of Rent from a Transferee without the Landlord's consent shall not constitute a waiver of the requirement of such consent nor shall it constitute an acceptance of such party as the Tenant;
- (vi) intentionally deleted;
- (vii) intentionally deleted;
- (viii) Intentionally deleted;
- (ix) If the Transfer of the Leased Premises does not take place within ninety (90) days of the giving of consent by the Landlord the consent shall, at the Landlord's option, expire and become null and void; and
- (x) If the Lease is disaffirmed, disclaimed or terminated by any trustee in bankruptcy of a Transferee, the original Tenant named in this Lease will be deemed on notice from the Landlord given within sixty (60) days from the date of such disaffirmation, disclaimer or termination to have entered into a Lease with the Landlord containing the same terms and conditions as in this Lease.

(b) If a Transfer occurs without the consent of the Landlord when required, the Landlord may collect Rent from the party in whose favour the Transfer was made and apply the net amount collected to the Rent herein reserved but no such Transfer will be considered a waiver of this covenant or the acceptance of the party in whose favour the Transfer was made as a tenant hereunder.

(c) The Landlord shall not be liable for any claims or actions by or for any damages, liabilities, losses or expenses of the Tenant arising out of the Landlord unreasonably withholding its consent to any Transfer and the Tenant's only recourse shall be to bring an application for a declaration that the Landlord shall grant its consent to such Transfer.

7.2 Change of Control

If the Tenant is a private corporation and any part or all of the corporate shares shall be transferred by sale, assignment, amalgamation, bequest, inheritance, operation of law or other disposition or dispositions so as to result in a change in the control of the corporation, such change of control shall be considered a Transfer of this Lease and shall be subject to the provisions of Section 7.1 hereof. The Tenant shall make available to the Landlord upon its request for inspection, all books and records of the Tenant, any assignee or subtenant and their respective shareholders which, alone or with other data, may show the applicability or inapplicability of this Section, subject to Landlord executing Tenant's form of non-disclosure agreement. Notwithstanding the foregoing, the provisions of this Section shall not apply to Tenant if Tenant or its parent company are corporations whose shares are listed and traded on any recognized public stock exchange in Canada or the United States of America.

7.3 Non-Consent Transfers

Notwithstanding anything to the contrary in this Article 7, so long as Tenant is not in default of its obligations under this Lease beyond any applicable notice and cure periods, then the following shall apply with regard to a Transfer by such Tenant:

(a) The Tenant shall not require the consent of the Landlord, but shall provide the Landlord with at least fifteen (15) days prior written notice of an intended Transfer by way of assignment of this Lease or subletting of the whole of the Leased Premises or pursuant to a change of control:

- (i) to a holding, subsidiary, or affiliated body corporate of the Tenant (as such Terms are defined in the *Canada Business Corporations Act*), but if the transferee corporation ceases to be a holding, subsidiary, or affiliated body corporate of the Tenant, then on the day of such event, a Transfer shall be deemed to have occurred for which the Landlord's consent shall be required as per the terms of Section 7.1;
- (ii) to a successor corporation formed as a result of a merger or amalgamation, (as those terms are defined pursuant to the *Canada Business Corporations Act* as at the date of this Agreement) with another corporation;
- (iii) to any entity acquiring all or substantially all of Tenant's (or its parent's or affiliate's) assets or equity interests or resulting from the sale of Tenant's business, provided that such Transfer is for a bona fide business purpose and not primarily designed to effectuate a Transfer of this Lease;
- (iv) if the Tenant is a publicly traded company and if Tenant at any time during the Term elects to enter into any form of "going-private" transaction whereby the Tenant would no longer remain a publicly traded company,

provided that, in the case of subclause (ii) and (iii) only, the Tenant provides evidence reasonably satisfactory to the Landlord that such successor corporation has a financial covenant equal to or better than that of the Tenant as of the date immediately prior to the Transfer in question, that the transferee has the experience with businesses of the type and size of the Tenant and that such permitted transfer shall not result in a change of use of the Leased Premises;

each of the foregoing hereinafter referred to as a "**Permitted Transfer**" and the transferee a "**Permitted Transferee**". Upon Landlord's request, Tenant must provide the Landlord with evidence satisfactory to Landlord, acting reasonably, that a proposed transferee is a Permitted Transferee and is exempt from Landlord's consent as set out above.

(b) Any Permitted Transfer of this Lease shall be conditional on the Tenant causing the Permitted Transferee to promptly execute an agreement in writing with the Landlord on the Landlord's standard form, subject to such reasonable amendments requested by Tenant, pursuant to which the Permitted Transferee agrees to be bound by the terms and conditions of the Lease, as if the Permitted Transferee had originally executed the Lease. The foregoing requirement shall not apply if the Transfer is a sublease, provided such Permitted Transferee enters into an agreement with the Landlord pursuant to which it covenants directly with the Landlord: (i) not to do anything which, if done by the Tenant would result in a default under the Lease, and (ii) to perform each of the covenants under the Lease as they pertain to the subleased premises. Notwithstanding anything contained herein to the contrary the Tenant shall remain jointly and severally liable with the Permitted Transferee for

- 13 -

the performance of its obligations under this Lease.

(c) Notwithstanding anything contained herein to the contrary the Tenant shall remain jointly and severally liable with the Permitted Transferee for the performance of its obligations under this Lease.

7.4 Mortgage of Leasehold

The Tenant shall not mortgage, pledge, hypothecate or otherwise encumber all or any portion of the Tenant's interest in this Lease or the Leasehold Improvements.

7.5 Advertising Premises

The Tenant shall not advertise or allow the Leased Premises or a portion thereof to be advertised as being available for assignment, sublease or otherwise without the prior written approval of the Landlord as to the form, size, content and location of such advertisement, which approval shall not be unreasonably withheld or delayed provided that no such advertising shall contain any reference to the Rent for the Leased Premises.

7.6 Disposition by Landlord

If the Landlord sells or leases the Lands, the Building or any part thereof, or assigns this Lease, and to the extent that the covenants and obligations of the Landlord under this Lease are assumed in writing by the purchaser, lessee or assignee, the Landlord, without further written agreement, will be discharged and relieved of liability under the said covenants and obligations accruing from and after the effective date of such sale or lease or assignment.

7.7 Roof of Leased Premises

Subject to the last grammatical paragraph of Section 6.2 above, Landlord may lease the roof of the Building to a third party, provided that (I) Landlord must first obtain Tenant's prior written approval with respect to same (such approval not to be unreasonably withheld, conditioned or delayed) and (II) Tenant's use and enjoyment and its business operation conducted in or about the Leased Premises shall not in any way be adversely affected or disturbed by such proposed lease.

ARTICLE 8 - USE

8.1 Use of Leased Premises

(a) Subject to Section 8.1(b), neither the Tenant nor any Transferees shall use the Leased Premises or allow the Leased Premises to be used for any purpose other than for any use permitted by Applicable Laws, including, without limitation, for the manufacturing of, and distribution centre for, office workspace solutions and equipment (including office furniture and wall systems), and general office use related thereto, but only to the extent (i) in compliance with the provisions of this Lease and (ii) permitted by all Applicable Laws, by-laws and other governmental regulations from time to time in force.

(b) The Tenant may use or permit the Leased Premises to be used for retail sales provided that all Applicable Laws, including parking ratio requirements, are met at the Tenant's sole cost and expense.

8.2 Rules and Regulations

The Tenant and its employees and all persons visiting or doing business on the Leased Premises shall be bound by and shall observe and perform all reasonable and non-discriminatory rules and regulations made by the Landlord from time to time and of which prior notice in writing shall be given to the Tenant, and all such rules and regulations shall be deemed to be incorporated into and form part of this Lease.

8.3 Observance of Law

The Tenant shall comply promptly with and conform to the requirements of all Applicable Laws from time to time or at any time in force during the Term and affecting the condition, maintenance, repair, use or occupation of the Leased Premises (or equipment therein) and with every applicable regulation, order and requirement of the Insurance Advisory Organization or any body having similar functions or of any liability or fire insurance company by which the Landlord and the Tenant or either of them may be insured at any time during the Term, and, in the event of the default of the Tenant under the provisions of this Section (continuing beyond applicable notice and cure periods), the Landlord may itself comply with any such requirements as aforesaid and the Tenant will forthwith pay all reasonable costs and expenses incurred by the Landlord in this regard and the Tenant agrees that all such costs and expenses shall be recoverable by the Landlord as if the same were Additional Rent reserved and in arrears under this Lease. Notwithstanding anything herein to the contrary, Tenant shall not be required to perform any Alterations to the Leased Premises, Building or Building systems to comply with Applicable Laws unless (i) any such Alteration is required by reason of Alterations having been performed by, through or at Tenant's request, (ii) such Alteration is required by reason of the specific manner of the use of the Leased Premises by Tenant (or any Transferee), or (iii) such Alteration is triggered or required by Tenant's (or its Transferee's) request for a government approval in connection with any Alteration.

8.4 Waste and Nuisance

The Tenant shall not do or suffer any waste, damage, disfiguration or injury to the Leased Premises or the fixtures and equipment thereof and shall not use or permit to be used any part of the Leased Premises for any dangerous, noxious or offensive trade or business and shall not do anything or permit anything to be done upon or about the Leased Premises nor permit anything to be brought thereon which may reasonably be deemed to be a nuisance, annoyance, grievance, damage or disturbance to the owners of the Building or of adjacent lands or premises, nor do or permit anything to be done therein which, in the opinion of the Landlord acting reasonably, is detrimental to the Building, and the Tenant shall take every reasonable precaution to protect the Building from danger of fire, water damage or the elements and shall keep the Building and the Lands free of hazardous waste and contamination.

8.5 Exterior Walls

The Tenant covenants that it will not erect on, or attach, affix or fasten to the roof or the steel frame inside the Building or to the outside walls of the Leased Premises or the Building any television or radio antenna, sign, fixture or other attachment of any kind whatsoever without first receiving the Landlord's written consent thereto, which consent shall not be unreasonably withheld.

8.6 Signs

The Tenant covenants and agrees not to paint, affix, display, or cause to be painted, affixed or displayed any picture, advertisement, notice, lettering, decoration or sign on any part of the exterior of the Leased Premises (including, without limitation, the windows) without in each instance obtaining all required governmental approvals and permits related thereto. The cost of all such signs and the installation and erection thereof shall be borne by the Tenant and shall be payable forthwith on demand. All signs shall be erected in strict conformance with all applicable municipal regulations, requirements and by-laws in existence from time to time. All signs installed by or on behalf of Tenant shall be removed by the Tenant at its own expense at the termination of this Lease and the Tenant shall promptly repair at its own expense to the satisfaction of the Landlord any and all damage caused by such removal (reasonable wear and tear excepted) and this covenant shall survive the expiry or other termination of the Term.

8.7 Overloading Floors

The Tenant covenants that it will not bring upon the Leased Premises or any part thereof any machinery, equipment, article or thing that, by reason of its weight, size, configuration, operation or otherwise, might damage the Leased Premises and will not at any time overload or damage the floors of the Leased Premises. The Tenant shall remove any such machinery, equipment (including but not limited to mobile equipment such as a forklift), article or thing within five (5) days' written notice thereof and if any damage is caused to the Leased Premises by any machinery, equipment, article or thing or by overloading, the Tenant shall forthwith repair such damage at its own expense to the

satisfaction of the Landlord.

8.8 Plumbing Fixtures

The plumbing fixtures shall not be used for any purpose other than that for which they were constructed and no foreign substances of any kind shall be deposited therein, and the expense of any breakage, stoppage, or damage shall be borne by the Tenant, except to the extent resulting from the negligence or wilful misconduct of Landlord or its agents, servants, contractors or employees.

8.9 Outside Storage

Except for any storage trailers, waste bins and scrap material storage areas located on the Lands as of the date hereof and any future storage trailers (or other similar storage facilities and waste bins and various types of scrap materials stored in the yard) that Tenant may park on the Lands in the regular course of its business consistent with Tenant's Standard Procedures, the Tenant agrees that it will not otherwise store any goods or matter of any kind whatsoever outside the Leased Premises without the express written consent of the Landlord first had and obtained, such consent not to be unreasonably withheld or delayed. Notwithstanding the foregoing, should the municipality or any other governmental authority having jurisdiction over the Leased Premise require that such outdoor storage be removed, or should a fine be threatened for non-removal of the same, then the Tenant shall remove such outdoor storage within the time period required by the applicable authority, and the Tenant shall be responsible for such fine, and failing payment, the Landlord shall charge same to the Tenant as Additional Rent.

8.10 Environmental

For the purpose of the Lease and, in particular, this Section:

(a) **"Environmental Laws"** means the Environmental Protection Act, R.S.O. 1990, c. E.19, and any other all federal, provincial and municipal laws, regulations, by-laws, standards, requirements, ordinances, codes, policies, Orders, Notices, Permits and directives pertaining to Hazardous Substances;

(b) **"Environment"** includes air, land, groundwater and surface water;

(c) **"Hazardous Substances"** means as defined in Schedule "B", paragraph (g);

(d) **"Governmental Authority"** means any federal, provincial or municipal parliament, legislature, or any regulatory body, agency, ministry, department, commission or board, or any court or any other law, regulation or rule-making entity, having jurisdiction, or any person, partnership, firm, corporate entity, trust or any combination of the following, acting under the authority of any of the foregoing or any other authority charged with the administration or enforcement of Environmental Laws;

(e) **"Notice"** means any citation, directive, Order, inspection, proceeding, judgment or other communication, written or oral, actual or threatened;

(f) **"Order"** means any order, decision, decree, judgment, ruling, claim or the like from or by any Governmental Authority under any Environmental Laws;

(g) **"Permit"** means any permit, certificate, authorization, licence, right or exemption or the like issued or granted by any Governmental Authority pursuant to or under any Environmental Laws;

(h) **"Release"** includes any release, discharge, emission, disposal or dumping into or within the Environment.

(i) **"Pre-Existing Hazardous Condition(s)"** means any condition arising from a Release or presence of Hazardous Substances on, in or under the Leased Premises (whether by migration or otherwise and whether or not caused by any actions of Tenant, as prior owner, or any other third parties) existing prior to the Commencement Date whether or not the same results in a

- 16 -

violation of or liability under any Environmental Laws in effect as of the Commencement Date, including, without limitation, those conditions specifically identified in the following documents, which Landlord acknowledges and agrees having received and reviewed as of the date of this Lease: (I) Phase I Environmental Site Assessment report for the Leased Premises prepared by AEL environment dated May 30, 2019, (II) Phase II Environmental Site Assessment report for the Leased Premises prepared by XCG Consulting Limited dated September 24, 2019, (III) remediation report dated 09/04/2020 setting out estimated remediations costs, (IV) Supplemental Phase II Environmental Site Assessment and Screening Level Risk Assessment at the Leased Premises prepared by XCG Consulting Limited dated August 5, 2020, (V) Remediation site surveys dated September 2020 and February 2020, (VI) Latest XCG Remediation Report dated July 23, 2020, (VI) Summary of Remediation Completed in 1995, and (VII) XCG Remedial Work Plan and Cost Estimate dated April 23, 2021.

8.11 Covenants

(a) Compliance with Environmental Laws

The Tenant shall comply and cause its employees, agents, contractors and those for whom it is responsible to comply with all Environmental Laws (including, without limiting the generality of the foregoing, obtaining any required Permits) relating to the Leased Premises and the Lands or the use thereof by the Tenant or those acting under its authority or control.

(b) Inspection

Upon no less than 48 hours' prior written notice to Tenant (except in the case of an emergency, in which case no such notice shall be required), the Tenant shall permit the Landlord, its officers, employees, consultants, authorized representatives and agents to (i) inspect the Leased Premises and the Tenant's operations; (ii) conduct tests and environmental site reviews and assessments at the sole cost and expense of Landlord; (iii) remove samples from the Leased Premises at the sole cost and expense of Landlord; (iv) examine any documents or records relating to the Leased Premises, subject to entering into Tenant's form of non-disclosure agreement; and (v) intentionally deleted; all at such reasonable times and intervals as the Landlord and Tenant may mutually agree, provided, that, in all cases, (I) Landlord shall use reasonable efforts to minimize interference with Tenant's use and enjoyment of the Leased Premises and its business operation conducted therein, (II) Tenant's designated representative shall be permitted to accompany Landlord and its agents during any such access or inspection, and (III) Landlord's rights under subclauses (ii) and (iii) above shall only be exercised in the following circumstances: (A) in connection with any potential sale, financing or refinancing of the Leased Premises where such assessments or samples are reasonably necessary or reasonably required by an applicable buyer or lender; (B) if required under any applicable Environmental Laws pursuant to any non-compliance notices received by Landlord from any Governmental Authority; (C) if required by the Landlord's lender; or (D) at any other time that Landlord or its lender has a reasonable factual basis to believe that a Release has occurred or may occur at or affecting the Leased Premises (subclauses (A), (B), (C) and (D), collectively, "**Required Inspection Trigger**"). For the avoidance of doubt, during the Term hereof, unless otherwise agreed to in writing by Tenant, Landlord shall not perform any invasive testing (i.e. Phase II testing), remediation and/or removal of any pre-existing Hazardous Substances or Pre-Existing Hazardous Conditions unless the same is required by a Required Inspection Trigger, in all cases, which shall be performed at Landlord's sole cost and expense.

(c) Use of Hazardous Substances

The Tenant shall not use the Leased Premises, or permit them to be used, to utilize, manufacture, store, produce or process any Hazardous Substance except as permitted in writing by the Landlord to be brought into the Leased Premises or onto the Lands and in compliance with all Environmental Laws. Notwithstanding anything to the contrary contained herein, in accordance with Tenant's Standard Procedures, Tenant may transport to and from the Leased Premises, and store, use and handle in the Leased Premises, Hazardous Substances (including, without

- 17 -

limitation, typical cleaning supplies) normally used by industrial tenants in similar facilities comparable to the Building; provided, however, that any such transportation, storage, use and handling is done in strict compliance with all Applicable Laws and all of the applicable terms, covenants and conditions of this Lease.

(d) Notice to the Landlord

The Tenant shall promptly notify in writing both the Landlord and the proper Governmental Authority, of any Release of which Tenant becomes aware occurring upon the Leased Premises, the Lands.

(e) Removal and Responsibility of Hazardous Substances

Subject to the provisions of this subsection (e), the Tenant shall, promptly on demand remove all non-permitted Hazardous Substances used or Released by the Tenant or brought onto the Leased Premises, or the Lands by the Tenant or those acting under its authority or control, in all cases, during the Term of this Lease. For greater certainty, but subject to the remaining provisions of this subsection, the foregoing obligation of the Tenant shall include, without limitation, the responsibility to remove any Hazardous Substances (excluding Pre-Existing Hazardous Conditions) which have, as a result of the operations of the Tenant or any other Person acting under its authority or control, become affixed to, permeated or accumulated on or within any structures forming part of the Building or the Lands, in all cases, during the Term of this Lease. Further the Tenant hereby covenants and agrees to indemnify and save harmless the Landlord and those for whom the Landlord is in law responsible from any and all losses, costs, claims, damages, liabilities, expenses or injuries (collectively, "**Losses**") caused or contributed to by any Hazardous Substances which are at any time, during the Term of this Lease (but not prior to the Term hereof and expressly excluding Pre-Existing Hazardous Conditions), brought upon, handled, placed, stored or incorporated in any part of the Leased Premises by or on behalf of Tenant.

Notwithstanding anything in this Lease to the contrary, the parties acknowledge and agree that Tenant shall not be responsible or liable for (I) any Hazardous Substances brought upon, handled, placed, stored or incorporated in any part of the Leased Premises by Landlord or those for whom Landlord is in law responsible or any third parties, and (II) the Pre-Existing Hazardous Conditions (including, without limitation, any Losses incurred by Landlord in connection therewith); it being agreed that Landlord shall indemnify and hold harmless Tenant and the Tenant Released Persons in connection with any Hazardous Substances brought upon, handled, placed, stored or incorporated in any part of the Leased Premises by Landlord, Landlord Released Persons or those for whom Landlord is in law responsible, provided, however that Landlord shall not indemnify Tenant nor the Tenant Released Persons in connection with any third party claims, including, without limitation, by any Governmental Authority, solely with respect to Pre-Existing Hazardous Conditions. The foregoing shall not be construed as limiting Landlord's obligation set out in the last sentence of subclause (g) below to remediate Pre-Existing Hazardous Conditions should any Governmental Authority require Landlord to do so as the owner of the Leased Premises.

(f) Intentionally Deleted

(g) Remedial Action

Subject to the provisions of subsection (e) above, upon the demand by any Governmental Authority requiring that removal, cleanup, remedial or corrective action be undertaken either because of the presence, introduction, deposit, Release, emission, leak, spill or discharge of Hazardous Substances at the Leased Premises or the Lands during the Term (but not prior to the Term) which is caused by the Tenant's operations, occupation or use of the Leased Premises

- 18 -

during the Term (but not prior to the Term), the Tenant shall promptly at its own expense take all action necessary to carry out a full and complete removal, cleanup, remedial or corrective action. No action by the Landlord and no attempt by the Landlord to mitigate its damages under any law shall constitute a waiver or release of the Tenant's obligations hereunder and the Tenant shall indemnify and save harmless the Landlord from all costs and expenses incurred by the Landlord as a result of Tenant's default under this Lease and in respect of the Hazardous Substances Released by Tenant from and after the Commencement Date and from all other damages suffered by the Landlord by reason of the Tenant's default hereunder, in all cases, subject to the provisions of Section 8.11(e) above. Except as otherwise provided above as Tenant's responsibility pursuant to the terms of this Lease, upon demand by any Governmental Authority to the Landlord requiring such removal, cleanup, remedial or corrective action be undertaken because of the presence, introduction, deposit, Release, emission, leak, spill or discharge of Hazardous Substances at the Leased Premises or the Lands (including, without limitation, Pre-Existing Hazardous Conditions), Landlord shall be responsible for the same at its sole cost and expense.

(h) The Landlord's and Tenant's obligations pursuant to this Section 8.11 shall survive the expiration or earlier termination of the Term.

ARTICLE 9 INSURANCE AND INDEMNITY

9.1 Tenant's Insurance

Throughout the Term of this Lease, the Tenant shall take out and keep in force:

(a) commercial general liability insurance to respond to any and all incidents occurring in the Leased Premises in the minimum amount of \$5,000,000 per occurrence or such greater amount as the Landlord may from time to time reasonably require, including the following extensions: owners and contractors protective; limited pollution coverage endorsement; products and completed operations; personal injury; occurrence basis property damage; blanket contractual and non-owned automobile liability; such insurance shall include the Landlord as additional insureds; such insurance shall include cross liability and severability of interest clauses;

(b) all risks insurance, including flood and sewer back-up, collapse and flood in respect to all Leasehold Improvements, Furniture, Fixtures and Equipment, and all on all other property of every description, nature and kind owned by the Tenant or for which the Tenant is legally liable, which is installed, located or situate within the Leased Premises, including, without limitation, all inventory or stock-in-trade in an amount not less than full replacement cost thereof without deduction for depreciation; such insurance shall be subject to a full replacement cost endorsement and shall include a stated amount co-insurance clause and a breach of conditions clause;

(c) Tenant's legal liability insurance in an amount no less than \$1,000,000.00 per occurrence;

(d) if any boiler or pressure vessel is operated in the Leased Premises, boiler and pressure vessel insurance with respect thereto;

(e) business interruption insurance covering loss of earnings from all perils covered in policies obtained under paragraphs b) c) and d) above for an indemnity period of at least twelve (12) months;

(f) any other form of insurance, in such amounts and against such risks, as the Landlord, acting reasonably, or the Mortgagee may from time to time require.

The policies specified under subparagraphs b), c) d) and e) will contain the Landlord's mortgagee's standard mortgage clause and may have reasonable deductibles. The policies (other than the Tenant's liability policy) will contain a waiver of any subrogation rights which the Tenant's insurers may have against the Landlord and the Landlord Released Persons and those for whom any of them is in law

responsible, whether or not any loss or damage is caused or contributed to by the act, omission or negligence of any of them. All policies will (i) be non-contributing and apply only as primary and not excess to any other insurance available to the Landlord; (ii) not be invalidated (in relation to the interests of any of the Landlord) by reason of any breach of warranties, representations, declarations or conditions in the policies; and (iii) contain an undertaking by the insurers to notify the Landlord in writing not less than ten (10) days before any material change, cancellation or termination.

Prior to taking possession of the Leased Premises and on every renewal date of the insurance policy, the Tenant will deliver certificates of insurance executed by the Tenant's insurers. No review or approval of any insurance policy or certificate by the Landlord will in any way alter the Landlord rights under this Lease. In the event of loss or damage, the Tenant will provide the Landlord or its mortgagee, if applicable, with copies of the Tenant's insurance policies.

9.2 Landlord's Insurance

Throughout the Term of this Lease the Landlord shall provide and keep in force all risks, public liability and property insurance in respect of the Building (including the Leased Premises but not including the property of the Tenant which the Tenant is required to insure for pursuant to Section **Error! Reference source not found.** hereof) against fire and such other perils as are normally insured against in the circumstances by prudent landlords of similar buildings and loss of rental income insurance, subject to reasonable deductions and exceptions as the Landlord may determine and to amounts which the Landlord shall from time to time determine as being reasonable. Notwithstanding any contribution by the Tenant to the cost of any insurance effected by the Landlord, no insurable interest is conferred upon the Tenant under any such policies of insurance and the Tenant has no right to receive any proceeds under any such insurance. The Landlord's insurance policies shall contain a waiver of subrogation rights which the Landlord's insurers may have against the Tenant and the Tenant Released Persons, whether or not any loss or damage is caused or contributed by the act, omission or negligence of any of them.

9.3 Not to Affect Landlord's Insurance

Neither the Tenant nor its officers, directors, agents, servants, licencees or concessionaires, assignees or subtenants shall bring onto the Leased Premises or do or omit or permit to be done or omitted to be done upon or about the Leased Premises anything which shall cause the rate of insurance upon the Leased Premises or the Building or any part thereof or its contents to be increased, and if the said rate of insurance shall be increased by reason of the particular manner of use made of the Leased Premises or by reason of anything done or omitted or permitted to be done or omitted to be done by the Tenant or its officers, directors, agents, servants, licensees, concessionaires, assignees or subtenants or by anyone permitted by the Tenant to be upon the Leased Premises, the Tenant shall pay to the Landlord forthwith upon demand the amount of such increase within ten (10) days following receipt of demand therefor, accompanied by reasonable supporting documentation (which shall include a letter from Landlord's insurer specifically identifying the acts or omissions of Tenant resulting in any such increase). Landlord acknowledge and agree that Tenant's use of the Leased Premises as of the date of this Lease shall not result in any such increase.

9.4 Limit of Landlord's Liability

The Landlord shall not be responsible in any way for any injury to any person (including but not limited to death) or for any loss of or damage to any property belonging to the Tenant or to other occupants of the Leased Premises or to their respective employees, agents, invitees, licensees or other persons from time to time attending at the Leased Premises while such person or property is in or about the Lands, the Leased Premises, the Building, or any areaways, parking areas, lawns, sidewalks, steps, truckways, platforms, corridors, stairways, elevators or escalators in connection therewith, including without limiting the foregoing, any loss of or damage to any property caused by theft or breakage, or by steam, water, rain or snow or for any loss or damage caused by or attributable to the condition or arrangements of any electrical or other wiring or for any damage caused by smoke or anything done or omitted to be done by any other tenant of premises in the Building or Buildings or for any other loss whatsoever with respect to the Leased Premises, goods placed therein or any business carried on therein.

9.5 Limit of Tenant's Liability

The Tenant shall not be liable to the Landlord for any direct injury, loss or damage required to be insured by the Landlord pursuant to Section 9.2, which Tenant is not required to carry insurance for, and then only to the extent of the proceeds actually recovered by the Landlord under such policies of insurance.

9.6 No Consequential Damages

Notwithstanding anything herein to the contrary, neither party shall be responsible for any consequential, indirect, special or punitive damages or for loss of profits.

9.7 Mutual Release

It is the intention of the Landlord and the Tenant that each of the Landlord and Tenant will look to insurance to the extent provided for hereunder for any loss insured or required by the terms hereof to be insured by the relevant party or otherwise carried by the relevant party, and the Landlord and Tenant agree to do so.

Notwithstanding anything herein to the contrary, each of Landlord and Tenant hereby releases the other and waives all claims against the other and those for whom the other is in law responsible with respect to occurrences insured against or required to be insured against by the releasing party pursuant to the provisions hereof, whether any such claims arise as a result of the negligence or otherwise of the other or those for whom it is in law responsible, provided that such release and waiver shall be effective only to the extent of proceeds of insurance received by the releasing party or proceeds which would have been received if the releasing party had obtained all insurance required to be obtained by it under this Lease (whichever is greater) and, for this purpose, deductible amounts under the applicable insurance policy shall be deemed to be proceeds of insurance received.

9.8 Mutual Indemnity

Subject to Section 9.7 hereof, except to the extent resulting from the negligence or wilful misconduct of Landlord or any of its agents, servants, contractors or employees, the Tenant shall promptly indemnify and save the Landlord and the Landlord Released Persons harmless from any and all liabilities, damages, costs, expenses, claims, suits or actions arising out of any breach, violation or non-observance by the Tenant of any of its covenants and/or obligations under this Lease; from any damage to property while such property shall be in or about the Leased Premises including but not limited to the systems, furnishings and amenities thereof, as a result of the wilful or negligent act or omission of the Tenant, its employees, agents, invitees or licensees; and from any injury to any employee, agent, invitee or licensee, of the Tenant, including but not limited to death resulting at any time therefrom, occurring on or about the Leased Premises or any part thereof.

Subject to Section 9.7 hereof and the mutual waiver of subrogation covenants expressly contained in this Article 9, except to the extent resulting from the negligence or wilful misconduct of Tenant, its Transferee's or any of their respective agents, servants, contractors or employees, Landlord shall promptly indemnify and save the Tenant and the Tenant Released Persons harmless from any and all liabilities, damages, costs, expenses, claims, suits or actions arising out of any breach, violation or non-observance by the Landlord of any of its covenants and/or obligations under this Lease.

Notwithstanding anything else herein contained, the indemnities in this Section shall survive the expiry or earlier termination of the Term.

ARTICLE 10 - DAMAGE AND DESTRUCTION

10.1 Abatement of Rent

If the Leased Premises or any portion thereof is damaged or destroyed by fire or by other casualty against which the Landlord is required to insure under this Lease, Rent shall abate in proportion to the area of that portion of the Leased Premises which, in the reasonable opinion of the Landlord's Architect, is thereby rendered unfit for the purposes of the Tenant bears to the area of the entire Leased Premises until the Leased Premises are repaired and rebuilt as certified by the Landlord's Architect and

the Landlord agrees that it will, with reasonable diligence, repair and rebuild the Leased Premises, subject to Section 10.2. The Landlord's obligation to rebuild and restore the Leased Premises shall not include the obligation to rebuild, restore, replace or repair any chattel, fixture or Leasehold Improvements or any other thing that is the property of the Tenant and/or for which the Tenant is to maintain insurance under Section **Error! Reference source not found.** (in this Section collectively called "Tenant's Improvements"); the Leased Premises shall be deemed repaired and rebuilt when the Landlord's Architect certifies that it has been substantially repaired and rebuilt to the state where the Tenant could occupy it for the purpose of rebuilding, restoring, replacing or repairing the Tenant's Improvements. The issuance of the certificate of the Landlord's Architect shall not relieve the Landlord of its obligation to complete the repairing and rebuilding as aforesaid, but the Tenant shall forthwith after issuance of such certificate proceed to rebuild, restore, replace and repair the Tenant's Improvements, and the provisions of Section 6.22 shall apply to such work, *mutatis mutandis*.

10.2 Termination

(a) Notwithstanding the provisions of Section 10.1 hereof, in the event that fifty percent (50%) or more of the Building, as determined by the Landlord's Architect, is damaged or destroyed by any cause whatsoever and if, in the reasonable opinion of the Landlord's Architect, such area cannot be rebuilt or made fit for the purposes of the Tenant within eighteen (18) months of the date of such damage or destruction or the Building is damaged or destroyed by an uninsured peril, either party may at their option terminate this Lease by giving to the other party within sixty (60) days after the date of such damage and destruction, notice of termination and in such case Tenant shall vacate possession of the Leased Premises in its then as-is condition sixty (60) days after delivery of the notice of termination and thereupon, subject to Section 10.1 above regarding proportionate Rent reduction for damage to a portion of the Leased Premises only, Rent shall be apportioned and paid to the date on which the casualty or damage occurred. Additionally, if there is less than three (3) Years remaining in the then-current Term, the Landlord or Tenant may at their option terminate this Lease by giving to the other within sixty (60) days after the date of such damage and destruction, notice of termination and in such case Tenant shall vacate possession of the Leased Premises in its then as-is condition sixty (60) days after delivery of the notice of termination and thereupon Rent shall be apportioned and paid to the date on which the casualty or damage occurred.

(b) If neither party elects to terminate the Lease pursuant to Section 10.2(a), Landlord shall, with reasonable diligence, repair and restore the Leased Premises and/or the Building, in accordance with the provisions of Section 10.1.

ARTICLE 11 - DEFAULT

11.1 Events of Default

An "Event of Default" shall occur whenever:

(a) the Tenant fails to pay the Rent hereby reserved or any part thereof on the day appointed for payment thereof, and shall have failed to remedy such breach or non-compliance within ten (10) days after written notice thereof given by the Landlord to the Tenant;

(b) the Tenant shall have breached or failed to comply with any of its covenants and agreements contained in this Lease (save for non-payment of Rent) and shall have failed to remedy such breach or non-compliance within thirty (30) days (or such longer period as the Landlord may reasonably determine, having regard to the nature of the default, provided that the Tenant is diligently pursuing such a cure) after written notice thereof given by the Landlord to the Tenant;

(c) the Tenant shall make any assignment for the benefit of creditors or become bankrupt or insolvent or take the benefit of any Act now or hereinafter in force for bankrupt or insolvent debtors;

(d) the Tenant is a corporation and any order shall be made for the winding-up of the Tenant or other termination of the corporate existence of the Tenant;

- 22 -

- (e) the Tenant makes or attempts to make a bulk sale of assets not in the ordinary course of the Tenant's business;
- (f) a trustee, receiver, interim receiver, receiver and manager, custodian or liquidator is appointed for the business, property, affairs or revenue of the Tenant;
- (g) this Lease or any of the Tenant's assets on the Leased Premises are taken or seized under writ of execution, an assignment, pledge, charge, debenture or other security instrument;
- (h) the Tenant abandons the Leased Premises;
- (i) the Leased Premises shall be used by any person other than the Tenant or the Tenant's permitted assignees or for any purpose other than as set out in Section 8.1;
- (j) any insurance policy on the Building or any part thereof shall be cancelled or the coverage thereunder reduced in any way by the insurer by reason of the particular manner of use or occupation of the Leased Premises or any part thereof by the Tenant and the Tenant shall have failed to remedy the condition giving rise to such cancellation, or reduction of coverage within forty-eight (48) hours written notice given by the Landlord to the Tenant (accompanied by reasonable supporting documentation, including a letter from Landlord's insurer specifically identifying Tenant's actions that resulted in such cancellation or reduction);
- (k) the Tenant sells or disposes of the goods, chattels or equipment in the Leased Premises or removes, commences or threatens to remove them from the Leased Premises, other than in the normal course of Tenant's business (including, without limitation and for the avoidance of doubt, Tenant's sale or disposition of the same in connection with any downsizing of the Leased Premises, which shall be permitted and shall not render Tenant in default hereunder);
- (l) intentionally deleted;
- (m) the Tenant makes a Transfer not permitted under this Lease; or
- (n) intentionally deleted.

Notwithstanding the *Bankruptcy and Insolvency Act* (Canada) or otherwise, upon the occurrence of an Event of Default, the then current month's Rent and next ensuing three (3) months' Rent shall immediately become due and be paid by the Tenant to the Landlord as accelerated Rent and the Landlord may immediately distrain for the same together with any Rent arrears then unpaid.

11.2 Right of Re-entry

- (a) Upon the occurrence of an Event of Default, the Landlord may at any time thereafter, without notice to the Tenant, re-enter the Leased Premises or any part thereof in the name of the whole and terminate this Lease and all the rights of the Tenant thereunder.
- (b) If and whenever the Landlord exercises its option to re-enter the Leased Premises and terminate this Lease pursuant to Section 11.2(a):
 - (i) the Tenant shall immediately vacate the Leased Premises and the Landlord may remove or cause to be removed from the Leased Premises the Tenant and/or any other occupant or occupants thereof and if the Tenant has not removed all property therefrom or completely vacated the Leased Premises within three (3) days of the Landlord terminating this Lease and entering the Leased Premises, then such property shall be deemed to be abandoned and the Landlord may, at its discretion, remove all property therefrom and sell or dispose of such property as the Landlord considers appropriate or may be stored in a public warehouse or elsewhere at the cost and for the account of the Tenant, all without

- 23 -

service of notice or resort to legal process and without the Landlord being considered guilty of trespass and without liability for loss or damage and without prejudice to the rights of the Landlord to recover arrears of Rent or damages incurred by the Landlord. Without limitation, if the Tenant fails to remove any property that the Landlord requests the Tenant to remove or that the Landlord requires the Tenant to remove in accordance with this Lease within the time period set out in the Landlord's notice, then the Landlord may (but is not obligated to) store such property in a public warehouse or elsewhere at the sole cost and for the account of the Tenant and upon such storage, the Landlord (or the Landlord's bailiff) shall be deemed to be a storer for the purposes of the *Repair and Storage Liens Act* (Ontario) or any successor legislation, and the Landlord shall have all the rights and benefits afforded to a storer under that legislation;

- (ii) the Landlord shall be immediately entitled to the payment of Rent up to the date of termination together with all expenses incurred by the Landlord in respect of such termination and the value of the Rent, calculated at the date of termination, for the unexpired portion of the Term, subject to Landlord's duty to mitigate as required by Applicable Laws.

11.3 Reletting

At any time when the Landlord is entitled to re-enter the Leased Premises or terminate this Lease, the Landlord may without notice to the Tenant and without terminating the Lease enter upon and take custody of the Leased Premises in the name of and as agent of the Tenant, together with all the Tenant's improvements, fixtures and furnishings, and sublet the Leased Premises in the name of and as the agent of the Tenant on whatever terms the Landlord may deem appropriate but no such action by the Landlord shall waive any of the obligations of the Tenant or limit the subsequent exercise of any of the Landlord's remedies for default. If the Landlord shall sublet the Leased Premises as aforesaid, the Landlord shall be entitled to receive all sublease rent and apply the same in its discretion to any indebtedness of the Tenant to the Landlord under this Lease and/or to the payment of any costs and expenses of reletting, and the Landlord shall be liable to account to the Tenant only for the excess, if any, of monies actually received by it. If the sublease rent is less than is necessary to pay and discharge all the then existing and continuing obligations of the Tenant hereunder, the Tenant shall pay such deficiency to the Landlord upon demand from time to time. Notwithstanding any such re-entry and subletting without termination, the Landlord may at any time thereafter terminate this Lease by reason of the previous or any other default under the Lease, subject to applicable notice and cure periods, and the provisions of Section 11.2 shall apply.

11.4 Distress

The Tenant waives and renounces the benefit of any present or future statute taking away or limiting the Landlord's right of distress, and covenants and agrees that notwithstanding any such statute, none of the goods and/or chattels of the Tenant on the Leased Premises at any time during the Term shall be exempt from levy by distress for rent in arrears.

11.5 Right of Landlord to Cure Defaults

If the Tenant fails to perform or cause to be performed any of the covenants or obligations of the Tenant herein, subject to applicable notice and cure periods, the Landlord shall have the right (but shall not be so obligated) to perform or cause to be performed and to do or cause to be done such things as may be necessary or incidental thereto (including without limiting the foregoing, the right to make repairs, installations, erections and expend monies), and all payments, expenses, charges, fees and disbursements incurred or paid by or on behalf of the Landlord in respect thereof shall be paid by the Tenant to the Landlord within ten (10) days' written demand therefor together with all reasonable legal and administrative costs of the Landlord in respect thereof.

11.6 Remedies Not Exclusive

Mention in this Lease of any particular remedy or remedies in respect of any default or threatened

- 24 -

default by the Tenant in the performance of its obligations shall not preclude the Landlord from exercising, or limit the extent of, any other remedy in respect thereof, whether at law, in equity or pursuant to any express provision hereof. No remedy shall be interpreted as exclusive or dependent upon any other remedy, and the Landlord may from time to time exercise any one or more of such remedies independently or in combination.

11.7 Non-Waiver

No condoning, excusing or overlooking by the Landlord of any default, breach or non-observance by the Tenant at any time or times in respect of any covenant, proviso or condition herein contained shall operate as a waiver of the Landlord's rights hereunder in respect of any continuing or subsequent default, breach or non-observance, or so as to defeat or affect in any way the rights of the Landlord herein in respect of any such continuing or subsequent default or breach, and no waiver shall be inferred from or implied by anything done or omitted by the Landlord, save only an express waiver by the Landlord in writing.

11.8 Recovery of Adjustments

The Landlord shall have (in addition to any other right or remedy of the Landlord) the same rights and remedies in the event of default by the Tenant in payment of any amount payable by the Tenant hereunder as the Landlord would have in the case of default in payment of Rent.

ARTICLE 12 - SUBORDINATION & ACKNOWLEDGEMENTS

12.1 Mortgages

At the option of the Landlord or the applicable mortgagee, chargee or trustee (as the case may be), this Lease shall be subject and subordinate to any and all mortgages, charges and deeds of trust (and instruments supplemental thereto), which may now or at any time hereafter affect the Lands or the Building. The Tenant acknowledges and agrees that any such mortgagee, chargee or trustee (collectively, the "Mortgagee") may unilaterally postpone and subordinate its mortgage, charge or deed of trust to this Lease and any renewals, modifications, consolidations, replacements or extensions thereof to the intent that this Lease and all right, title and interest of the Tenant in the Leased Premises shall be prior to the rights of such mortgagee, chargee or trustee as fully as if such Lease had been executed and registered before the registration of the mortgage, charge or deed of trust, as applicable. On request at any time and from time to time of the Landlord or of the mortgagee, chargee or trustee under any such mortgage, charge or deed of trust, the Tenant shall promptly, at no cost to the Landlord or mortgagee, chargee or trustee:

(a) subject to the provisions of the NDA (as hereinafter defined), attorn to such mortgagee, chargee or trustee and become its tenant of the Leased Premises or the tenant of the Leased Premises of any purchaser from such mortgagee, chargee or trustee in the event of an exercise of any permitted power of sale contained in any such mortgage, charge or deed of trust for the then unexpired residue of the Term on the terms herein contained; and/or

(b) subject to the provisions of the NDA, postpone and subordinate this Lease to such mortgage, charge or deed of trust to the intent that this Lease and all right, title and interest of the Tenant in the Leased Premises shall be subject to the rights of such mortgagee, chargee or trustee as fully as if such mortgage, charge or deed of trust had been executed and registered and the money thereby secured had been advanced before the execution of this Lease (and notwithstanding any authority or consent of such mortgagee, or trustee, express or implied, to the making of this Lease).

Any such attornment or postponement and subordination shall extend to all renewals, modifications, consolidations, replacements and extension of any such mortgage, charge or deed of trust and every instrument supplemental or ancillary thereto or in implementation thereof. The Tenant shall forthwith execute any instruments of attornment or postponement and subordination (in form and substance reasonably acceptable to Tenant) which may be so requested to give effect to this Section.

Notwithstanding the foregoing, the foregoing subordination and attornment provisions shall not be effective unless and until the applicable lender party or Mortgagee shall execute with Tenant and Landlord a subordination, non-disturbance and attornment agreement reasonably acceptable to Tenant

under which said lender or Mortgagee, as the case may be, shall agree (on its own behalf and on behalf of any purchaser at foreclosure) that, notwithstanding the existence of such mortgage or the foreclosure or other exercise of rights under any such mortgage, Tenant's possession and occupancy of the Leased Premises and its leasehold estate shall not be disturbed or interfered with nor shall Tenant's rights and obligations under this Lease be altered or adversely affected thereby, so long as no default hereunder shall have occurred and be continuing beyond any applicable notice or cure period.

12.2 Certificates

Either party shall, within not more than ten (10) business days' written request therefor, execute and return to the other party as required by such party or its mortgagee, chargee or trustee from time to time and without cost to the requesting party, a statement in writing certifying that this Lease is unmodified and in full force and effect (or if modified, stating the modifications and that the Lease is in full force and effect as modified), the amount of the annual Basic Rent then being paid hereunder, the dates to which the same, by instalment or otherwise, and other charges hereunder have been paid, whether or not there is any existing default on the part of either party of which the defaulting party has notice, and any other information reasonably required.

ARTICLE 13 - ACCESS BY LANDLORD

13.1 Exhibiting Leased Premises

The Tenant shall permit the Landlord or its agents to exhibit the Leased Premises to prospective tenants during the last twelve (12) months of the Term thereof during normal business hours upon at least 24 hours advance written notice. Notwithstanding the foregoing, in the event the Tenant does not exercise any option that is available to it to renew or extend the Term, the Landlord may (during business hours after at least twenty-four (24) hours advance written notice) exhibit the Leased Premises at any time after the earlier of the date the Tenant notifies the Landlord that it will not be exercising such option or, in the absence of such notice, the last day on which the Tenant may exercise such option.

13.2 Expansion, Alteration

Upon no less than 48 hours' prior written notice to Tenant (except in the case of emergency, in which case no such notice shall be required), the Landlord shall have the right to enter into the Leased Premises and to bring its workmen and materials thereon to inspect the Leased Premises and to make additions, alterations, improvements, installations and repairs to the Leased Premises and the Lands, the Building, and the common areas and services thereof as such may exist from time to time in accordance with the provisions of this Lease. The Landlord may cause such reasonable and temporary obstructions and interference with the use and enjoyment of the Lands, the Building and the Leased Premises as may be necessary for the purposes aforesaid and may temporarily interrupt or suspend the supply of electricity, water or other utilities or services when necessary and until the additions, alterations, improvements, installations or repairs have been completed, and there shall be no abatement in Rent nor shall the Landlord be liable by reason thereof, provided all such work is done as expeditiously as reasonably possible. Notwithstanding anything herein to the contrary, if such obstructions and interference due to interruption or suspension of the supply of electricity, water or other utilities or services shall occur and continue for more than five (5) consecutive business days, then in such case Tenant shall be entitled to a 50% Rent abatement from the sixth (6th) consecutive business day until such time such obstruction and/or interference is cured by Landlord. The Landlord shall have the right to use, install, maintain and repair pipes, wires, ducts, shafts or other installations in, under or through the Leased Premises for or in connection with the supply of any services to the Leased Premises or any other premises in the Building, so long as the same shall not adversely affect Tenant's use and enjoyment of the same and its business operation therein. Any damage to the Leased Premises resulting from Landlord's exercise of the foregoing rights shall be repaired promptly by Landlord, at Landlord's expense.

In the exercise of Landlord's rights under Sections 13.1 and 13.2, Landlord shall use reasonable efforts to minimize interference with Tenant's use and enjoyment of the Leased Premises and its business operation conducted therein. Tenant shall be permitted to have its designated agent accompany Landlord during any such access.

- 26 -

ARTICLE 14 - MISCELLANEOUS**14.1 Notice**

(a) Any notice, request, statement or other writing pursuant to this Lease shall be deemed to have been given if mailed by registered prepaid post or by facsimile transmission as follows:

In the case of the Landlord, to:

Cedar City Paradise Toll Rd Inc.
124 Merton St Suite 502
Toronto, Ont. M4S 2Z2

Attention: President
Facsimile #: 416-306-9900

And in the case of the Tenant, to:

Jon Szczur, CFO
at the Leased Premises

Facsimile # N/A

and such notice shall be deemed to have been received by the Landlord or the Tenant (as applicable) on the third business day after the date on which it shall have been so mailed (provided that in the event that there is an interruption of postal service, the aforesaid period shall be extended for a period equivalent to the period of such interruption) or on the day of facsimile transmission if made before 5:00 p.m. Eastern Time on a business day, otherwise on the business day next following, as evidenced by a written confirmation of such facsimile transmission.

(b) Notice shall also be sufficiently given if and when the same shall be delivered, in the case of notice to the Landlord, to an executive officer of the Landlord, and in the case of notice to the Tenant, to an executive officer of Tenant. Such notice, if delivered, shall be conclusively deemed to have been given and received at the time of such delivery. If in this Lease two or more persons are named as Tenant, such notice shall also be sufficiently given if and when the same shall be delivered personally to any one of such persons.

Either the Landlord or the Tenant may from time to time, by notice to the other as aforesaid, designate another address in Canada and/or facsimile number to which notices issued more than ten (10) days thereafter shall be addressed.

14.2 Registration

The Tenant covenants and agrees with the Landlord that the Tenant will not register or record this Lease or any part thereof against the title to the Lands or any part thereof except by way of notice of lease or short form of lease which shall be subject to the prior written approval of the Landlord (not to be unreasonably withheld or delayed) and which shall only describe the parties, the Leased Premises, and the Term (including any extensions thereof). In connection with a Landlord financing, the Tenant covenants to execute and return to the Landlord such notice (in form and substance reasonably acceptable to Tenant), prepared by the Landlord in registrable form setting out the aforesaid details, within ten (10) days' written request therefor.

14.3 Planning Act

Where applicable, this Lease shall be subject to the condition that it is effective only if the *Planning Act* (Ontario) is complied with. Pending such compliance, the Term and any extension periods shall be deemed to be for a total period of one (1) day less than the maximum lease term permitted by law without such compliance.

14.4 Obligations as Covenants

Each obligation or agreement of the Landlord or the Tenant expressed in this Lease, even though not expressed as a covenant, is considered to be a covenant for all purposes.

14.5 Severability

Any provision of this Lease that is determined to be illegal or unenforceable at law shall be considered separate and severable from the remaining provisions which shall remain in force and be binding upon the Landlord and the Tenant.

14.6 Unavoidable Delays

Whenever and to the extent either party hereto is unable to fulfil or shall be delayed or restricted in the fulfilment of any obligation hereunder by reason of being unable to obtain the material, goods, equipment, service, utility or labour required to enable it to fulfil such obligation or by reason of any restrictive statute, mandates, law, regulation, by-law or order, pandemics, epidemics, or by reason of any other cause beyond its reasonable control, whether of the same nature as the foregoing or not, the Landlord or Tenant, as the case may be, shall be relieved from the fulfilment of such obligation for so long as such cause continues and the neither party shall not be entitled to compensation for any inconvenience, nuisance or discomfort thereby occasioned. There shall be no deduction from the Rent or other monies payable under this Lease by reason of any such failure or cause.

14.7 Evidence of Payments

The Tenant shall produce to the Landlord upon request, satisfactory evidence of due payment by the Tenant of all payments required to be made by the Tenant under this Lease.

14.8 Demolition/ Substantial Renovation

Notwithstanding any other provision of this Lease, at any time after the fifteenth (15th) anniversary of the Commencement Date, the Landlord may terminate this Lease upon giving to the Tenant not less than 24 months' notice of such termination if it is the Landlord's intention to demolish or substantially renovate the Building (and such notice shall clearly indicate the termination effective date, which date shall be after such fifteenth (15th) anniversary). For greater clarity, notice can be provided on or after the thirteenth (13th) anniversary of the Commencement Date for termination effective on or after the fifteenth (15th) anniversary of the Commencement Date, so long as 24 months' notice is given.

14.9 Overholding

If the Tenant shall continue to occupy all or part of the Leased Premises after the expiration of the Term with the consent of the Landlord, and without any further written agreement, the Tenant shall be a monthly tenant at one hundred and fifty percent (150%) of the monthly Basic Rent payable during the last year of this Lease and otherwise on the terms and conditions herein set out except as to length of tenancy.

14.10 Intentionally Deleted

14.11 Time of Essence

Time shall be of the essence of this Lease and every part thereof.

14.12 Law

This Lease shall be governed by and construed in accordance with the laws of the Province of Ontario.

14.13 Captions/Headings

The captions appearing in the margin of this Lease and in the headings to the Articles of this Lease have been inserted as a matter of convenience of reference only and do not in any way whatsoever define, limit or enlarge the scope or meaning of this Lease or any part thereof.

14.14 Joint and Several Liability

If the Tenant shall be comprised of more than one (1) party, the liability of each such party under this Lease shall be joint and several.

14.15 Intentionally Deleted

14.16 Intentionally Deleted

14.17 Easements

The Tenant acknowledges that the Lands are subject to such rights-of-way and other easements as are designated, if any, in Schedule "A" hereto. The Tenant agrees to postpone this Lease, upon demand by the Landlord to:

- (i) such further easements in favour of adjoining lands solely for purposes of ingress and egress, as may be reasonably requested by the Landlord from time to time; and
- (ii) easements regarding utilities, as may be required from time to time, in each of the foregoing cases, provided that any such easements shall not adversely affect Tenant’s rights under this Lease, its use and enjoyment of its Leased Premises and its business operation conducted in or about the Leased Premises.

14.18 Entire Agreement

The Tenant acknowledges that there have been no representations made by the Landlord which are not set out in the Lease and in the APS. The Tenant further acknowledges that the Lease constitutes the entire agreement between the Landlord and Tenant with respect to the subject matter contained herein and may not be modified except by subsequent agreement in writing duly signed by the Landlord and the Tenant.

14.19 Effect of Lease

This Indenture and everything herein contained shall extend to and bind and may be taken advantage of by the respective heirs, executors, administrators, successors and assigns, as the case may be, of each of the parties hereto, subject to the granting of consent by the Landlord as provided herein to any assignment or sublease (to the extent such consent is required hereunder), and where there is more than one tenant or there is a female party or a corporation, the provisions hereof shall be read with all grammatical changes thereby rendered necessary and all covenants shall be deemed joint and several.

14.20 Extension of Term

If:

- (a) there is no Event of Default that is continuing;
- (b) the Tenant is Inscape Corporation or a Permitted Transferee, and is itself in occupation of at least thirty (30%) of the Rentable Area of the Building; and
- (c) the Tenant gives the Landlord no more than fifteen (15) months and no less than twelve (12) months written notice prior to the expiry of the initial Term and the First Extended Term, if applicable, as set out below, of its intention to extend the Term of this Lease,

then the Tenant will have the right to extend the Term of this Lease upon the expiry of the initial Term for a further period of five (5) years (the "**First Extended Term**"), and if the Tenant has validly exercised the First Extended Term, then the Tenant shall have a further right to extend the Term of this Lease for a further period of five (5) years (the "**Second Extended Term**") upon the same terms and conditions as are set out in this Lease, except that:

- (A) there shall be no fixturing period, rent free period, tenant inducement or allowance or subsidy provided and the Landlord shall not have any obligation to perform any work to the Leased Premises (the Tenant accepting the Leased Premises in its “as is, where is” condition); it being agreed that the foregoing shall not be construed as relieving Landlord of its ongoing maintenance, repair and replacement obligations expressly set out in this Lease;

- 29 -

- (B) there will be no further right to extend the Term of this Lease after the Second Extended Term;
- (C) if the Landlord requires, the Tenant will promptly execute an extension agreement prepared by the Landlord (in form and substance reasonably acceptable to Tenant), giving effect to the First Extended Term and the Second Extended Term;
- (D) the annual Basic Rent for the First Extended Term and for the Second Extended Term shall be mutually agreed upon between the Landlord and the Tenant based upon the then fair market rental rates of the Leased Premises, provided that if the parties are unable to agree as to such Basic Rent by no later than three (3) months prior to the expiry of the initial Term and the First Extended Term, as applicable, then the Basic Rent shall be determined by arbitration in accordance with the *Arbitrations Act, 1991* of Ontario using a single qualified arbitrator jointly selected by the parties within twenty (20) days after the start of the three (3) month period referred to above, failing which either party may apply to a court having jurisdiction to appoint a single arbitrator. Arbitration will be by written submission only. The decision of the arbitrator shall be binding upon the Landlord and Tenant and neither the Landlord nor Tenant shall have any right to appeal such decision. The cost of such arbitration shall be equally shared by the Landlord and the Tenant; however the Landlord and Tenant shall each be responsible for their own legal fees. If the parties fail to agree upon an arbitrator and neither makes an application to court to appoint an arbitrator as hereinbefore set forth, then this option to extend shall be null and void. If the annual Base Rent has not been determined by the commencement of the First Extended Term or the Second Extended Term, as applicable, the Tenant shall pay Basic Rent at the rate applicable to last year of the Term that has just expired, and within ten (10) days after the Basic Rent for the First Extended Term and the Second Extended Term, as applicable, is determined, the Landlord and Tenant will make adjustment for any difference in such Basic Rent from the commencement of the First Extended Term and the Second Extended Term, as applicable; and
- (E) For the avoidance of doubt, provided that there is no Event of Default, the Deposit during the First Extended Term and Second Extended Term, as applicable, shall be no greater than \$500,000.

If the Tenant fails to exercise the foregoing options to extend the Term of this Lease in accordance with this section or if the other conditions set out in this section are not satisfied, the options to extend the Term of this Lease shall be null and void.

14.21 Tenant Self-Help

If Landlord fails to observe or perform any of its covenants, obligations or undertakings contained in this Lease, which failure adversely affects Tenant's ability to conduct its business operations from the Leased Premises in accordance with this Lease, and Landlord fails to rectify such breach within thirty (30) days after written notice thereof from Tenant (or such longer period as may be reasonably required, so long as Landlord has commenced to remedy the breach within such thirty (30) day period and is proceeding with reasonable diligence to expeditiously remedy same), then Landlord shall be considered to be in default under this Lease (the "**Landlord Default**"). Notwithstanding anything to the contrary contained in this Lease, if there is a Landlord Default, Tenant may, acting reasonably, perform or satisfy the covenant, obligation or undertaking on behalf of and at the expense of Landlord (provided that in no event may Tenant conduct any work pursuant to this Section outside of the boundaries of the Leased Premises or which materially and adversely affect the structural components of the Leased Premises, the roof membrane and/or roof systems of the Building) and Landlord will reimburse Tenant for all reasonable costs incurred by Tenant in curing the Landlord Default within thirty (30) days of Landlord's receipt of any request for payment (accompanied by reasonable supporting documentation). Notwithstanding anything herein to the contrary, if Landlord shall fail to so timely reimburse Tenant for such costs, Tenant shall provide a second reminder notice of the same and if Landlord shall fail to reimburse Tenant within five (5) days of the giving of such reminder

notice, then Tenant shall be permitted to offset such costs against the installment(s) of Rent coming due hereunder.

14.22 Counterparts

This Agreement may be executed by PDF and 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.

[remainder of page intentionally blank]

IN WITNESS WHEREOF the parties hereto have duly executed this Lease.

Landlord

Tenant

CEDAR CITY PARADISE TOLL RD INC.

INSCAPE CORPORATION

Per: 
Authorized Signing Officer
Name: Steven Silverberg
Title: President

Per: _____
Authorized Signing Officer
Name:
Title:

I have authority to bind the Corporation

Per: _____
Authorized Signing Officer
Name:
Title:

I/we have authority to bind the Corporation

IN WITNESS WHEREOF the parties hereto have duly executed this Lease.

Landlord

Tenant

CEDAR CITY PARADISE TOLL RD INC.

INSCAPE CORPORATION

Per: _____
Authorized Signing Officer
Name:
Title:

I have authority to bind the Corporation

Per: _____
Authorized Signing Officer
Name: Eric Ehgoetz
Title: CEO

Per: _____
Authorized Signing Officer
Name:
Title: Jon Szczur, CPA, CMA
Chief Financial Officer

I/we have authority to bind the Corporation

SCHEDULE "A"

LEGAL DESCRIPTION

67 Toll Road, East Gwillimbury, Ontario

LT 7 S/S CENTRE ST PL 143 EAST GWILLIMBURY; PT LT 8 S/S CENTRE ST PL 143 EAST GWILLIMBURY; PT LT 109 CON 1 W YONGE ST EAST GWILLIMBURY PTS 1 & 2 65R3022 EXCEPT PT 1 65R17678 & PT 1 65R19218 ; EAST GWILLIMBURY

PT LT 8 S/S CENTRE ST PL 143 EAST GWILLIMBURY PT 4 65R3022 ; EAST GWILLIMBURY

Currently described in PINs 03423-0142 (LT) and 03423-0214 (LT)

SCHEDULE "B"

DEFINITIONS

For the purpose of this Lease:

- (a) **"Additional Rent"** means all amounts payable by the Tenant under the provisions of this Lease, whether payable to the Landlord or otherwise, over and above Basic Rent.
- (b) **"Applicable Laws"** means any statutes, laws, by-laws, regulations, ordinances, and requirements of governmental and other public authorities having jurisdiction over or in respect of the Leased Premises, or any portion thereof, and all amendments thereto at any time and from time to time, and including but not limited to the *Environmental Protection Act*, R.S.O.1990, c.E.19, as amended, and the *Canadian Environmental Protection Act*, R.S.C. 1985.
- (c) **"Basic Rent"** means those amounts set out as Basic Rent in Section 2.2 of this Lease.
- (d) **"Building"** means all buildings erected on the Lands and municipality known as in the Town of East Gwillimbury, Ontario.
- (e) Intentionally Deleted.
- (f) **"Furniture, Fixtures and Equipment"** means the itemized list set out in Schedule "D" attached hereto, existing as of the Commencement Date.
- (g) **"Hazardous Substances"** means, without limitation, any and all hazardous substances, hazardous waste, dangerous goods, toxic waste, toxic substance, contaminants, pollutants or related materials, including without limitation, heavy oil, pesticides, flammables, explosives, radioactive materials, asbestoses, urea formaldehyde foam insulation, radon gas, PCB, any products of waste, or any other contaminants, pollutants, substances or products, in all cases, identified or declared to be hazardous or toxic under the Environmental Laws.
- (h) **"Landlord's Architect"** means an independent qualified architect, engineer or Ontario Land Surveyor from time to time chosen by the Landlord.
- (i) **"Landlord Released Persons"**: means collectively and individually the Landlord and its affiliates and property managers and their respective officers, directors, shareholders, employees and agents.
- (j) **"Lands"** means the parcel of lands described in Schedule "A" annexed hereto.
- (k) **"Lease"** means this Lease and any schedules annexed hereto and any amendments from time to time made to this Lease in accordance with the provisions herein set out.
- (l) **"Leased Premises"** means the Lands, the Building, and all other improvements, structures, fixtures, building services, machinery, equipment, fences, walkways, paving, utility and sewage facilities and systems from time to time located upon or in the Lands or the Building, having a municipal address of 67 Toll Road, East Gwillimbury.
- (m) **"Leasehold Improvements"** means all fixtures (save for Furniture, Fixtures and Equipment), installations, additions, improvements and Alterations made, erected or installed in or on the Leased Premises by or on behalf of the Tenant.
- (n) **"Operating Costs"** means the reasonable costs and expenses of the Landlord in maintaining, operating, repairing, replacing, insuring and administering the Leased Premises, none of which shall be a duplication of another cost or expense hereunder:
 - (i) the cost and expense of obtaining and maintaining the insurance in respect of the Leased Premises as Landlord is required to obtain and maintain pursuant to the provisions of this Lease, including all

commercially reasonable insurance premiums and commercially reasonable Landlord insurance deductibles which are paid by the Landlord in connection with claims made against it;

- (ii) maintenance, repairs and replacements to the Leased Premises as provided in Article 6 hereof, including any required capital repairs and replacements to the Building Structure and Building Systems and parking areas as expressly provided in Section 6.1(b) hereof, provided, however that notwithstanding anything herein to the contrary, for any such repairs and replacements to the Leased Premises that are normally treated in accordance with sound accounting principles consistently applied in the commercial real estate industry in Ontario (collectively “**Accounting Principles**”) as being of a capital nature and required to be capitalized, such repairs and replacements shall be amortized (on a straight line basis) in accordance with the Accounting Principles over the useful life of the item in question as reasonably determined by Landlord (in accordance with the Accounting Principles);
- (iii) interest calculated upon the undepreciated or unamortized part of the capital expenditure costs referred to in clause (ii) above, at a rate per annum that is two percent (2%) per annum in excess of the minimum lending rate charged to prime commercial borrowers by the Landlord’s bank from time to time; and
- (iv) a management fee of two percent (2%) of Basic Rent and Operating Costs payable per annum, provided, however that such management fee shall not be greater than the Management Fee Cap (as hereinafter defined) in any given Year (prorated for any partial Year). The “**Management Fee Cap**” shall be equal to \$59,180 per annum (pro rated for any partial Year), such amount subject to a 2.5% increase per annum.

Notwithstanding the foregoing, from the total of the Operating Costs set out above, there is to be deducted or excluded as the case may be:

- (1) net recoveries that reduce the expenses incurred by the Landlord in operating and maintaining the Leased Premises;
- (2) net proceeds received by Landlord or that would have been received by Landlord from insurance policies required to be taken out by the Landlord, to the extent that the proceeds relate to the costs and expenses incurred in the maintenance, repair, replacement and operation of the Leased Premises;
- (3) net recoveries by the Landlord in respect of warranties or guarantees relating to the construction or repair of the Leased Premises or any Alterations thereto to the extent (but only to the extent) that the construction or repair costs in respect of the work covered by such warranties or guarantees have been charged as Operating Costs;
- (4) all income tax or similar taxes, corporation taxes, profits taxes, excess profits taxes, place of business taxes, gift taxes, estate taxes, succession taxes, inheritance taxes, franchise taxes, land transfer taxes, non-resident taxes, business taxes, capital tax and any other taxes personal to the Landlord;
- (5) discounts, refunds, credits and rebates from suppliers and contractors relating to amounts that have been included in Operating Costs;
- (6) ground rent (if any), depreciation, amortization and interest on and capital retirement of debt affecting all or any part of the Landlord’s interest in and to the Leased Premises;

- (7) the replacement cost of any capital repair or replacement to the extent that the depreciation or amortization of any such item is included in Operating Costs;
- (8) all fines, suits claims, demands, actions, costs, charges and expenses of any kind or nature for which the Landlord is or may become liable by reason of any negligent or willful acts or omission to act on the part of the Landlord or those for whom the Landlord is in law responsible or by reason of any breach or violation or non-performance by the Landlord of any Applicable Laws in respect of the Leased Premises;
- (9) any costs related to the redevelopment of the Leased Premises or any development of additional buildings on the Lands;
- (10) any costs related to investigation, remediation or response to any claims related to Hazardous Substances and any costs related to Pre-Existing Hazardous Conditions, other than such costs related to (A) Hazardous Substances used or Released by Tenant or brought onto the Leased Premises or the Lands by Tenant or those acting under its authority and control, in all cases, during the Term of this Lease (but not prior to the Term hereof), or (B) air quality monitoring to the extent that same are not performed by Tenant;
- (11) costs associated with the operation of the business of the entity which constitutes the Landlord, including, without limitation, any legal and accounting costs;
- (12) construction defects or repairs due to the negligent or willful acts or omissions of Landlord or its agents or others under its control;
- (13) overhead and profit paid to subsidiaries or affiliates of Landlord for management of the Leased Premises, and any wages, salaries or other compensation paid to any executive above the grade of building manager and any wages, salaries, benefits and expenses attributable to off-site personnel;
- (14) costs of repairs or other work necessitated by fire or other casualty reimbursable by Landlord's insurance required to be maintained hereunder;
- (15) the cost of insurance coverages not generally carried by landlords of similar buildings in the area and the costs of insurance coverages carried by Landlord that are duplicative of insurance coverages also required by this Lease to be maintained by Tenant; and
- (16) costs incurred in connection with the financing, refinancing or transfer of the Building or the Leased Premises (including the cost of any lender's policy of title insurance) or any interest therein.

Notwithstanding the foregoing, the parties acknowledge and agree that Tenant shall be permitted to manage and operate the Leased Premises throughout the Term (or any extension thereof) in accordance with Tenant's Standard Procedures. Accordingly, and for the avoidance of doubt, to the extent Tenant directly incurs any cost in the performance of its obligations as set out in this Lease for any item that would otherwise be considered an Operating Cost, such cost shall not be chargeable to Tenant by Landlord and Tenant shall timely pay such cost directly to the utility or service provider, as the case may be.

- (o) **"Rent"** means Basic Rent and Additional Rent.
- (p) **"Rentable Area of the Building"** means the area of the Building measured in accordance with the SIOR standard of measurement for industrial buildings.

- (q) **"SIOR"** means the Society of Industrial and Office Realtors (Canada).
- (r) **"Taxes"** means all taxes, rates, duties, levies and assessments whatsoever (imposed by any and all taxing authorities having jurisdiction) levied, charged or assessed upon the Lands and Building or upon any part or parts thereof and all improvements now or hereafter erected or placed on the Lands, or charged against the Landlord on account thereof, including but not limited to local improvement charges (but excluding profit and excess profit taxes and taxes assessed upon the income of the Landlord). In addition to the foregoing, Taxes shall include any and all taxes, charges, levies or assessments which may in the future be levied, charged or assessed in lieu thereof or in addition thereto. Taxes shall also include all out-of-pocket costs and expenses incurred by the Landlord in obtaining or attempting to obtain a reduction or prevent an increase in the amount thereof and the out-of-pocket cost of all consultants, solicitors and accountants retained by the Landlord with respect thereto. Taxes shall in every instance be calculated on the basis of the total Rentable Area of the Building being assessed as fully leased and operational.
- (s) **"Term"** means that period of time set out in Section 1.3 of this Lease (and any and all extensions or renewals thereof, as may be applicable).
- (t) **"Transfer"** has the meaning ascribed thereto in Section 7.1(a) of this Lease.
- (u) **"Transferee"** has the meaning ascribed thereto in Section 7.1(a) of this Lease.
- (v) **"Year"** means each calendar year, the whole or part of which is included within the Term.
- (w) **"Tenant Released Persons"**: means collectively and individually Tenant and its affiliates and their respective officers, directors, shareholders, employees and agents.
- (x) **"APS"** means that certain Agreement of Purchase and Sale dated November 8, 2021 (as amended) between Inscap Corporation, as vendor, and Cedar City Homes Ltd., as purchaser.

SCHEDULE "C"

RULES AND REGULATIONS

In the event of any conflict between the provisions of these Rules and Regulations and the provisions of the balance of this Lease, the provisions of the Lease shall govern and control.

1. **Definition** - In these rules and regulations, "Tenant" includes the employees, servants, agents, invitees, subtenants and licensees of the Tenant and others over whom the Tenant can reasonably be expected to exercise its control.
2. **Garbage** - The Tenant shall not burn any trash or garbage in or about the Leased Premises.
3. **Overloading** - The Tenant shall not overload any floor of the Leased Premises.
4. **Maintenance** - The Tenant shall at all times keep the Leased Premises in a clean and sanitary condition in accordance with the laws and directions, rules and regulations of any governmental or municipal agency having jurisdiction and the Tenant shall keep all doorways, entrances and exits clear at all times to ensure proper exiting in the event of fire or evacuation of the Leased Premises.
5. **Lighting** - At the commencement and throughout the Term the Tenant shall at its sole expense supply and install all light bulbs and tubes and maintain all necessary lighting fixtures.
6. **Security Alarm** - The Tenant shall not install a security alarm system ("System") in the Leased Premises without the written consent of the Landlord (such consent not to be unreasonably withheld or delayed); it being agreed, however, that any System in place as of the date hereof (and any regular upgrades and modifications thereto) shall be deemed approved by Landlord. In the event that the Landlord gives consent for installation of a System in the Leased Premises, the Tenant shall remove such System at the expiration or earlier termination of the Lease and shall repair any damage caused by such removal, all at the Tenant's sole cost and expense. The Landlord shall not be liable for any damages whatsoever either to such System or as a result of such System being activated as a result of the Landlord's entry into the Leased Premises pursuant to the provisions of the Lease.
7. **Locks** - All glass, locks and trimmings of the doors and windows in or upon the Leased Premises and in or upon the exterior walls of the Leased Premises shall be kept whole and whenever broken shall be immediately replaced or repaired by and at the sole cost and expense of the Tenant with glass, locks and trimmings of the same quality under the direction and to the reasonable satisfaction of the Landlord. The Tenant shall not place any additional lock upon any door of the Building and shall not replace any locks upon any door of the Building.
8. **Parking** - No vehicles of any kind shall be parked on the parking lot(s) or driveways overnight except as specifically permitted in the Lease or in the normal course of the Tenant's business.
9. **Storage** - The Tenant shall not store any equipment outside of the Leased Premises, except as otherwise expressly provided in this Lease.
10. **Loading** - The loading and unloading of merchandise, supplies, materials, garbage, refuse and other chattels shall be made through or by means of such doorways or corridors as the Tenant shall reasonably determined in a manner consistent with its business practices.
11. **Safety Equipment** - The Tenant shall install necessary fire extinguisher and safety equipment as required by local fire department and safety standards and shall maintain such equipment in good working order during the Term.

12. Intentionally Deleted.

13. Additional Rules and Regulations - The Landlord shall have the right to revoke or amend any rule or regulation or to issue further rules and regulations upon prior written notice to Tenant and any amended or further rules and regulations shall be binding upon the Tenant, provided the same are reasonable and non-discriminatory towards Tenant.

SCHEDULE "D"
FURNITURE, FIXTURES AND EQUIPMENT
[attached]

1. **Amada Laser Equipment;**
2. **Amada Automation Tower;**
3. Three (3) discrete paint lines and all respective related paint line items, including but not limited to, burn off ovens, repair booths and spray painting equipment;
4. Conveyors, material handling equipment and other items related to production;
5. **All of the equipment set out below** in the Gordon Brothers appraisal report (pages 16 through and including 25); and
6. All other miscellaneous furniture, fixtures and equipment located in the premises as of the date hereof.

67 TOLL ROAD
EAST GWILLIMBURY, ONTARIO, CANADA

Desktop Appraisal

Description	FLV	OLV
Production Machinery		
Item #1		
Qty: (1) Cincinnati Model 12 Series x 10' 200-Ton x 10' Mechanical Press Brake, S/N 29713, (1955)		
Item #2		
Qty: (1) Chicago Dreis & Krump Model 68-L 90-Ton x 8' Mechanical Press Brake, S/N L5468 (Asset Documentation In Photograph Section)		
Item #3		
Qty: (1) Cincinnati Model 13 Series x 12' 400-Ton x 12' Mechanical Press Brake, S/N 39550, (1974)		
Item #4		
Qty: (1) Amada Model RG100 100-Ton Hydraulic Press Brake, S/N 102899; (Estimated Mid 1980's); 100" Between Frames Bending Capacity		
Item #5		
Qty: (1) Amada Model RG100 100-Ton Hydraulic Press Brake, S/N 103167; (Estimated Mid 1980's); 100" Between Frames Bending Capacity		
Item #6		
Qty: (1) Amada Model RG100 135-Ton Hydraulic Press Brake, S/N 103353; (Estimated Mid 1980's); 100" Between Frames Bending Capacity		
Item #7		
Qty: (1) Cincinnati Model 5 Series x 10' 135-Ton x 10' Mechanical Press Brake, S/N 38672, (1972)		
Item #8		
Qty: (1) Niagara Model HBM-175-10-12 175-Ton x 12' Hydraulic Press Brake, S/N P54051; (Estimated Mid 1990's) (Asset Documentation In Photograph Section)		
Item #9		
Qty: (1) Niagara Model HBM-175-10-12 175-Ton x 12' Hydraulic Press Brake, S/N P54053; (Estimated Mid 1990's)		
Item #10		
Qty: (1) Wysong Model MTH175-168 175-Ton x 14' Hydraulic Press Brake, S/N MT13-115; (Estimated Mid 1990's)		
Item #11		
Qty: (1) Aida Model NC2-160(2) 176-Ton Mechanical Gap Frame Punch Press, S/N 10516-1647; (Estimated Mid 1990's) (Asset Documentation In Photograph Section)		
Item #12		
Qty: (1) Cincinnati Model 90CBII x 6 FT 90-Ton x 6' Hydraulic Press Brake, S/N 49620; (Estimated Mid 1990's)		

INSCAPE CORPORATION
JOB NUMBER: 3094351

IV. MACHINERY & EQUIPMENT LISTING
EAST GWILLIMBURY, ONTARIO, CANADA

Description	FLV	CLV
Item #13 Qty: (1) Cincinnati Model 90CBII x 6 FT 90-Ton x 6' Hydraulic Press Brake, S/N 49621; (Estimated Mid 1990's)		
Item #14 Qty: (1) Cincinnati Model 90CBII x 8 FT 90-Ton x 8' Hydraulic Press Brake, S/N 49623; (Estimated Mid 1990's)		
Item #15 Qty: (1) Cincinnati Model 90CBII x 6 FT 90-Ton x 6' Hydraulic Press Brake, S/N 49622; (Estimated Mid 1990's)		
Item #16 Qty: (1) Wysong Model THS100-120 100-Ton x 10' Hydraulic Press Brake, S/N TH1-116; (Estimated Late 1990's)		
Item #17 Qty: (1) Atek Bantam Model B224 24-Ton x 2' Mechanical Press Brake, S/N PBU2/382		
Item #18 Qty: (1) Amada Model D-9E 100-Ton Hydraulic Press Brake, S/N 50105891; (Estimated Late 1990's); 100" Between Frames Bending Capacity		
Item #19 Qty: (1) Wysong Model THS60-72 60-Ton x 6' Hydraulic Press Brake, S/N TH5-117; (Estimated Late 1990's)		
Item #20 Qty: (1) Wysong Model THS60-72 60-Ton x 6' Hydraulic Press Brake, S/N TH5-115; (Estimated Late 1990's)		
Item #21 Qty: (1) Wysong Model THS100-96 100-Ton x 8' Hydraulic Press Brake, S/N TH2-120; (Estimated Late 1990's)		
Item #22 Qty: (1) Allsteel Model 135-8 135-Ton x 8' Hydraulic Press Brake, S/N 13974		
Item #23 Qty: (1) Allsteel Model 135-8 135-Ton x 8' Hydraulic Press Brake, S/N 13975		
Item #24 Qty: (1) Cincinnati Model 90CBII x 6 FT 90-Ton x 6' Hydraulic Press Brake, S/N 50249; (Estimated Late 1990's) (Asset Documentation In Photograph Section)		
Item #25 Qty: (1) Allsteel Model 135-8 135-Ton x 8' Hydraulic Press Brake, S/N 13973		
Item #26 Qty: (1) Allsteel Model 135-8 135-Ton x 8' Hydraulic Press Brake, S/N 13972		
Item #27 Qty: (1) Allsteel Model 65-8 65-Ton x 8' Hydraulic Press Brake, S/N MG-6689-C1; (Estimated Early 2000's)		
Item #28 Qty: (1) Wysong Model THS100-168 100-Ton x 14' Hydraulic Press Brake, S/N TH12-101; (Estimated Mid 1990's)		

INSCAPE CORPORATION
JOB NUMBER: 3094351

IV. MACHINERY & EQUIPMENT LISTING
EAST GWILLIMBURY, ONTARIO, CANADA

Description	FLV	OLV
Item #29		
Qty: (1) Cincinnati Model CBII-90-6 90-Ton x 6' Hydraulic Press Brake, S/N 49617; (Estimated Mid 1990's)		
Item #30		
Qty: (1) Wysong Model XCH2-120 250-Ton x 10' Hydraulic Press Brake, S/N XH2-100		
Item #31		
Qty: (1) Wysong Model THS140-144 140-Ton x 12' Hydraulic Press Brake, S/N TH9-103; (Estimated Late 1990's)		
Item #32		
Qty: (1) Cincinnati Model CBII-90-6 90-Ton X 6' Hydraulic Press Brake, S/N 49618; (Estimated Mid 1990's); 78" Between Frames Bending Width Capacity		
Item #33		
Qty: (1) Cincinnati Model 5 Series 135-Ton Mechanical Press Brake, S/N 30744, (1957); 120" Between Frames Bending Width Capacity		
Item #34		
Qty: (1) Finn-Power Model E100-3100 E-Brake 100-Ton x 10' CNC Press Brake, S/N F1512; (Estimated Mid-Late 2000's)		
Item #35		
Qty: (1) Finn-Power Model E65-2550 E-Brake 65-Ton x 8' CNC Press Brake, S/N M2092; (Estimated Late 2000's) (Asset Documentation In Photograph Section)		
Item #36		
Qty: (1) Finn-Power Model E65-2550 E-Brake 65-Ton x 8' CNC Press Brake, S/N M2091; (Estimated Late 2000's)		
Item #37		
Qty: (1) Niagara Model HBM-175-10-12 175-Ton x 12' Hydraulic Press Brake, S/N P54054; (Estimated Mid 1990's)		
Item #38		
Qty: (1) Wysong Model THS100-120 100-Ton x 10' Hydraulic Press Brake, S/N TH1-125; (Estimated Late 1990's)		
Item #39		
Qty: (1) Allsteel Model 30-6 30-Ton x 6' Press Brake, S/N 301		
Item #40		
Qty: (1) Allsteel Model 175-12 175-Ton x 12' Hydraulic Press Brake, S/N 20369; (Estimated Early 2000's)		
Item #41		
Qty: (1) Allsteel Model 350TC-10 350-Ton x 10' Hydraulic Press Brake, S/N 32532		
Item #42		
Qty: (1) Allsteel Model 175-12 175-Ton x 12' Hydraulic Press Brake, S/N 20370		
Item #43		
Qty: (1) Niagara Model HBM-175-10-12 175-Ton x 12' Hydraulic Press Brake, S/N P5433S; (Estimated Mid 1990's)		

INSCAPE CORPORATION
JOB NUMBER: 3094351

IV. MACHINERY & EQUIPMENT LISTING
EAST GWILLIMBURY, ONTARIO, CANADA

Description	F.L.V.	O.L.V.
Item #44		
QTY: (1) Amada Model RG100 100-Ton x 10' Hydraulic Press Brake, S/N 50106022; (Estimated Early 2000's)		
Item #45		
QTY: (1) Allsteel Model 65-8 65-Ton x 8' Hydraulic Press Brake, S/N MG-6687; (Estimated Early 2000's)		
Item #46		
QTY: (1) Amada Model RG100 100-Ton x 10' Hydraulic Press Brake, S/N 105930; (Estimated Late 1990's) (Asset Documentation In Photograph Section)		
Item #47		
QTY: (1) Brown Boggs Model 17 1/2J 60-Ton Mechanical OBI Punch Press, S/N 11280		
Item #48		
QTY: (1) Model 6-1P Estimated 10-Ton Mechanical OBI Punch Press, S/N 620		
Item #49		
QTY: (1) Piranha Model SEPP 35 160 35-Ton Single-End Punch Press, S/N F697		
Item #50		
QTY: (4) Magnum Model HBH-6B 4-Ton C-Frame Notching Hydraulic Punch Presses, S/N 21160; S/N 21162; S/N 21161; and S/N 21159 EACH VALUE: \$500 / \$500		
Item #51		
QTY: (1) Aida Model NC2-200(2) 220-Ton Mechanical Gap Frame Punch Press, S/N B0520-0009		
Item #52		
QTY: (1) Magnum Model HBM-35B 35-Ton Hydraulic Punch Press, S/N 97216, (1997)		
Item #54		
QTY: (1) Azimuth Machinery Model 15-IP 15-Ton Mechanical OBI Punch Press		
Item #55		
QTY: (1) Magnum Model HBM-35B 35-Ton Hydraulic Punch Press, S/N 97217, (1997)		
Item #56		
QTY: (1) Hordern Mason & Edwards Model LM100 100-Ton Punch Press, S/N 6203		
Item #57		
QTY: (1) Alva Allen Model BT12-101 12-Ton Mechanical Punch Press		
Item #58		
QTY: (1) Amada Model M-3045 10' x 3/16" Shear		
Item #59		
QTY: (1) Sampson Model LB-414H 4' x 14-Gauge Shear, S/N 0611089		

INSCAPE CORPORATION
JOB NUMBER: 3094351

IV. MACHINERY & EQUIPMENT LISTING
EAST GWILLIMBURY, ONTARIO, CANADA

Description	FLV	OLV
Item #60 Qty: (1) Niagara Model T223? 3' Shear		
Item #61 Qty: (1) Wysong Model H-52 5' x 16-Gauge Shear, S/N 52-387		
Item #62 Qty: (1) Alden 9-Head Custom-Built Hydraulic Punch Press; with (4) 8-Ton Cylinders; (2) 15-Ton Cylinders; and (3) 2-Ton Cylinders; (Product Line Dedicated)		
Item #63 Qty: (1) Amada Model Pega 305072 Turret Punch, S/N P3570125; (Estimated Mid 1980's)		
Item #64 Qty: (1) Amada Model Apelio II 357 22-Ton/1.5-kW Laser Turret Punch, S/N 23570287; (Estimated Mid 1990's)		
Item #65 Qty: (1) Amada Model Vipros 358 K 33-Ton CNC Turret Punch, S/N 35840007; (Estimated Late 1990's) (Asset Documentation In Photograph Section)		
Item #66 Qty: (1) Amada Model Vipros 358 K 33-Ton CNC Turret Punch, S/N 35840029; (Estimated Late 1990's)		
Item #67 Qty: (1) Amada Model Pega 345 33-Ton CNC Turret Punch, S/N 04500189; (Estimated Mid 1990's)		
Item #68 Qty: (1) Mawer 75-kva Automated Spot Welder, S/N 1156.155; Side Panel; (Product Line Dedicated)		
Item #69 Qty: (1) Mawer Automated Welding System, S/N 1156.135; with ABB Model IRB4400L Robot, with End of Arm Tooling		
Item #70 Qty: (1) Mawer Automated Overhead Structure Welder; (Product Line Dedicated)		
Item #71 Qty: (1) Hobart Model TR250HF 250-Amp Tig Welder, S/N 84WS08662; Cart Mounted		
Item #72 Qty: (1) Mawer 75-kva Automated Spot Welder; (Product Line Dedicated)		
Item #73 Qty: (1) Rainbow Electronics Model 3035/T93300 100-kva Automated Spot Welder, S/N 092499/99354064; (Product Line Dedicated)		
Item #74 Qty: (1) Nutech Automated Custom Hybrid Projection Welder, S/N J1019; with (2) 43-kva and (1) 30-kva Transformers; (Product Line Dedicated)		

INSCAPE CORPORATION
JOB NUMBER: 3094351

IV. MACHINERY & EQUIPMENT LISTING
EAST GWILLIMBURY, ONTARIO, CANADA

Item #	Description	FLV	OLV
Item #75			
QTY: (1)	Precision Model ARA-2 50-kva Rocker Arm Welder, S/N 150095		
Item #76			
QTY: (1)	Precision Model ARA-2 75-kva Rocker Arm Welder, S/N 650081		
Item #77			
QTY: (1)	Precision Model ARA-2 75-kva Rocker Arm Welder, S/N 565196		
Item #78			
QTY: (1)	Precision Model ARA-1 60-kva Rocker Arm Welder, S/N 565423		
Item #79			
QTY: (1)	Precision Model ARA-2 75-kva Rocker Arm Welder, S/N 576067		
Item #80			
QTY: (1)	Precision Model ARA-2 75-kva Rocker Arm Welder, S/N 475050		
Item #81			
QTY: (1)	Custom Built 100-kva Spot Welder		
Item #82			
QTY: (1)	Tecna Model 7913 6-kva Portable Spot Welder, S/N 03449-05/3617-06; with Model TE90 Weld Controller; and Foot Switch		
Item #83			
QTY: (1)	Taylor-Winfield Model ENB12-40-75 AIOPER 75-kva Projection Welder, S/N 53593		
Item #84			
QTY: (1)	Rainbow Electronics Model 100 100-kva Projection Welder, S/N 10002013		
Item #85			
QTY: (1)	Mawer 60-kva Projection Welder; Lock Pivot Angle		
Item #86			
QTY: (1)	Mawer Model RA 50-30 50-kva Rocker Arm Welder, S/N 1156.122		
Item #87			
QTY: (1)	Taylor-Winfield Model ENB12-50 AIOPER 50-kva Projection Welder, S/N 52871		
Item #88			
QTY: (1)	Mawer Model RA 75-kva Rocker Arm Welder, S/N 1156.144.1		
Item #89			
QTY: (1)	Mawer Model NB 30 50 50-kva Rocker Arm Welder, S/N 1156.157		
Item #90			
QTY: (1)	Mawer 20-kva Spot Welder		
Item #91			
QTY: (1)	Mawer 50-kva Projection Welder, S/N 5995/1156.117		

INSCAPE CORPORATION
JOB NUMBER: 3094351

IV. MACHINERY & EQUIPMENT LISTING
EAST GWILLIMBURY, ONTARIO, CANADA

Description	FLV	OLV
Item #92		
Qty(1) Progressive Model RA 50-30 50-kva x 30" Throat Rocker Arm Welder, S/N 2734 (Asset Documentation In Photograph Section)		
Item #93		
Qty(1) Progressive Model RA 75-40 75-kva x 40" Throat Rocker Arm Welder, S/N 3958		
Item #94		
Qty(1) Progressive Model EA-50-30C 50-kva x 30" Throat Projection Welder, S/N 3452		
Item #95		
Qty(1) Precision Model FRA-2 30-kva Rocker Arm Welder, S/N 465154-1		
Item #96		
Qty(1) Holzma Model HPL 11/38/16 3800mm x 1600mm Panel Saw, S/N D-240-15-0643; (Estimated Late 1990's) (Asset Documentation In Photograph Section)		
Item #97		
Qty(1) CMS Model PF-122-R8-RR 8-Spindle Turret Head Router, S/N 2079; (Estimated Late 1990's)		
Item #98		
Qty(1) IPS Model IVB606HD Vertical Baler, S/N 11417; (Estimated Early 2000's)		
Item #99		
Qty(1) Foil Roller		
Item #100		
Qty(1) Ernst Model BM2/1350 53" Automatic Panel Buffing Machine, S/N 610136; (Estimated Early 2000's)		
Item #101		
Qty(1) Whemhoener Model Basic 1007 S Membrane Press, S/N S/100616-003; (Estimated Early 2000's) (Asset Documentation In Photograph Section)		
Item #102		
Qty(1) Work Surface Line, To Include:		
(1) Biesse Pallet Loader, S/N 45951; (Estimated 8-10 Years Old); with Labeler		
(1) Biesse Model Rover A 22 31 G FT 2200mm x 3100mm Flat Table Router, S/N 45951; (Estimated 8-10 Years Old)		
(1) Board Inverter, S/N 99515		
(1) Biesse Model Rover A 22 31 G FT 2200mm x 3100mm Flat Table Router, S/N 45941; (Estimated 8-10 Years Old)		
(1) Offloading Table, S/N 99513 (Asset Documentation In Photograph Section)		

INSCAPE CORPORATION
JOB NUMBER: 3094351

IV. MACHINERY & EQUIPMENT LISTING
EAST GWILLIMBURY, ONTARIO, CANADA

Description	FLV	OLV
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TOTAL PRODUCTION MACHINERY:

Discontinued Equipment

Item #106

Qty: (1) Allsteel Model 160-12 160-Ton x 12' Hydraulic Press Brake, S/N 1738

Item #110

Qty: (1) Holden & Hunt Model No. 2 50-kva Rocker Arm Welder, S/N 10639

Item #111

Qty: (1) Wysong Model THS140-144 140-Ton x 12' Hydraulic Press Brake, S/N TH9-100; (Estimated Late 1990's)

Item #113

Qty: (1) Mawer Model RA 50-kva Rocker Arm Welder, S/N 1156.144.2
(Asset Documentation In Photograph Section)

INSCAPE CORPORATION
JOB NUMBER: 3094351

IV. MACHINERY & EQUIPMENT LISTING
EAST GWILLIMBURY, ONTARIO, CANADA

Description	FLV	OLV
Item #115 Qty: (1) Allsteel Model 95-8 95-Ton x 8' Hydraulic Press Brake, S/N 95267; (Estimated Early 2000's)		
Item #116 Qty: (1) Allsteel Model 95-8 95-Ton x 8' Hydraulic Press Brake, S/N 95268; (Estimated Early 2000's)		
Item #117 Qty: (1) Cincinnati Model 90CBII x 6 FT 90-Ton x 6' Hydraulic Press Brake, S/N 52511; (Estimated Early 2000's) (Asset Documentation In Photograph Section)		
Item #119 Qty: (1) Allsteel Model 175-14 175-Ton x 14' Hydraulic Press Brake, S/N 23055		
Item #120 Qty: (1) Cincinnati Model 90CBII x 6 FT 90-Ton x 6' Hydraulic Press Brake, S/N 52471; (Estimated Early 2000's)		
Item #121 Qty: (1) Cincinnati Model 90CBII x 6 FT 90-Ton x 6' Hydraulic Press Brake, S/N 52472; (Estimated Early 2000's)		
Item #123 Qty: (1) Allsteel Model 175-8 175-Ton x 8' Hydraulic Press Brake, S/N 20372; (Estimated Early 2000's)		
Item #127 Qty: (1) Mawer 75-kva/Head 2-Head Custom Welder; (Product Line Dedicated)		

INSCAPE CORPORATION
JOB NUMBER: 3094351

IV. MACHINERY & EQUIPMENT LISTING
EAST GWILLIMBURY, ONTARIO, CANADA

Description	FLV	OLV
Item #131 Qty: (1) Roylan Industries 2-Robot Custom Robotic Welding System, (2007); with ABB Model IRB2400 Robots, with Mig/Spot End of Arm Tooling; Medar Weld Controller; Rotary Frame, with Copper Plate 2-Position Tables; and Motor Control Package, S/N P07-0136 (Asset Documentation In Photograph Section)		
Item #132 Qty: (1) Roylan Industries 66-kva/Head Twin-Head Custom Spot Welder, (2007); with Linear Drive Controller; Medar Weld Controller; and Motor Control Package, S/N P07-0140; (Product Line Dedicated)		
Item #135 Qty: (1) Mawer 75-kva/Head 6-Head Projection Welder, S/N 1156.156; 575 Volt; (Product Line Dedicated)		
Item #136 Qty: (1) AVN Automation 72-kva/Head 4-Head Custom Spot Welder; with (4) Transformers, 600 Volts, 30 Amps; (Product Line Dedicated)		
Item #137 Qty: (1) AVN Automation 72-kva/Head Custom 2-Head Spot Welder; with (2) Transformers, 600 Volts, 30 Amps; and Drilling Operation; (Product Line Dedicated)		
Item #138 Qty: (1) Roylan Industries Custom Spot Welder; Unknown Welding Capacities; with Medar Model 200S Controller; (Product Line Dedicated)		
TOTAL DISCONTINUED EQUIPMENT:		\$:

**This is Exhibit "I" referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 11th day of January, 2023**

DocuSigned by:

Monica Faleim

A COMMISSIONER FOR TAKING AFFIDAVITS

LEASE AGREEMENT

THIS LEASE is made and entered into this **December 29, 2020**, between Lynn Development, Inc., having an address of 310 E 3rd Street, Suite 308, PO Box 3090, Jamestown, NY USA 14702, ("**Landlord**") and **Inscape (New York) Inc.** having an address of 221 Lister Avenue, Falconer, New York USA 14733. ("**Tenant**").

Inscape Corporation, Parent Company, having an address of 67 Toll Road, Holland Landing, Ontario, Canada, L9N 1H2 ("Guarantor").

WITNESSETH:

WHEREAS, Landlord desires to lease to Tenant and Tenant desires to lease from Landlord the Premises described below upon the terms and conditions provided in this Lease.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, Landlord and Tenant agree as follows:

1. GRANT OF LEASE AND DESCRIPTION OF PREMISES:

Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, those certain premises located at **15 Tiffany Ave, Falconer, NY 14733** (the "Building"), County of Chautauqua, State of New York, more particularly described in *Exhibit "A"* appended hereto, together with all buildings and improvements located thereon comprising approximately an original area of **24,524** square feet of the *Warehouse space* (the "Improvements") and **4,940** square feet of the *office space* or portion thereof occupied by Tenant and all easements and rights-of-way appurtenant to the premises. The premises covered by this Lease, including the Improvements and easements, and rights-of-way appurtenant to the premises, shall hereinafter be referred to as the "Premises," subject to, and reserving to the Landlord, the space necessary to install, maintain and operate, by means of pipes, ducts, wires or otherwise those utilities and services required for the Building, and the right of access to entry on the Premises by the Landlord and its agents therefore for the purpose of making repairs, alterations or additions to the Premises or to the Building if Landlord so elects, provided Landlord gives Tenant not less than 48 hours' notice of any requested entry. Tenant will cooperate with Landlord to facilitate exercise of the foregoing rights, and except in cases of emergency, Landlord shall not exercise the foregoing rights in such a manner as to unreasonably interfere with Tenant's use of the Premises.

- A. Landlord shall designate 50 parking spaces reserved solely for Tenant's use. Tenant shall also have access to parking additional areas as designated by the Landlord.
- B. Tenant shall not use, and shall keep its employees, agents and visitors out of, the portions of the Building other than the Premises without obtaining in advance the express written approval of Landlord.
- C. The Tenant shall have the non-exclusive right and easement to use in common with others entitled thereto the common areas of the land which it is located including without limitation, sidewalks, entrances and exits from public highways serving the Premises. Such rights shall always be subject to the reasonable rules and regulations uniformly on Tenant and other tenants of the Building.
- D. Tenant shall not use or store any materials or products outside its leased areas, in the common areas, or in the parking areas.

2. **TERM.**

- A. The Original Term of this Lease (the "Term") shall commence on **February 1, 2021** (the "Commencement Date") and shall terminate on **January 31, 2026** (the "Expiration Date"), unless sooner terminated or extended in accordance with the provisions of this Lease.
- B. Tenant may, at the Landlord's option, renew this Lease **for Two (2) additional lease terms of Three- (3) years** ("Option Terms").

This option to renew shall be exercised only by written notice in accordance with Section 23, **NOTICES**, hereof given no later than ~~Six- (6)~~ months prior to the Expiration Date, or the expiration of the then current Term if any of the Option Terms granted herein are exercised, except for the increase in Rent hereinafter provided, the Option Terms shall be on the same terms and conditions as are to be in effect during the Original Term, except that Tenant shall have no further option to renew this Lease beyond the expiration of the Option Terms.

If Tenant fails to exercise this renewal option during the period in which it is available and in the manner required hereby, the Lease is no longer in full force and effect for any reason, or Tenant is in default in the payment of Rent or Additional Rent or any other charges or sums due under this Lease beyond any applicable cure or notice period or in any other material respect under this Lease at the time of such exercise, this renewal option shall terminate, become void and be of no further force and effect.

Unless otherwise hereinafter expressly provided, any reference to "Term" shall mean the original Term hereof and any Option Term.

3. **RIGHT OF CANCELLATION- RIGHT TO SUB-LEASE**

There will be no early termination. The tenant may sublease any time with the landlord's approval of the sub lease tenants or tenant. The landlord agrees to not withhold approval unless it affects its property.

4. **RIGHT OF FIRST RIGHT.**

Tenant's Right. If Tenant is not in Default, Landlord shall allow Tenant to make the first offer, or to meet any bona-fide offer by a third party on additional marketable space within the building as that space becomes available for purchase or lease.

Notice. Landlord shall give Tenant notice of its intention to sell or lease that space, including the terms of that sale or lease.

Option Period. Tenant will have thirty (30) days after receiving Landlord's notice to exercise this option, after which the option will terminate.

5. **RENT.**

- A. For the use of the Premises during the Term, Tenant agrees and promises to pay rent monthly to Landlord, **on or before the first of the month**, at the office of Landlord or at such other place as may be designated in writing by Landlord, and except as otherwise specifically provided herein, without notice, demand, deduction or offset, as follows:

Tenant shall pay:***Warehouse******Lease year 1 = 24,524 sq. ft. X \$4.00/sq ft. = \$98,096/year or \$8,174.67/month******Office space******Lease year 1 = 4,940. ft. X \$8.50/sq ft. = \$41,990.00/year or \$3,499.17/month******Additional years shall be increased by 2% per year.****(Exact annual or monthly rates will be rounded to the nearest hundredth in order to maintain the price per square foot unit price)*

- B. Rent is due on or before the first of each month. If for any reason the rent is over ~~Ten-~~ (10) days late, the Tenant will be assessed a **3% of balance due** late fee/ month. If the rent is over ~~Thirty-~~ (30) days late, the Tenant will be in default of this Lease and the Lease may be considered terminated and the total amount of the lease will become due at the sole discretion of the Landlord.
- C. If Tenant elects to renew the Lease by exercising the Option, or automatically renews the Lease by virtue of the Auto-Renew wording, the Base Rent shall continue to be adjusted by 2% annually or CPI % increase, whichever is greater, over the previous contract year for each additional option.
- D. The Tenant shall have free use of the Common shared loading docks at the north west end of the facility, however, if The Tenant damages anything in this area, they shall be solely responsible to repair and pay for the same. This is a shared space so the Tenant shall not use this space for storage that interferes with the adjoining tenant's use. Together with the adjoining tenants, this area must be kept clean.

6. ADDITIONAL RENT.

Any and all amounts other than Monthly Rent payable by Tenant according to this Lease will be payable as "Additional Rent." If Tenant fails to pay any such amounts when due and such failure is not cured within ~~Thirty-~~ (30) days after written notice thereof from Landlord to Tenant, Landlord will have all the rights and remedies available to it on account of Tenant's failure to pay Monthly Rent. Monthly Rent and Additional Rent are sometimes collectively referred to herein as "Rent."

7. GROSS RENT ABATEMENT/ADJUSTMENT.

The Gross Rent will be abated or adjusted based on the actual completion of the Landlord's work in the office space and the warehouse. To clarify, in the event that the office space is not available in whole or part at the Commencement Date the gross rent will be abated or adjusted based on the actual square footage available and price per square foot specific to that space and such abatement or adjustment to gross rent shall continue until actual completion of the Landlord's work in the office space and warehouse to the satisfaction of Tenant.

8. SECURITY DEPOSIT.

A security deposit of one (1) month's rent is required, at time of lease signing.

9. TENANT IMPROVEMENT ALLOWANCE.

- A. Tenant shall be entitled to an allowance from Landlord for Tenant Improvements in an amount not more than Two Hundred and Fifty Thousand and 00/100 Dollars (\$250,000.00) (the "Tenant Improvement Allowance"). The Tenant Improvement Allowance shall be advanced by Tenant and secured through that certain Promissory Note and related loan documents, attached hereto as ***Exhibit "B"*** (collectively, the "Loan Agreements"). The Tenant Improvement Allowance shall be applied only toward the cost of improvements to the Real Property set forth on Schedule 1 attached hereto (as may be amended from time to time upon mutual written agreement of Tenant and Landlord) (collectively, the "Tenant Improvements"). The Landlord with the assistance of the Tenant will secure suitable contractors for Improvements. All contractors must be pre- approved by the Landlord.
- B. With respect to any Tenant Improvements that Tenant desires to make in accordance with this Section 9, Tenant shall be required to comply with the terms and conditions of this Lease. All Tenant Improvements shall be done in a good and workmanlike manner and in compliance with all applicable laws, regulations and orders of governmental authorities and insurers of the Building. Tenant, at its sole cost and expense, shall be required to maintain and repair any Tenant Improvements that Tenant makes to the Premises throughout the Term. Tenant shall provide Landlord with all security codes, keys and other similar items necessary to disengage any security system which Tenant places in the Premises.
- C. Prior to commencing any Tenant Improvements, Tenant shall cause all contractors and subcontractors who are performing work on the Real Property to have insurance coverages of a type and limit reasonably acceptable to Landlord naming Landlord as an additional insured and shall provide Landlord with evidence of such insurance coverages.
- D. In no event may any of the Tenant Improvement Allowance be used for moving costs, security systems, data/wiring costs or to offset rent (other than as the Landlord and Tenant have agreed upon in Section 9(A) above).
- E. If, at the end of the Term, or upon Tenant's earlier vacating of the Premises, a Tenant Improvement set forth on Schedule 1 has not been paid for from the Tenant Improvement Allowance, Tenant shall have the option, but not the obligation, to remove such Tenant Improvement, as Tenant's property, with no further obligation of payment to Landlord (provided, that Tenant shall cover the costs of any such removal and transport). Upon notice from Tenant to Landlord of Tenant's desire to remove a Tenant Improvement as contemplated herein, Landlord may offer Tenant payment (subject to further negotiation and agreement between Landlord and Tenant) for such Tenant Improvement to remain with the Premises; however, Tenant shall have no obligation to accept any such offer.

10. PURPOSE AND USE OF PREMISES.

Tenant shall occupy the Premises for the operation of its business as of the date hereof and for any other lawful use ("Permitted Use") and for no other purpose. Tenant covenants and agrees that Tenant will not use or permit any person to use the Premises or any part thereof for any use or purpose in violation of the laws of the United States of America, the State of New York, or any ordinances or other regulations of any municipality in which the Premises are situated.

11. TAXES.

The Landlord shall pay all taxes related to the property and the Building.

12. UTILITIES.

- A. Tenant shall promptly pay for all proportionate utilities for Premises, including, without limitation, gas, water, sewer charges, and electricity. Such utilities shall be metered separately for Tenant, any installation costs of separate meters shall be paid from the Tenant Improvement Allowance.
- B. At the Landlord's option, the Landlord shall pay for said utilities and bill the Tenant for their proportional usage. This is necessary in some instances to reduce the cost of subdividing said utilities and/or to purchase said utilities at a lower rate.
- C. The building keys shall not be duplicated, and the Landlord will issue to the Tenant a maximum of ~~Two-~~ (2) keys for each entrance lock. Any interior keys shall be the responsibility of the Tenant. The Landlord shall make additional keys available to the Tenant. The Landlord's master key system shall be used on all interior and exterior locks with the exception of highly secure areas that have been pre-approved by the Landlord. At the end of the Lease Term all keys must be returned to the Landlord. If all keys are not returned, at the Landlord's discretion, the necessary locks will be changed at the Tenant's expense.
- D. The Tenant will work closely with the Landlord on the installation of a security system that is ideally compatible with the Tenant's security system at its Corporate headquarters. Tenant will pay for its proportionate share of the security system and monitoring.

Tenant understands the maximum heat setting for warehouse space is 65 degrees Fahrenheit. These are not guaranteed but are based on the capacity of the current heating.

13. REPAIRS & MAINTENANCE.

- A. The Landlord shall be responsible to maintain and keep in good working order and repair the structural portions of the Premises consisting of the roof, foundation and structural portions of the walls and ceiling and the repair and replacement of all operating systems in the Premises including existing and new electrical, plumbing and heating systems.
- B. The Landlord shall have the responsibility to maintain in good working order the complete exterior of the building at his sole expense including but not limited to parking lot, driveways, lighting and cleaning.
- C. Landlord may, at their discretion hire and retain a third-party which shall be responsible for snow removal and abatement. Tenant will pay for all snow removal and abatement at a rate proportionate to their leased space. The Landlord will bill this in their monthly invoice.
- D. The Tenant shall be responsible for any maintenance costs or damage caused by its occupancy, this includes the common areas.
- E. Toilet rooms, water closets, urinals and other waste apparatus shall not be used for any purpose other than those for which they were constructed, and no improper substance or articles shall be thrown therein; nor shall any faucet be left open or any water wasted. The Tenant shall be responsible for any costs associated with any abuse associated with these fixtures or the premises in general.

- F. Tenant shall be responsible to keep the leased premises clean, sanitary and in good repair at its own cost and expense, including, but not limited to, nonstructural interior of the building, lighting, cleaning, and rest room facilities. Tenant shall be responsible for replacing light bulbs. The Tenant shall also be responsible for maintaining all equipment, mechanical, electrical, plumbing and HVAC systems that have been added by the Tenant as a leasehold improvement.
- G. Tenant shall be responsible for cleaning and supplying any rest rooms that are used solely by the Tenant. The Landlord shall be responsible to clean any common areas and/or restrooms that are shared with multiple tenants on a weekly basis meeting requirements resultant from COVID-19 guidelines. Any additional cleaning shall be the responsibility of the tenants using the areas. Any public areas that are solely used by an individual tenant due to occupancy shall be cleaned and maintained by the Tenant.
- H. Tenant is mutually responsible, along with other tenants sharing common areas, to keep the common areas free of debris, product, equipment, and any other items specific to its company and operations. The Landlord will resolve any disputes arising with regard to the use of the common areas.
- I. The Tenant shall provide its own dumpster service.

14. REPAIRS, MAINTENANCE, OTHER WORK.

Tenant shall submit any Tenant Requests via e mail to the Landlord's identified personnel. Tenant Requests will only be accepted from the Tenant's designated personnel. Submission of this e mail provides the Landlord with written approval to proceed with the identified work. The responsible party for payment for such work is set forth in Schedule 2, attached hereto.

- (i) If the Tenant Request is an emergency or after hours, please call our office at 716-665-6620, and follow the instructions.

15. COMPLIANCE WITH LAWS.

Tenant agrees to comply in all material aspects with all laws, ordinances, rules and regulations of the federal, state, county and municipal authorities applicable to the Premises and to the business to be conducted in the Premises; provided, however, that Tenant shall not be required to make any capital expenditures which are required for reasons which are not unique to Tenant's use of the Premises.

16. ALTERATIONS & IMPROVEMENTS

Tenant shall make no structural changes in or to the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Without Landlord's consent, Tenant may make alterations, installations, additions or improvements which are nonstructural, and which do not affect the mechanical systems serving the Premises, or utility services or electrical lines in or to the interior of the Premises. Any and all costs and payments incurred in connection with such work shall be the sole responsibility of the Tenant. All alterations, additions or improvements (other than Tenant's equipment and fixtures) shall become property of Landlord and shall remain upon and be surrendered with the Premises upon the termination of this Lease.

17. SIGNS.

Subject to any applicable local, state or federal law, Tenant may install at its sole cost and expense such signs in, on, or about and outside the Premises as it deems desirable for the conduct of its business. All exterior signs must be approved by the Landlord and such approval shall not be unreasonably withheld.

All signs must meet the approval of the Landlord. Any permit fees or costs shall be billed to the Tenant.

18. INSURANCE.

- A. Landlord shall cause to be maintained in full force and effect throughout the Term "all risk" fire and extended coverage insurance (replacement cost) written by a reputable insurer with an AM Best rating of A(-) or better, licensed to do business in the State of New York to adequately repair and restore the Premises occupied by the Tenant, rental interruption and general liability insurance with \$1,000,000 per occurrence and \$2,000,000 in the aggregate for bodily injury and property damage. Landlord shall have no obligation to insure any alterations or improvements made to the Premises by Tenant or for any of Tenant's trade fixtures, equipment or other personal property located within the Premises.
- B. Tenant shall cause to be maintained in full force and effect throughout the Term, general liability insurance with \$1,000,000 combined single limits for bodily injury and property damage (such coverage may be maintained through both primary and umbrella coverage) naming Landlord as an additional insured with a A.M. Best rating of A (-) or better rating licensed to do business in the State of New York. Tenant shall furnish Landlord with a certificate of insurance evidencing such coverage. In the event of cancellation of such coverage the Tenant must notify the Landlord thirty- (30) days in advance.
- C. Tenant agrees not to do or permit anything to be done in, on, or about the Premises, or to keep anything therein, which will increase the rate of fire insurance premiums on the Improvements, or any part thereof, or on property kept therein, or which will conflict with the regulations of any pertinent authority or public or quasi-public department or with any insurance policy upon the Improvements or any part thereof.
- D. The Tenant agrees to pay for any modifications required to the existing sprinkler system, fire alarm system, and/or security system due to their occupancy requirements in accordance with the NFPA standards. Thereafter, the Landlord shall be responsible for maintaining the existing systems in good working order. If the Tenant's occupancy increases the owner's general liability, fire insurance, or other insurance premiums, the Landlord reserves the right to bill the Tenant for these increases. Any additional premiums resulting during the time period in which the remedies are occurring shall be the responsibility of the Tenant.
- E. Landlord and Tenant each waive any and all rights to recover against the other or against anyone claiming through them by way of subrogation or otherwise for the loss or damage to property of such waiving party arising from any cause which would be covered by any insurance required to be carried by such party pursuant to this Section 14. Landlord and Tenant, from time to time, will cause their respective insurers to issue appropriate waiver of subrogation rights endorsements to all policies of insurance carried in connection with the Premises or the contents of the Premises.
- F. If Tenant is self-insured, then no certificate of insurance is required. The Tenant shall however assume the responsibility for any bodily injury and/or property damage caused by the Tenant for the same limits as identified in Paragraph 14. (b). The Tenant shall also be responsible for any litigation or other damage caused by the Tenant and its employees, agents, or visitors. The Tenant shall also be responsible for any litigation or other fees associated with such claims should they be found negligent. In lieu of a certificate of insurance, Tenant shall provide letter stating that it is self-insured and provide any other evidence available to support the same (i.e. stop- loss insurance

documentation).

- G. Tenant shall either provide evidence to Landlord of workers' compensation insurance coverage or a letter stating that Tenant has no employees subject to workers' compensation requirements and regulations.

19. INDEMNIFICATION

- A. Landlord agrees to defend, indemnify and save Tenant harmless from legal action, damages, loss, liability and expense (including reasonable attorneys' fees) in connection with loss of life, bodily or personal injury or property damage arising out of or from any grossly negligent act or omission of Landlord, Landlord's agents, contractors, employees, or invitees, or as a result of the breach of this Lease.
- B. Tenant agrees to defend, indemnify and save Landlord harmless from legal action, damages, loss, liability and expense (including reasonable attorneys' fees) in connection with loss of life, bodily or personal injury or property damage arising from or out of the use or occupancy by Tenant of the Premises or from any grossly negligent act or omission of Tenant, Tenant's agents, contractors, employees, or invitees or as a result of the breach of this Lease.

20. DAMAGE OR DESTRUCTION

- A. If the Premises or the Building are damaged by fire or other insured casualty Landlord will give Tenant notice of the time which will be needed to repair such damage as determined by Landlord in its reasonable discretion, and the election (if any) which Landlord has made according to this Section 16. Such notice will be given before the *Thirtieth- (30th)* day (the "Notice Date") after the fire or other casualty.
- B. If the Premises or the Building are damaged by fire or other insured casualty to an extent which may be repaired within *one hundred eighty- (180)* days after the commencement of repair, as determined by Landlord, and provided there shall be at least one year remaining on the Lease and Tenant agrees not to give notice of termination before the completion of such repair, and until the end of the then current term of the Lease, if permitted to do so, Landlord will repair the damage within *one hundred eighty- (180)* days after the Notice Date. In that event this Lease will continue in full force and effect except that Rent will be abated on a pro rata basis from the date of the fire or other insured casualty until the date of the completion of such repairs (the "Repair Period") based on the proportion of the Premises of whose use Tenant is deprived during the Repair Period.
- C. If the Premises or the Building are damaged by fire or other insured casualty to an extent which may not be repaired within *one hundred eighty- (180)* days after the commencement of repair, as reasonably determined by Landlord, then either
- (i) Landlord or Tenant may cancel this Lease as of the date of such damage by written notice given to the other party on or before the Notice Date, or
 - (ii) Landlord may elect to repair such damage. If Landlord elects to repair such damage, Rent will be abated on a prorated basis during the Repair Period based on the proportion of the Premises of whose use Tenant is deprived during the Repair Period. If Tenant disagrees with Landlord's determination that the Building cannot be repaired within *one hundred eighty- (180)* days, Landlord and Tenant shall mutually select a general contractor to make such determination, which shall be binding, on the parties.
- D. If any damage by fire or other casualty is the result of the willful conduct or gross negligence of Tenant, its agents, contractors, employees or invitees, Tenant will have no right to terminate this Lease on account of such damage to the premises or Building.

- E. If the Lease is terminated hereunder due to Tenant's inability or unwillingness to satisfy the conditions in (b) above or in the event of cancellation in (c) above or for any other reason under this agreement, then any rent (including annual or additional rent), and inclusive of insurance and other costs prepaid hereunder, shall be immediately refunded to Tenant hereunder.

21. CONDEMNATION.

- A. If the whole or any material part of the Premises shall be acquired or condemned by right of eminent domain for any public use or purpose or be acquired by deed in lieu thereof (collectively, "Taking"), then either party may terminate this Lease by giving ~~thirty-~~ (30) days written notice to the other of its election to terminate this Lease. If the term of this Lease shall continue in full force and effect, Landlord shall, to the extent of its award, immediately after possession is physically taken, repair or rebuild what may remain of the Premises for the occupancy of Tenant (subject to delays due to shortage of labor, materials, or equipment, labor difficulties, breakdown of equipment, or governmental restrictions which cannot be reasonably avoided), and a just proportion of all Rent shall be abated according to the nature and extent of the injury to the Premises until what may remain of the Premises shall be repaired and rebuilt as aforesaid, and thereafter a just proportion of all Rent shall be abated according to the nature and extent of the part of the Premises acquired or condemned for the balance of the Term of this Lease.
- B. Landlord reserves to itself and Tenant assigns to Landlord, all rights to any award accruing on account of any such Taking or condemnation, or by reason of any act of any public or quasi-public authority for which an award is payable, except as hereinafter provided. Tenant agrees to execute such instruments or assignments as may be reasonably required by Landlord, to join with Landlord in any claim for the recovery of any award, if requested by Landlord, and to turn over to Landlord any such award that may be recovered in any such proceeding. It is understood and agreed, however, that Landlord does not reserve to itself and Tenant does not assign to Landlord any award payable for moving expenses, leasehold improvements, and trade fixtures installed by Tenant at its own cost and expense.
- C. If, for any reason, the Premises is damaged or condemned, it shall be the Landlord's responsibility to notify the Tenant and refund all unused rent from date of notification. The Tenant shall be given ~~sixty-~~ (60) days to remove its storage and equipment, if possible.

22. END OF TERM: TRADE FIXTURES.

At the end of the Term, Tenant will promptly quit and surrender the Premises broom-clean, in good order and repair, ordinary wear and tear casualty excepted. All of Tenant's trade fixtures and personal property, apparatus, machinery and equipment now or hereafter located upon the Premises and owned by Tenant, whether or not the same is affixed thereto, shall be and remain the personal property of Tenant and the same area herein sometimes referred to as "Tenant's Equipment." Tenant's equipment may be removed from time to time by Tenant; provided, however, that if such removal shall injure or damage the Premises or the Building, Tenant shall repair the damage and place the Premises or the Building in the same condition as it would have been if such equipment had not been installed, ordinary wear and tear excepted. Title to any trade fixtures or personal property left in the Premises by Tenant upon the termination of this Lease shall pass to Landlord.

23. ASSIGNMENT AND SUBLETTING.

- A. Tenant shall not assign, transfer or mortgage this Lease or any interest herein or sublet the Premises or any part thereof or permit the Premises or any part thereof to be used by others without the prior written consent of Landlord in each instance, which Landlord agrees shall not be unreasonably conditioned, withheld or delayed. In the event such consent to assign, transfer, mortgage or sublet this Lease is given, the same shall be deemed to relate solely to

the particular assignment, transfer, mortgage sublease or permission referred to in such consent. Notwithstanding the above, Tenant shall have the right to assign or sublet the Premises to its parent or any of its affiliates, by merger or acquisition, without Landlord's consent provided the Guaranty executed simultaneously herewith remains in full force and effect. A conveyance of all or a controlling portion of the stock of the Tenant or a conveyance of all or substantially all of its assets shall be deemed an assignment of this Lease.

- B. As a condition of any assignment of this Lease by Landlord, sale of the Premises, Building or property by Landlord, or any sale of 50% or more of the equity ownership interests in Landlord, Landlord shall require assignee or its successor in interest to remain a party to this Lease on the terms in place at the time of the assignment or sale, and subject to any renewal or extension terms provided for therein, and Tenant shall continue its quiet enjoyment of the Premises, Building, and property without interruption.
- C. Any assignment or sublease in violation of this Section 19 will be void. If this Lease is assigned, or if the Premises or any part of the Premises are subleased or occupied by anyone other than Tenant, Landlord may, after default by Tenant, collect rent from the assignee, subtenant or occupant, and apply the net amount collected to Tenant's Rent obligations under this Lease.

24. ENTRY BY LANDLORD.

- A. Landlord, its agents, employees, and contractors may, in accordance with the terms of this Lease, enter the Premises at any time in response to an emergency and at reasonable hours in other instances upon reasonable prior notice to Tenant to inspect the same, exhibit the same to prospective purchasers, lenders or, during the last three months of the Term, potential future tenants, or to determine whether Tenant is complying with all its obligations under this Lease, or to supply any service to be provided by Landlord to Tenant according to this Lease, or make repairs required of Landlord under the terms of this Lease.
- B. Landlord agrees not to materially interfere with Tenant's business unless in the case of emergency. Landlord will have the right to use any and all means which Landlord may deem proper to open doors in and to the Premises in an emergency in order to obtain entry to the Premises. Any entry to the Premises obtained by Landlord by any means permitted under this Section 20 will not, under any circumstances, be construed or deemed to be a forcible or unlawful entry into or a detainer of the Premises or an eviction, actual or constructive, of Tenant from the premises, or any portion of the Premises, nor will any such entry entitle Tenant to damages or an abatement of Rent or other charges which this Lease requires Tenant to pay.

25. SUBORDINATION; ESTOPPEL CERTIFICATES.

- A. This Lease shall be subject to the lien of any mortgage currently placed upon the fee title to the Premises, and to any mortgage that may in the future be placed upon the fee title to the Premises. Landlord shall cause any such current or future mortgagee or holder of a deed of trust to provide to Tenant a non-disturbance agreement reasonably acceptable to Tenant and its counsel, providing that the rights of Tenant under his Lease shall not be cut off, diminished, or otherwise affected by foreclosure of any such mortgage or deed of trust, so long as Tenant shall not be in default hereunder.

Tenant, upon request of any party in interest, shall execute promptly all reasonable instruments necessary to carry out the intent of this Section 21 as shall be reasonably requested by Landlord provided such instrument(s) includes a non-disturbance provision. The word "remortgage" as used in this Lease includes mortgages, leasehold mortgages, deeds of trust or other similar instruments and modifications, consolidations, extensions, renewals and replacements thereof and substitutes, therefore.

- B. At any time and from time to time within *fifteen- (15)* days after written request, either Landlord or Tenant will

execute, acknowledge and deliver to the requesting party a certificate certifying

- (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect, as modified, and stating the date and nature of each modification),
- (ii) the date, to which Fixed Annual Rent and other sums payable under this Lease have been paid,
- (iii) that no notice has been received by Landlord or Tenant of any default which had not been cured, except as to defaults specified in the certificate, and
- (iv) such other matters as may reasonably be requested by the requesting party.

26. EVENTS OF DEFAULT; LANDLORD'S REMEDIES.

- A. If the Tenant defaults on any of the terms or conditions of this Lease, it shall be notified – in writing – and have *twenty-one- (21)* days after written notice from Landlord to cure such default.

The following events are referred to collectively as “Events of Default,” or individually as an “Event of Default”:

- (v) Tenant defaults in the payment of Fixed Annual Rent herein reserved, or any part thereof, for a period of *ten- (10)* days after the service of written notice;
- (vi) Tenant defaults in the performance of any other covenant or condition of this Lease on the part of Tenant to be performed and fails to commence to cure the default within *thirty- (30)* days after the service of written notice thereof by Landlord and thereafter prosecute such cure with continuity and due diligence, or if such default cannot be cured within *thirty- (30)* days, then such additional time as is necessary to cure the default so long as Tenant is diligently proceeding to cure the default; or
- (vii) Tenant files a voluntary petition in bankruptcy or is adjudicated as bankrupt or insolvent or seeks any similar relief under any federal bankruptcy or insolvency statute, or if Tenant is involuntarily placed in bankruptcy and such petition is not dismissed within *sixty- (60)* days of filing.

- B. If any one or more Events of Default occur, then Landlord has the right, at its election:

- (i) To give Tenant written notice of Landlord's intention to terminate this Lease on the earliest date permitted by law or on any later date specified in such notice, in which case Tenant's right to possession of the Premises will cease and this Lease will be terminated, except as to Tenant's liability, as if the expiration of the term fixed in such notice were the end of the Term; or
- (ii) Upon notice to Tenant and through summary proceedings or other legal process, to reenter and take possession of the Premises or any part of the Premises, repossess the same, expel Tenant and those claiming through or under Tenant, and remove the effects of both or either, using such force for such purposes as may be necessary, without being liable for prosecution, without being deemed guilty of any manner of trespass, and without prejudice to any remedies for arrears of Rent or other amounts payable under this Lease or as a result of any preceding breach of covenants or conditions; or
- (iii) Without further demand or notice, to cure any event of Default and to charge Tenant for the cost of affecting such cure, provided that Landlord will have no obligation to cure any such Event of

Default of Tenant.

- C. Should Landlord elect to reenter as provided in subsection (b)(ii) of this Section 22, or should Landlord take possession pursuant to legal proceedings or pursuant to any notice provided by law, from time to time, without terminating this Lease, Landlord shall use reasonable efforts to the extent required by New York with respect to mitigation of damages to relet the Premises or any part of the Premises in Landlord's or Tenant's name, but for the account of Tenant, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the Term) and on such conditions and upon such other terms (which may include concessions, free rent and alteration and repair of the Premises) as Landlord, in its reasonable judgment may determine, and Landlord may collect and receive the rent.

Landlord will in no way be responsible or liable for any failure to relet the Premises or due upon such reletting. No such reentry or taking possession of the Premises by Landlord will be construed as an election on Landlord's part to terminate this Lease unless a written notice of such intention is given to Tenant. No notice from Landlord under this Section 21 or under a forcible or unlawful entry and detainer statute or similar law will constitute an election by Landlord to terminate this Lease unless such notice specifically so states. Landlord reserves the right, following any such reentry or reletting, to exercise its right to terminate this Lease by giving Tenant such written notice, in which event this Lease will terminate as specified in such notice.

- D. In the event that Landlord elects to terminate this Lease as permitted in subsection (b) (I), of this Section 22 or elects to take possession as provided in subsection (b) (ii) of this Section 22, Tenant will pay to Landlord:
- (i) all Rent which would become due and payable for the balance of the term of the Lease, as if such repossession had not occurred (discounted to present value at the rate of ~~ten percent-~~ (10%) per annum), less
 - (ii) the net proceeds, if any, of any reletting of the Premises after deducting all Landlord's reasonable expenses in connection with any such reletting, including, without limitation, all repossession costs, brokerage commissions, attorneys' fees, expenses of employees, alteration and repair costs and expenses of preparation for such reletting. In no event shall the amount credited to Tenant against the Rent exceed the Rent due to Landlord under this Lease.
- E. If this Lease is terminated on account of the occurrence of an Event of Default, Tenant will remain liable to Landlord for damages in an amount equal to Rent and other amounts which would have been owing by Tenant for the balance of the Term, had this Lease not been terminated, less the net proceeds (but not in excess of Rent due to Landlord), if any, of any reletting of the Premises by Landlord subsequent to such termination, after deducting all of Landlord's reasonable expenses in connection with such reletting. Landlord will be entitled to collect such damages from Tenant monthly on the day on which Rent and other amounts would have been payable under this Lease if this Lease had not been terminated, and Landlord will be entitled to receive such Rent and other amounts from Tenant on each such day.
- F. Any suit or suits for the recovery of the amount and damages set forth in this Section 22 may be brought by Landlord, from time to time, at Landlord's election, and nothing in this Lease will be deemed to require Landlord to await the date upon which this Lease or the Term would have expired had there occurred no Event of Default.

Each right and remedy provided for in this Lease is cumulative and is in addition to every other right and remedy provided for in this Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Lease or now or after the Commencement Date existing at law or in equity or by statute or otherwise will not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies provided for in this Lease or now or after the Commencement Date existing at law or in equity or by statute or

otherwise.

All reasonable costs incurred by Landlord in collecting any amounts and damages owing by Tenant pursuant to the provisions of this Lease or to enforce any provision of this Lease, including reasonable attorneys' fees from the date any such matter is turned over to an attorney, whether or not one or more actions are commenced by Landlord, will also be recoverable by Landlord from Tenant, if Landlord is successful in such litigation.

27. NOTICES.

Unless otherwise specified, any notice, bill, statement or communication that Landlord or Tenant may desire or be required to give to the other shall be deemed sufficiently given or rendered if in writing and *personally delivered, sent by certified mail – return receipt requested, or sent by overnight carrier* addressed as follows:

LANDLORD: Lynn Development, Inc.
310 E 3rd Street, Suite 308, PO BOX 3090.
Jamestown, NY, USA 14702-3090

TENANT: Inscape (New York) Inc. C/O Inscape Corporation
Corporate Headquarters
67 Toll Road
Holland Landing, ON, Canada L9N 1H2

or at such other address as either party shall designate by written notice. Unless otherwise specified, the time of rendering of such notice, bill or statement and/or the giving of such notice or communication shall be deemed to be upon receipt of such notice, bill or statement.

28. QUIET ENJOYMENT.

So long as Tenant pays the Rent reserved by this Lease and performs and observes all of the covenants and provisions thereof, Tenant shall quietly and peacefully hold and enjoy the Premises.

29. HOLDING OVER.

In the event that Tenant shall remain in the Premises after the expiration of the Term without having executed a new lease in writing with Landlord, such holdover shall not in any way constitute a renewal or extension of this Lease. Such holdover shall be construed as a month-to-month tenancy subject to all terms and conditions of this Lease; except that Rent shall be equal to the amount which would have been in effect had Tenant exercised its option to extend the term of this Lease. If no such extension was available, then Rent during such holdover period shall be the amount of Rent in effect at the expiration of the Term plus *twenty percent- (20%)*.

30. ENVIRONMENTAL

- A. Tenant shall, at all times, and at its sole cost and expense, comply in all material respects with all Environmental Laws, including but not limited to, those regulating any discharge by Tenant, its agents, employees, contractors or invitees into the air, surface, water, sewers, soil or groundwater of any Hazardous material whether within or outside the Premises. Landlord and its agents shall have the right, but not the duty, upon reasonable notice (no more than *three- (3)* days), or without notice if in an emergency, to inspect the Premises at any time to determine whether Tenant is complying with the terms of this Section.

If Tenant is not in compliance with this Section, Landlord shall have the right to immediately enter upon the Premises and take whatever actions are reasonably necessary to comply, including, but not limited to, the removal from the Premises of any Hazardous Material and the restoration of the Premises to a clean, neat, attractive, healthy and sanitary condition in compliance with Environmental Laws. Tenant shall pay all such costs incurred by Landlord for contamination caused by the Tenant ~~ten-~~ (10) days after receipt of a bill therefore, provided such costs were incurred solely as a consequence of Tenant's actions.

- B. Tenant covenants and agrees, during the Lease period, not to allow the introduction of, or introduce in, on, or about any portion of the leased Premises any regulated substance, hazardous, or toxic materials other than lawfully permitted amounts necessary for the light assembly and storage of its products on the Premises.

In the event of any determination that there are hazardous regulated substances in or about the leased Premises, upon prior written notice given to Tenant, Tenant agrees to allow Landlord and/or any duly authorized agent to enter the leased Premises during Tenant's normal business hours for the purpose of conducting necessary investigations, studies, and testing directed to the removal of any such hazardous substances.

- C. The Tenant shall be responsible for all damages and cleanup costs caused by Tenant resulting from the leaking, discharging or spilling of any gas, oil or petroleum products or any other contaminants or Hazardous Material on or into the Premises and/or on and/or into any adjoining premises and/or into the surrounding environment.
- D. The Tenant shall defend, indemnify and hold harmless the Landlord of, from, and against any and all suit, claims, and causes of action and any loss, costs, expenses, fines, or penalties (including reasonable attorneys' fees), and cleanup costs that the Landlord may incur or become liable to pay arising out of the breach by the Tenant of any of its obligations contained in subsections (a), (b), and (c) of Section 27 above.
- E. The Tenant, within ~~ten-~~ (10) days of its receipt, will provide Landlord with
- (i) copies of any notice of alleged violations or other claims relating to Environmental Laws, and
 - (ii) all reports or analyses conducted by Tenant or its contractors to determine the existence of or assess Hazardous Materials at the Property.

- F. Tenant, on its own behalf and on behalf of its successors and assigns, hereby releases and forever discharges Landlord, its officers, directors, shareholders, employees from any and all claims, actions or liabilities of any manner whatsoever, whether in law or equity, whether now or hereafter claimed or known, which Tenant now has or may have against Landlord arising from or relating in any way to releases or threatened releases of Hazardous Materials which may occur as a result of Tenant's activities on the Property, or which arise from Tenant's failure or alleged failure to comply with Environmental Laws.
- G. The Tenant, at the request of the Landlord, shall submit to the Landlord, or shall make available for inspection and copying upon reasonable notice and at reasonable times, any and all of the documents prepared by the Tenant pursuant to any Environmental Laws or submitted to any governmental regulatory agency regarding the Premises.
- H. Landlord represents and warrants that no Environmental Conditions exist on the Leased Premises and that the Premises are in compliance with all environmental laws, codes and ordinances as of the Commencement Date.

31. MISCELLANEOUS PROVISIONS.

- A. This Lease shall be construed under the laws of the State of New York, without regard to principles of conflict of laws.

- B. The waiver by Landlord of any agreement, condition or provision contained in this Lease will not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition or provision contained in this Lease, nor will any custom or practice which may grow up between the parties in the administration of the terms of this Lease be construed to waive or to lessen the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms of this Lease. The subsequent acceptance of rent by Landlord will not be deemed to be a waiver of any preceding breach by Tenant of any agreement, condition or provision of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent.
- C. This Lease contains all of the agreements between the parties hereto. Any additions to or alterations or changes or modifications hereof, to be binding upon the parties, must be in writing signed by both of the parties hereto, and it is agreed that this provision cannot be waived, except in writing duly signed by the parties hereto.
- D. The terms, covenants and conditions contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and their respective successors and assigns.
- E. This Lease shall not be filed for public record by any party hereto. Either party may, however, prepare a memorandum setting forth the parties, description of the Premises, terms of this Lease, and any other provisions hereof, which memorandum shall be executed by both parties and may be filed of public record.
- F. This Lease is submitted to Tenant on the understanding that it will not be considered an offer and will not bind Landlord in any way until
- (i) Tenant has duly executed and delivered duplicate originals to Landlord, and
 - (ii) Landlord has executed and delivered one of such originals to Tenant.
- G. The titles of the sections throughout this Lease are for convenience and reference only, and shall not explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Lease.
- H. If any provision of this Lease proves to be illegal, invalid or unenforceable, the remainder of this Lease will not be affected by such finding, and in lieu of each provision of this Lease that is illegal, invalid or unenforceable, a provision will be added as a part of this Lease as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.
- I. If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.
- J. **FORCE MAJEURE.** Neither Landlord nor Tenant shall be held to be in default in the performance of their obligations hereunder for such period of time as it is prevented from performing the same by reason of acts of God, strikes, and other causes beyond its reasonable control; provided, however, that financial inability shall never be deemed to be a cause beyond a party's reasonable control.
- K. **NOTICE TO MORTGAGEE.** If the Tenant is notified by the Landlord or the Landlord's mortgagee that there is a mortgage on the Premises, and is given the name and address of the Landlord's mortgagee, the Tenant will give written notice to the Landlord's mortgagee of any default at the time that the Tenant gives notice of such default to the Landlord, and the Landlord's mortgagee shall have the same concurrent time period as provided to the Landlord

under this Lease to cure such default of the Landlord. Except in the case of an emergency, the Tenant shall not have the right to terminate this Lease nor the right to cure such default and deduct the cost of same from Rent, if the Landlord's mortgagee commences or causes to be commenced promptly after such notice the curing of such default, and if the default is cured within such time period after such notice.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Lease as of the day and year first written above.

LANDLORD:

Lynn Development, Inc.

By: 

Gary R. Lynn

CEO

TENANT:

Inscape (New York) Inc.

By: 

Eric K. Ehgoetz

CEO

SCHEDULE 1**LDI – agrees to make the following leasehold improvements:**

- a. All office and power lighting per safety standards and NYS codes.
- b. Grind the cement floor in the office to prepare for carpeting.
- c. Install new carpet for NTE \$17,000 throughout office, that meets with Tenant approval.
- d. Install new heating and air conditioning unit in office.
- e. The HVAC in the warehouse is currently adequate. If it needs replaced or repaired and the costs exceed \$2500, this will be the Landlord's responsibility.
- f. Install new bathroom in office per Jamestown Heating & Air, Inc's submitted drawings, that meets with Tenant approval.
- g. Provide all office work as outlined in Desmond's proposal by using a combination of Desmond and LDI contractors and suppliers.
- h. Sandblast the existing warehouse concrete to remove existing paint and pressure wash the remainder of the warehouse to clean it.
- i. Apply new clear concrete sealer on warehouse floor.
- j. Install new electric lighting throughout the warehouse that will meet NYS codes for manufacturing.
- k. Install 5' high demising fencing to separate Inscape space from the adjoining tenant. In the event that Inscape uses its first right of refusal on any future space for expansion, this fencing can be easily moved.

Estimated total expenditure by LDI for all the above is not to exceed \$250,000.

Inscape shall be responsible for all other work including but not limited to:

- a. All electrical wiring and equipment required to install the new electrical panel needed for Inscape's equipment.
- b. Relocation and installation of all their equipment and assets.
- c. Construction of any necessary concrete foundations, concrete ramps, footers, or assemblies necessary to install their equipment.
- d. Installation of their computer, phone, IT, security, and alarm systems.
- e. Installation of air and water lines from our existing systems to Inscape equipment - LDI is willing to do this on a T & M basis.

SCHEDULE 1 (Continued)

- f. Any additional change orders.

Inscape and LDI agree to the following:

- Inscape will provide a loan to LDI on February 1, 2021 in the amount of \$250,000 to be payable over 7 years at a 7% interest rate, and LDI will therefore, make monthly payments to Inscape of \$3773.17 per month on the 10th of each month beginning March 10, 2021.
 - This loan will be guaranteed by LDI and Gary R Lynn personally. If inscape does not renew their lease per the option term, then a balloon payment for the outstanding two-year loan balance shall be paid on February 10, 2026 at the expiration of the lease.
 - There shall be no prepayment penalties.
 - Inscape will be permitted to place a lien on the property for the \$250,000 loan amount plus their investment in property, and LDI shall provide Inscape an annual copy of their certificate of insurance on the property.
-

SCHEDULE 2 – MAINTENANCE RESPONSIBILITIES

Maintenance Requirement	Responsibility
Snowplowing and yard maintenance	Landlord – Cost to be paid proportionate to tenant space
Security system	Landlord / Tenant – Specific Cap cost for Tenant paid by Tenant; proportionate cost of monitoring to be paid by Tenant
HVAC system	Landlord
Factory lighting systems	Landlord
Exhaust and fan systems	Landlord
Phone / Data service	Tenant pay monthly
Hydro service	Tenant pay monthly based on proportionate share
Gas service	Tenant pay monthly
Water service	Tenant pay monthly

INSIDE

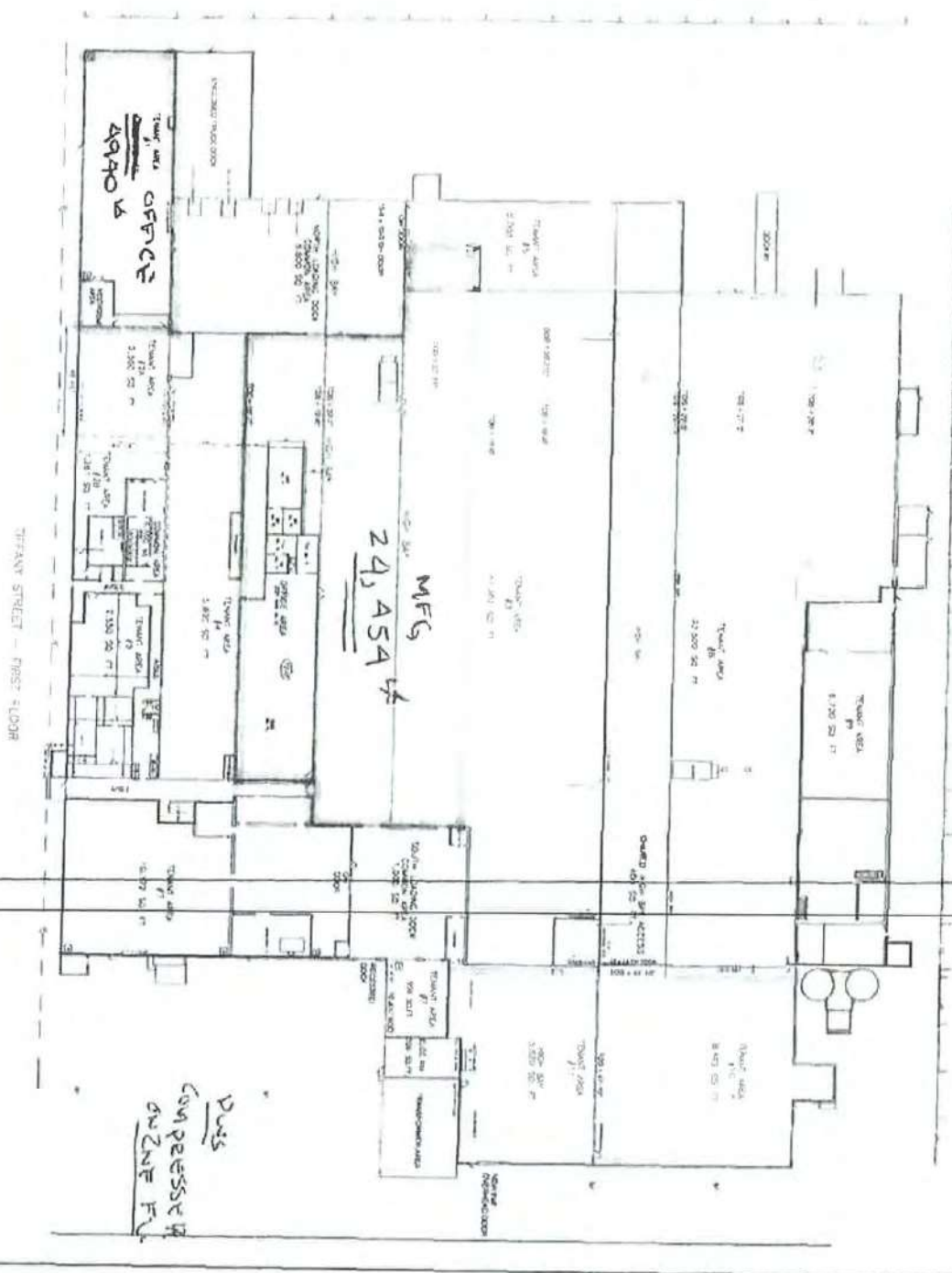


EXHIBIT B
LOAN DOCUMENTS

[To be attached].

**This is Exhibit “J” referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 11th day of January, 2023**

DocuSigned by:

Monica Faleim

A02762944687432

A COMMISSIONER FOR TAKING AFFIDAVITS

800 W. FULTON MARKET STREET**LEASE**

THIS LEASE (this "Lease") is entered into and made as of the 17 day of June, 2021 by and between THOR 816 W FULTON OWNER LLC, a Delaware limited liability company ("Landlord"), and INSCAPE INC., a Delaware corporation ("Inscape") and PREVOLV, INC., a Minnesota corporation ("Prevolv") (Inscape and Prevolv are herein individually and collectively referred to as "Tenant").

WITNESSETH:

Landlord, in consideration of the rents and covenants hereinafter set forth, does hereby demise, let and lease to Tenant, and Tenant does hereby hire, take and lease from Landlord, on the terms and conditions hereinafter set forth, the following described space, hereinafter called the "Premises", to have and to hold the same, with all appurtenances, unto Tenant for the term hereinafter specified.

1. DESCRIPTION OF THE PREMISES

The Premises are hereby deemed to consist of 11,945 rentable square feet of space ("RSF") as shown on the demising plan attached as Exhibit "A", located on the eighth (8th) floor of the Building. The Premises are in the building commonly known as 800 W. Fulton Market Street, in the City of Chicago, County of Cook, State of Illinois (the "Building"). The total RSF of the Building is hereby deemed to be 473,600 RSF. All square footage calculations shall be deemed to have been made in accordance with Building Owners and Managers International ANSI Z65.1-2017. For purposes of this Lease, the term "Building" includes any common or public areas or facilities, easements, corridors, lobbies, sidewalks, loading areas, driveways, landscaped areas, skywalks, parking garages and lots, and any and all other structures or facilities operated or maintained in connection with or for the benefit of the Building, and all parcels or tracts of land on which all or any portion of the Building or any of the other foregoing items are located, and any fixtures, machinery, equipment, apparatus, furniture and other personal property located thereon or therein and used in connection therewith.

2. TERM

(a) The term of this Lease (the "Term") shall be for a period of eleven (11) years, commencing on the Commencement Date (as defined below), and ending on the last day of the calendar month in which the eleventh (11th) anniversary of the Commencement Date occurs (the "Expiration Date"), unless this Lease shall be extended or sooner terminated as hereinafter provided. The "Commencement Date" shall be December 1, 2021 and the Expiration Date shall be November 30, 2032. Landlord will use commercially reasonable efforts to deliver possession of the Premises to Tenant, with the Base Landlord Work (as defined below) substantially complete, on or before June 1, 2021 (the "Anticipated Possession Date"). The date on which such possession is given is referred to in this Lease as the "Possession Date." Between the Possession Date and

the Commencement Date (or any other period during which Landlord allows Tenant access to the Premises or the Building prior to the Commencement Date), Tenant shall observe and perform all terms, covenants and conditions of this Lease required to be observed or performed by Tenant, except that, prior to the Commencement Date, Tenant shall not be obligated for payments of Base Rent or Rent Adjustment. Without limiting the foregoing, Tenant shall have the right to occupy the Premises for conduct of its business prior to the Commencement Date, and shall be responsible for the payment of all utilities consumed at the Premises from and after the Possession Date, and shall be responsible for the cost of janitorial services provided to the Premises (as reasonably allocated to the Premises) from and after the date on which Tenant commences with the conduct of Tenant's business from the Premises (although in any event, Tenant's obligation for payment of Rent shall commence on the Commencement Date, subject to the Rent Abatement provided below).

(b) Renewal Option:

(i) Tenant shall have and is hereby granted one (1) option (the "Renewal Option") to extend the Term of this Lease for a period of five (5) years (the "Renewal Term"). If Tenant desires to exercise the Renewal Option, Tenant shall deliver written notice (the "Renewal Notice") to Landlord at least twelve (12) months prior to the original Expiration Date (i.e., on or before December 1, 2031). The Renewal Option shall be on the same terms and conditions as contained in this Lease, except for the Renewal Term, Base Rent shall be the then Market Rental Rate (as hereinafter defined) multiplied by the RSF of the Premises, and no additional renewal rights are granted Tenant beyond the expiration of the Renewal Term. If Tenant exercises the Renewal Option, then the word "Term" as used in this Lease shall be deemed to include the Renewal Term, and the term "Expiration Date" shall mean the last day of the Renewal Term.

(ii) For purposes of this Lease, "Market Rental Rate" with respect to any leasable space shall mean the rental rate for non-renewing/non-extending non-sublease, non-expansion, as of the date for which such Market Rental Rate is being calculated, for space of comparable size, location and conditions in comparable buildings within the Chicago Central Business District office submarket and shall be further defined as those terms which Landlord would accept, at arm's length, for comparable renewal space giving consideration to annual rental rates per RSF, escalations, provisions of free rent during the lease term, tenant improvement allowances, the location and floor levels of the premises being leased and other generally applicable inducements, concessions, terms and considerations of tenancy. In the event Tenant timely delivers the Renewal Notice, Landlord shall deliver Landlord's determination of the Market Rental Rate to Tenant within thirty (30) days following receipt of such Renewal Notice. If Tenant does not object to such determination within thirty (30) days following Tenant's receipt of the same, then Tenant shall be deemed to have accepted such determination. If Tenant objects to such determination in writing within thirty (30) days following Tenant's receipt of the same, such objection shall indicate whether Tenant elects to (A) rescind its exercise of the Renewal Option, in which case the Renewal Notice shall be null and void and this Lease will expire and end upon the expiration of the initial Term; or (B), provide written notice to Landlord on or before the expiration of such thirty (30) day period, which notice shall propose Tenant's determination of the Market Rental Rate based on the factors set forth herein, which proposal Landlord shall consider in good faith and either accept or reject by written notice to Tenant within fifteen (15) days of receipt of Tenant's notice. In the event the parties are unable to agree on the Market Rental Rate

after such fifteen (15) day period, then the Market Rental Rate shall be determined by arbitration as set forth herein. Notwithstanding the foregoing, Tenant shall only have the right to rescind its exercise of the Renewal Option if the Renewal Notice was initially delivered by Tenant at least ten (10) months prior to the original Expiration Date. Subject to the preceding sentence, if Tenant elects arbitration, then within ten (10) days after delivery of Tenant's notification, Landlord and Tenant will each select an arbitrator who shall be disinterested and shall be a person that is a licensed broker or salesperson and has been actively engaged in the leasing of first class office buildings in the downtown Chicago area for a period not less than seven (7) years immediately preceding his or her appointment. Immediately following the ten (10) day period, Landlord and Tenant shall each simultaneously submit to the arbitrators their own respective determinations of Market Rental Rate. The two arbitrators shall appoint a third arbitrator within thirty (30) days of being appointed by Landlord and Tenant, using the criteria described above. If the two arbitrators fail to agree upon the third arbitrator within such thirty (30) day period, then the third arbitrator shall be selected by the highest ranking officer of the American Arbitration Association's office in Chicago, Illinois. In the event that one arbitrator is not appointed within such ten (10) day period, the properly appointed arbitrator shall select the additional arbitrator and the determination of Market Rental Rate shall be determined by such properly appointed arbitrator and its appointee. The arbitrators duly appointed shall be directed as promptly as possible to select from the two determinations submitted by Landlord and Tenant the one that is closer to the Market Rental Rate as determined by the arbitrators, and said selection shall thereafter be deemed the Market Rental Rate. The cost of the foregoing arbitration process shall be borne by the losing party (i.e., the party whose determination of Market Rental Rate is not selected). If no determination is made prior to the date for commencement of payment of Base Rent for which Market Rental Rate must be determined, then Landlord's determination of Market Rental Rate shall be used until the arbitration is completed. The parties shall reconcile and refund or pay any over- or underpayments within thirty (30) days after the arbitration is completed. The determination rendered in accordance with the provisions of this subparagraph (b)(ii) shall be final and binding in fixing the Market Rental Rate. The arbitrators shall not have the power to add to, modify, or change any of the provisions of this Lease.

(iii) It shall be a condition to Tenant's exercise of the Renewal Option that at the time of delivery of the Renewal Notice: (i) there does not exist a Default (as defined below) under this Lease, and (ii) no more than twenty-five percent (25%) of the Premises has been sublet or this Lease assigned (except, in both cases, pursuant to a Permitted Transfer, as hereinafter defined). Any termination of this Lease or termination of Tenant's right of possession shall terminate all of Tenant's rights to the Renewal Option. The Renewal Option may be exercised only by, and are personal to, named Tenant and any assignee pursuant to a Permitted Transfer and may not be exercised by any other party.

(iv) Landlord shall have no obligation to make improvements, decorations, repairs, alterations or additions to the Premises as a condition to Tenant's obligations to pay Rent for the Renewal Term, except as otherwise determined by Market Rental Rate.

(v) In the event that Tenant exercises the Renewal Option, Landlord and Tenant agree to enter into an amendment to this Lease incorporating the Renewal Term and Base Rent applicable thereto as soon as reasonably practical, time being of the essence. Notwithstanding any of the foregoing provisions of this Paragraph, any attempt by Tenant to exercise the Renewal

Option by any method, or at any time, or in any circumstance, except as specifically set forth above shall, at the sole option and discretion of Landlord, be null and void and of no force or effect.

3. Definitions

(a) For purposes of this Lease, the following definitions shall apply:

(i) “Rent” shall mean Base Rent and Additional Rent.

(ii) “Additional Rent” shall mean all rents, charges, costs, expenses, reimbursements, fees, interest, and other payments to be made by Tenant to Landlord under this Lease, other than Base Rent, whether or not such items are specifically referred to as “Additional Rent” in this Lease.

(iii) “Lease Year” or “Partial Lease Year” shall mean a period of twelve (12) consecutive calendar months, the first Lease Year commencing on the Commencement Date. Each succeeding Lease Year shall commence on the anniversary date of the first Lease Year. Any portion of the Term which is less than a Lease Year shall be deemed a Partial Lease Year, except that if the Commencement Date occurs on a date other than the first day of a calendar month, then the period commencing on the Commencement Date and ending on the last day of the calendar month in which the Commencement Date occurs shall be included in the first Lease Year.

(iv) “Comparison Year” means the calendar year for which a Rent Adjustment computation is being made.

(v) “Tenant’s Proportionate Share” shall hereby be deemed to be 2.52%.

(vi) “Taxes” shall mean all federal, state, county, or local governmental or municipal taxes, fees, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary, including, without limitation, real estate taxes, general and special assessments, transit taxes, water and sewer rents, taxes based upon the receipt of rent including gross receipts or sales taxes applicable to the receipt of rent or service or value added taxes (unless required to be paid by Tenant under this Lease), personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, appurtenances, furniture and other personal property used exclusively in connection with the Building which Landlord shall pay during any calendar year, any portion of which occurs during the Term (without regard to any different fiscal year used by such government or municipal authority) because of or in connection with the ownership, leasing and operation of the Building. For example, 2021 real estate taxes payable in 2022 are “Taxes” in 2022. Taxes further include costs and expenses incurred by Landlord (including reasonable attorney’s fees) in connection with any contest of Taxes. Landlord shall in good faith consider whether or not to contest Taxes, and shall do so if requested by Tenant (although if done at the request of Tenant, and such contest does not result in a reduction in Taxes, such contest shall be at Tenant’s cost and expense, if not undertaken on a contingency basis). Notwithstanding the foregoing, Taxes shall not, however, include penalties, interest, or taxes on net income, excess profits, franchise, capital stock, transfer, estate, succession or inheritance. If Landlord receives a refund or abatement from a taxing authority for any portion of the Taxes allocable to a Comparison Year, the Taxes attributable to such Comparison Year shall be reduced by the amount of such refund or abatement.

(vii) “Operating Expenses” shall mean all reasonable and customary expenses, costs and amounts (other than Taxes and items excluded from the definition thereof) of every kind and nature which Landlord shall pay during any calendar year any portion of which occurs during the Term, because of or in connection with the management, repair, maintenance, restoration and operation of the Building, including without limitation, any amounts paid for; (a) utilities for the Building, including but not limited to electricity, power, gas, steam, oil or other fuel, water, sewer, lighting, heating, air conditioning and ventilating, (b) permits, licenses and certificates necessary to operate, manage and lease the Building, (c) insurance applicable to the Building, not limited to the amount of coverage Landlord is required to provide under this Lease, (d) supplies, tools, equipment and materials used in the operation, repair and maintenance of the Building, (e) accounting, legal, inspection, consulting, concierge and other services, not excluded elsewhere herein (f) any equipment rental (or installment equipment purchase or equipment financing agreements), or management agreements (including the cost of any management fee actually paid thereunder and the fair rental value of any office space provided thereunder, up to customary and reasonable amounts), (g) wages, salaries and other compensation and benefits (including the fair value of any parking privileges provided) for all persons engaged in the operation, maintenance or security of the Building, and employer’s Social Security taxes, unemployment taxes or insurance, and any other taxes which may be levied on such wages, salaries, compensation and benefits, (h) payments under any easement, operating agreement, declaration, restrictive covenant, or instrument pertaining to the sharing of costs in any planned development (but only to the extent that Landlord would be permitted to include the underlying costs in Operating Expenses had Landlord incurred them directly), and (i) operation, repair, and maintenance of all Building systems and equipment and components thereof (including replacement of components), janitorial service, alarm and security service, window cleaning, trash removal, elevator maintenance, cleaning of walks, parking facilities and building walls, removal of ice and snow, replacement of wall and floor coverings, ceiling tiles and fixtures in lobbies, corridors, restrooms and other common or public areas or facilities, maintenance and replacement of shrubs, trees, grass, sod and other landscaped items, irrigation systems, drainage facilities, fences, curbs, and walkways, repaving and re-striping parking facilities, and roof repairs. Except as otherwise expressly set forth herein, Operating Expenses may further include a management or administrative fee in an amount not to exceed three percent (3%) of the total gross rent from the Building for the applicable calendar year. If the Building is less than ninety-five percent (95%) fully occupied during all or a portion of any calendar year during the Term, Landlord may, in accordance with sound accounting and management practices, determine the amount of variable Operating Expenses (i.e., those items which vary according to occupancy levels) that would have been paid had the Building been ninety-five percent (95%) occupied, and the amount so determined shall be deemed to have been the amount of variable Operating Expenses for such year, but for management or administrative fees. Landlord shall not collect more than one hundred percent (100%) of the Operating Expenses actually incurred during any Comparison Year. Notwithstanding the foregoing, Operating Expenses shall not, however, include those exclusions from Operating Expenses set forth in Exhibit “F” attached hereto and made a part hereof.

(viii) “Rent Adjustment” means any amount owed by Tenant for Tenant’s Proportionate Share of Taxes or Operating Expenses.

(ix) “Rent Adjustment Payment” shall be, within Landlord’s reasonable estimate from time to time, an amount paid monthly to Landlord equal to the Rent Adjustments due for the next succeeding calendar year or part thereof of the Term.

(x) “Base Rent” shall mean the following sums for the following periods:

MONTHS OF TERM	BASE RENT RATE (per RSF)	ANNUAL BASE RENT	MONTHLY BASE RENT*
1-12	\$36.00	\$430,020.00	\$35,835.00
13-24	\$36.90	\$440,770.50	\$36,730.88
25-36	\$37.82	\$451,789.76	\$37,649.15
37-48	\$38.77	\$463,084.51	\$38,590.38
49-60	\$39.74	\$474,661.62	\$39,555.13
61-72	\$40.73	\$486,528.16	\$40,544.01
83-84	\$41.75	\$498,691.36	\$41,557.61
85-96	\$42.79	\$511,158.65	\$42,596.55
97-108	\$43.86	\$523,937.61	\$43,661.47
109-120	\$44.96	\$537,036.05	\$44,753.00
121-132	\$46.08	\$550,461.96	\$45,871.83

*Subject to Paragraph 4(f) below.

4. RENT

(a) Payment of Rent. Base Rent and Rent Adjustment Payments shall be payable in monthly installments, in advance, on or before the first day of each and every month throughout the Term. Tenant’s obligation to pay Base Rent and Additional Rent is a separate and independent covenant and obligation. Tenant shall pay all Base Rent and Additional Rent and other sums of money as shall become due from and payable by Tenant to Landlord under this Lease at the times and in the manner provided herein, without abatement and without notice, demand, set-off or counterclaim (in each case, except as otherwise expressly set forth in this Lease).

(b) Rent Adjustment. Tenant shall pay throughout the term of this Lease (subject to Paragraphs 4(f)-(h) below), as Additional Rent, Tenant’s Proportionate Share of all Taxes and Operating Expenses.

(c) Adjustments for Taxes and Operating Expenses. Tenant’s Proportionate Share of Taxes and Operating Expenses for each Comparison Year shall be reasonably estimated annually by Landlord. Tenant shall pay Landlord each month, at the same time as the Base Rent payment is due, an amount equal to one-twelfth (1/12) of said annual estimate as Rent Adjustment Payment. If Taxes or Operating Expenses increase during a calendar year, Landlord may increase the amount paid as Rent Adjustment Payment during such year (but not more often than once per year) by giving Tenant written notice to that effect. As soon as reasonably feasible after the end of each calendar year, but no later than June 1st of the following calendar year, Landlord shall prepare and deliver to Tenant a statement showing Tenant’s actual Rent Adjustment. Within thirty (30) days after service of the aforementioned statement, Tenant shall pay to Landlord, or Landlord shall

credit against the next Rent payment or payments due from Tenant, as the case may be, the difference between Tenant's actual Rent Adjustment for the preceding calendar year and the total Rent Adjustment Payment paid by Tenant during such year. If this Lease shall commence, expire or be terminated on any date other than the first or last day of a calendar year, as applicable, then Tenant's Proportionate Share of Taxes and Operating Expenses for such partial calendar year shall be pro-rated on the basis of the number of days during the year this Lease was in effect in relation to the total number of days in such year. Without limitation on other obligations of Tenant which shall survive the expiration of the Term, the obligations of Tenant to pay any Rent Adjustment shall survive the expiration or earlier termination of the Term. For purposes of determining Rent Adjustment for any Comparison Year if the Building is less than ninety five percent (95%) occupied during all or a portion of any year, Landlord may make appropriate adjustments to the line items of Operating Expenses for such Comparison Year that vary with the occupancy of the Building, employing sound accounting and management principles consistently applied, to determine the amount of Operating Expenses that would have been paid or incurred by Landlord had the Building been ninety-five percent (95%) occupied, and the amount so determined shall be deemed to have been the amount of Operating Expenses for such Comparison Year. In the event any other tenant in the Building provides itself with a service which Landlord would supply under this Lease without an additional or separate charge to Tenant, then Operating Expenses shall be deemed to include the cost Landlord would have incurred had Landlord provided such service to such other tenant.

(d) Audit Rights. Tenant or its designee shall have the right to inspect, at reasonable times and locations and in a reasonable manner, during the three hundred sixty-five (365) day period following the delivery of Landlord's statement of Rent Adjustment for a given calendar year, such of Landlord's books and records as pertain to and contain information concerning such costs and expenses in order to verify the amounts thereof and that the same have been appropriately included in or excluded from Operating Expenses or Taxes. Unless Tenant takes written exception to any item within three hundred sixty-five (365) days after the furnishing of such statement, such statement shall be considered as final and accepted by Tenant, absent fraud. If Tenant shall dispute any item or items included in the determination of Operating Expenses or Taxes for a given calendar year, and such dispute is not resolved by the parties hereto within four hundred twenty-five (425) days after the statement for such year was delivered to Tenant, then either party may, within thirty (30) days thereafter, request that a firm of certified public accountants selected by the requesting party and reasonably acceptable to the other party (or, if the parties cannot agree, jointly selected by Landlord's regular accounting firm and Tenant's designee) render an opinion as to whether or not the disputed item or items may properly be included in the determination of Operating Expenses or Taxes of the Building for such year; and the opinion of such firm on the matter shall be conclusive and binding upon the parties hereto. The fees and expenses incurred in obtaining such an opinion shall be borne by Tenant unless Landlord's statement contains an error of greater than three percent (3.0%) of Operating Expenses or Taxes for the Building adversely affecting Tenant, in which event Landlord shall bear the reasonable fees and expenses incurred in obtaining such an opinion and, within thirty (30) days after such opinion is obtained, reimburse Tenant for the reasonable costs of Tenant's or its designee's initial inspection. If the opinion discloses that Tenant underpaid Landlord, Tenant shall submit such underpayment to Landlord within thirty (30) days after receipt of the opinion. If Tenant shall not dispute any item or items included in the determination of Operating Expenses or Taxes of the Building for a given calendar year within three hundred sixty-five (365) days after the statement for such year was delivered to

it, Tenant shall be deemed to have approved such statement, absent fraud. Any amount due to the Landlord as shown on Landlord's statement, whether or not disputed by Tenant as provided herein, shall be paid by Tenant when due as provided above, without prejudice to any such written exception.

(e) Service Charge. Tenant's failure to make any monetary payment required of Tenant hereunder within thirty (30) days after Landlord notifies Tenant that the same was not timely paid shall bear interest at a rate equal to the greater of eight percent (8%) (or such lesser percentage as may be the maximum amount permitted by law) from the date due until paid.

(f) Rent Abatement. Notwithstanding anything contained in this Lease to the contrary, provided there exists no Default by Tenant, Tenant shall be entitled to an abatement of Base Rent and Rent Adjustments for the first sixteen (16) full calendar months following the Commencement Date (the "Rent Abatement"), or December 1, 2021 through March 30, 2023. If there is a Default by Tenant, then Tenant's obligations for payment of Base Rent and Rent Adjustments shall immediately commence (i.e., the Rent Abatement shall not be applicable); however, if neither this Lease, nor Tenant's right to possession of the Premises, is terminated as a result thereof, the Rent Abatement shall resume when such Default is cured. In the event this Lease, or Tenant's right to possession of the Premises, is terminated as a result of a Default by Tenant, then Tenant shall pay to Landlord, in addition to any and all other charges or damages which Landlord is entitled to recover (which amount shall not be subject to credit, off-set or mitigation), an amount equal to the unearned portion of the Rent Abatement previously received by Tenant. For purposes of this Paragraph 4(f), the "unearned portion" of the Rent Abatement shall be calculated by dividing the amount of the Rent Abatement by the total number of months in the initial Term of this Lease and multiplying the result by the number of months that would have remained in the initial Term following such termination or termination of Tenant's right to possession. Notwithstanding the foregoing, Tenant may elect to convert up to fifty percent (50%) of the amount of the Rent Abatement into additional Allowance (as defined in the Work Letter, as defined below). To make such election, Tenant shall notify Landlord in writing, on or before the Possession Date, indicating the amount of the Rent Abatement that Tenant wishes to so convert to additional Allowance. Upon such election, such amount shall be considered part of the Allowance and advanced to Tenant in accordance with the terms applicable thereto, and the Rent Abatement shall be reduced accordingly. For purposes of the amount used for Rent Adjustments in the calculation of such conversion, the parties shall use Landlord's then-current estimates for Tenant's Proportionate Share of Taxes and Operating Expenses for the first year of the Term, not to exceed, in the aggregate, the sum of Twenty and No/100 Dollars (\$20.00) per RSF of the Premises.

(g) Controllable Operating Expenses. Notwithstanding anything in this Lease to the contrary, Landlord and Tenant agree and acknowledge that, with respect to the amount of Rent Adjustment attributable to Tenant's Proportionate Share of Operating Expenses, Tenant will be responsible for Tenant's Proportionate Share of insurance premiums, utilities, snow removal costs, and union labor ("Uncontrollable Expenses"), without regard to the level of increase in any or all of the above in any year or other period of time (except as otherwise set forth in subparagraph (h) below). However, Tenant's obligation for the payment of Rent Adjustment attributable to Tenant's Proportionate Share of Operating Expenses other than Uncontrollable Expenses (herein "Controllable Expenses") shall not increase by more than four percent (4%) per annum over the amount of Controllable Expenses for the immediately preceding calendar year, compounding on a

cumulative basis. For avoidance of doubt, “Tenant’s obligation for the payment of Rent Adjustment” for purposes hereof shall be calculated without taking into account any portion of the Rent Abatement that may be applicable (i.e., increases shall be based on the amount which would have been payable by Tenant prior to application of any portion of the Rent Abatement).

(h) Initial Cap on Taxes and Operating Expenses. Notwithstanding anything contained in this Lease to the contrary, for calendar years 2022 and 2023 during the initial Term of this Lease, Landlord hereby agrees that Tenant’s total obligation for Tenant’s Proportionate Share of Taxes and Operating Expenses shall not exceed Twenty and No/100 Dollars (\$20.00) per RSF of the Premises per such Lease Year; provided, however, that if Tenant’s actual total obligation for Tenant’s Proportionate Share of Taxes and Operating Expenses is limited during the first two (2) Lease Years pursuant this subparagraph (h), such limitation shall not be taken into account for purposes of calculating the cap on increases in Controllable Expenses attributable to either such Lease Year (i.e., such cap shall be measured based on the amount of Tenant’s Proportionate Share of Operating Expenses for which Tenant would have been responsible but for this subparagraph (h)).

5. SECURITY DEPOSIT

Tenant concurrently with the execution of this Lease, shall deposit with Landlord an unconditional and irrevocable letter of credit (hereinafter referred to as the “Letter of Credit”) in the amount of Five Hundred Thousand and No/100 Dollars (\$500,000.00), in form, and issued by a reputable U.S. based financial institution, as approved by Landlord. As of the date of this Lease, Landlord approves Platinum Bank of Minneapolis as the issuer of the Letter of Credit, and approves the form of Letter of Credit attached hereto as Exhibit K. If Tenant defaults in respect to any of the terms, provisions, covenants or conditions of this Lease, including, but not limited to, payment of Base Rent, or any other amount payable by Tenant hereunder, and such default is not cured by Tenant within the applicable notice and cure periods contained in this Lease, if any, Landlord may draw upon the Letter of Credit in part or in whole (to the extent of the applicable Default) and may use, apply or retain the whole or any part of the proceeds thereof for any such payment, or for any other sum which Landlord may expend or be required to expend by reason of Tenant’s Default, including without limitation any damages or deficiency in the reletting of the Premises, whether such damages or deficiency shall have occurred before or after any re-entry by Landlord. If the Letter of Credit shall be so drawn upon, then upon the written demand therefor by Landlord, Tenant shall deliver a replacement Letter of Credit in the full amount initially required hereunder. Landlord may deliver the Letter of Credit to the transferee of Landlord’s interest in the Building in the event that such interest is transferred, and thereupon Landlord shall be discharged from any further liability with respect to said Letter of Credit.

Notwithstanding the foregoing, if, as of the applicable “Threshold Date” set forth in the table below, there exists no Default by Tenant under the terms of the Lease or any circumstance which, with the giving of notice or passage of time (or both), would constitute a Default by Tenant, the amount of the Letter of Credit required of Landlord shall be reduced to the “Reduced Amount” corresponding to the applicable Threshold Date in the table below. By way of example, and for avoidance of doubt, as of the last day of the third (3rd) full Lease Year, the amount of the Letter of Credit required to be maintained by Tenant and held by Landlord shall be reduced to Four Hundred Fifty Thousand and No/100 Dollars (\$450,000.00). As a condition to such reduction,

Tenant shall deliver to Landlord a new Letter of Credit in the amount of the applicable Reduced Amount (or a modification of the existing Letter of Credit reflecting the Reduced Amount).

THRESHOLD DATE	REDUCED AMOUNT
Last day of the 3rd Lease Year	\$450,000.00
Last day of the 4th Lease Year	\$400,000.00
Last day of the 5th Lease Year	\$300,000.00
Last day of the 6th Lease Year	\$200,000.00
Last day of the 7th Lease Year	\$100,000.00
Last day of the 8th Lease Year	\$50,000.00

6. BASE LANDLORD WORK

Landlord shall diligently complete all work required of Landlord as set forth in the “Base Landlord Work” attached hereto as Exhibit “B” and made a part hereof in a good and workmanlike manner and in accordance with all Laws. The Base Landlord Work shall be deemed substantially complete when Landlord’s architect has executed a certificate of substantial completion with respect to the Base Landlord Work (which may be on the standard AIA form therefor). Landlord shall provide Tenant notice of such certificate of substantial completion when received.

7. TENANT’S WORK

(a) Tenant’s Work. Except for the Base Landlord Work, Landlord has no obligation to perform any work in connection with the build out of the Premises. All work required to prepare the Premises for Tenant’s use and occupancy shall be performed by Tenant at its sole cost and expense (except for payment of the Allowance as set forth in the Work Letter attached hereto as Exhibit “C” and made a part hereof (the “Work Letter”)) as part of Tenant’s Work (as defined below). Except for the Base Landlord Work, and subject to Landlord’s obligations with respect to Latent Defects (as defined below), Tenant accepts the Premises in their “as is” condition, excluding any latent defects, on the Possession Date, and shall, at its sole cost and expense (except for payment of the Allowance), and in accordance with the Plans (as defined in the Work Letter), all applicable Laws (as defined below) and the other terms, covenant and conditions of this Lease, be responsible (as between Landlord and Tenant) for furnishing all labor, material, fixtures and equipment necessary to complete, in a good, substantial and approved manner, all work required to bring the Premises to a finished condition ready for the conduct of Tenant’s business therein (“Tenant’s Work”). Tenant acknowledges its ability to perform Tenant’s Work, and, except as otherwise expressly provided in this Lease, no delay in its performance shall cause or be deemed to cause any delay or postponement in the Commencement Date. For purposes of this Lease, the term “Laws” shall mean all applicable statutes, ordinances, rules, orders, regulations and requirements of the federal, state and local governments and any other departments and bureaus

applicable to the Premises or the Building, including, without limitation, the Americans with Disabilities Act and all other applicable fire and life safety code-related requirements. Tenant agrees, at Tenant's expense, to obtain and maintain for so long as Tenant's Work continues, public liability insurance and Workers' Compensation insurance reasonably determined to protect Landlord, as well as Tenant, from and against any and all liability for death of or injury to persons or damage to property caused in or about the Premises, or by reason of the construction of Tenant's Work. Tenant shall furnish to Landlord certificates evidencing said coverage prior to the commencement of Tenant's Work.

Landlord hereby provides Tenant with a warranty against any Latent Defects with respect to the Base Landlord Work discovered and brought to Landlord's attention pursuant to a proper notice that is delivered prior to the first anniversary of the Commencement Date or the warranty period Landlord receives from its Building contractor, whichever is longer ("Warranty Period"). During the Warranty Period, Landlord shall, at Landlord's sole cost and expense, repair or correct any Latent Defects with respect to the Base Landlord Work, provided that: (i) Tenant notifies Landlord, orally or in writing, and with reasonable specificity and detail, of the nature and extent of any such alleged Latent Defect in the Base Landlord Work ("Tenant's Defect Notice"); and (b) Tenant delivers the Tenant's Defect Notice to Landlord prior to the expiration of the Warranty Period. For purposes hereof, a "Latent Defect" shall mean a defect with respect to any item of the Base Landlord Work which could not reasonably be discovered during Tenant's initial inspection of the Premises.

(b) Late Delivery of Possession; Tenant Delay. Landlord shall not be liable to Tenant for any loss or damage resulting from Landlord's inability to deliver possession of the Premises to Tenant on or before the Anticipated Possession Date. If Landlord is unable to deliver possession of the Premises, with the Base Landlord Work substantially complete, on or before the Anticipated Possession Date, then, except to the extent such inability is the result of Tenant Delays (as defined below) or force majeure events as set forth in Paragraph 27(t) below, the Commencement Date shall be postponed two days for each day after the Anticipated Possession Date prior to the Possession Date. Notwithstanding anything contained in this Lease to the contrary, in the event Landlord is delayed in substantially completing the Base Landlord Work and/or delivering possession of the Premises to Tenant on or before March 1, 2022 (the "Outside Possession Date"), and provided such delay is not caused by any Tenant Delays, then Tenant may terminate this Lease by delivering thirty (30) days written notice to Landlord within twenty (20) days after the Outside Possession Date (but prior to the occurrence of the Possession Date), time being of the essence; provided, however, that if the Possession Date occurs prior to the expiration of the thirty (30) day period following Tenant's termination notice, then Tenant's termination notice shall be null and void and this Lease shall continue in accordance with its terms. For purposes of this Lease, "Tenant Delays" shall include, but not be limited to delays caused in whole or in part by: (i) Tenant's failure to timely submit the Space Plan or the Working Drawings (as such terms are defined in the Work Letter) to Landlord (including a failure to timely submit revised Space Plans or Working Drawings in accordance with the procedure set forth in the Work Letter); (ii) Tenant's modification of the Plans after the approval thereof by Landlord to the extent such modification affects the Base Landlord Work; or (iii) any other delay and/or default on the part of Tenant or Tenant's contractors which materially impairs Landlord's ability to complete the Base Landlord Work. Landlord agrees to promptly notify Tenant of any alleged Tenant Delay which will result in a delay in Landlord's ability to complete the Base Landlord Work or deliver possession of the Premises to Tenant.

Notwithstanding anything to the contrary herein, in the event Landlord is unable to deliver possession of the Premises, with the Base Landlord Work substantially complete, on or before the Anticipated Possession Date due to force majeure events as set forth in Paragraph 27(t) below, the Commencement Date shall be postponed on a day for day basis for each day after the Anticipated Possession Date prior to the Possession Date.

(c) Tenant's Acceptance of the Premises. Following the Possession Date, upon request by either Landlord or Tenant, the parties shall execute and deliver a commercially reasonable "Possession Date Letter" acknowledging the Possession Date. Following the Commencement Date, which shall be no earlier than December 1, 2021, upon request by either Landlord or Tenant, the parties shall execute and deliver a commercially reasonable "Commencement Date Letter" acknowledging the Commencement Date and Expiration Date of this Lease. Notwithstanding the foregoing, a failure by the parties to execute such Possession Date letter or Commencement Date letter shall not postpone or otherwise affect the determination of the Possession Date or the Commencement Date.

8. USE OF THE PREMISES

(a) Specific Use. The Premises shall be occupied and used for purposes of a showroom for the display and sale of Tenant's products, and general office uses or for any other use as approved by Landlord in writing.

(b) Covenants Regarding Use. In connection with its use of the Premises, Tenant agrees as follows:

(i) Tenant shall use the Premises and conduct its business thereon in a safe, careful, reputable and lawful manner.

(ii) Tenant shall not commit, nor allow to be committed by its employees, agents, customers or invitees in, on or about the Premises, or the Building, any act of waste, including any act which might deface, damage or destroy the Building, or any part thereof; use or permit to be used on the Premises any hazardous substance, equipment or other thing which might cause injury to person or property or increase the danger of fire or other casualty in, on or about the Premises; permit any objectionable or offensive noise or odors to be emitted from the Premises; or do anything, or permit anything to be done by its employees, agents, customers or invitees which would, in Landlord's reasonable opinion, unreasonably disturb or tend to disturb other tenants occupying leased space in the Building. Landlord agrees to use commercially reasonable efforts to enforce such standards equitably on all tenants of the Building,

(iii) Tenant shall not overload the floors of the Premises beyond their designed weight-bearing capacity as set forth in Exhibit B. Landlord reserves the right reasonably to direct the positioning of all heavy equipment, furniture and fixtures which Tenant desires to place in the Premises so as to distribute properly the weight thereof, and to require the removal of any equipment or furniture which exceeds the weight limit specified herein.

(iv) Tenant shall not use the Premises, nor allow the Premises to be used, for any purpose or in any manner which would, in Landlord's reasonable opinion, invalidate any policy of insurance now or hereafter carried on the Building or increase the rate of premiums

payable on any such insurance policy. Should Tenant fail to comply with this covenant following reasonable notice to Tenant, Landlord may, at its option, require Tenant to stop engaging in such activity or to reimburse Landlord as Additional Rent for any actual and documented increase in premiums charged during the term of this Lease on the insurance carried by Landlord on the Premises and attributable to Tenant's failure to comply with such covenant.

(c) Compliance with Laws. Tenant shall not use or permit the use of any part of the Premises for any purpose prohibited by Laws. Tenant shall, at Tenant's sole expense, comply with all Laws relating to the use, condition and occupancy of the Premises, except that Tenant shall not be responsible for or required to make alterations or improvements to the Building or the Premises unless, in the case of the latter, they are occasioned by (i) its own use of the Premises for other than general office purposes, or (ii) other alterations or improvements performed by Tenant following the completion of Tenant's Work. As between Landlord and Tenant, Landlord shall, at Landlord's sole expense (subject to inclusion of the costs thereof in Operating Expenses, to the extent permitted by the definition of such term), comply with all Laws that are not Tenant's responsibility to comply with.

(d) Compliance with Building Rules and Regulations. Rules and regulations governing the use and occupancy of the Premises and all other leased space in the Building have been adopted by Landlord for the mutual benefit and protection of all tenants in the Building. Tenant shall comply with and conform to the rules and regulations currently in effect, which are attached to this Lease as Exhibit "D", as well as any new rules and regulations reasonably promulgated by Landlord. Any new rules and regulations, and any amendments to the rules and regulations, shall be set forth in writing and shall be given to Tenant, who shall thereafter comply with and conform to the same. In the event of any conflict between the rules and regulations and another provision of this Lease, such other provision shall control. Landlord agrees to use commercially reasonable efforts to enforce such rules and regulations equitably on all tenants of the Building.

(e) Compliance with Zoning. Landlord covenants that the Premises will be lawfully usable for general office and showroom purposes. With respect to any other permitted use under this Lease, Tenant shall have sole responsibility for its compliance therewith, and Tenant's inability so to comply shall not be cause for Tenant to terminate this Lease.

9. UTILITIES AND OTHER BUILDING SERVICES

(a) Services to be Provided. Landlord shall furnish the following utilities and other building services (the costs of which shall be included as part of Operating Expenses to the extent permitted by the definition of such term) in a manner commensurate with first class office buildings of comparable age and size in the Fulton Market submarket of Chicago ("Comparable Buildings") and in compliance with all Laws:

(i) Electricity for the common areas and facilities of the Building.

(ii) Heated and unheated water from city mains for drinking, lavatory and toilet purposes, at those points of supply provided for nonexclusive general use of tenants at the Building, in accordance with the specifications of the Base Landlord Work as described in Exhibit

B hereto, or points of supply in the Premises already existing or installed by or with Landlord's written consent for such purposes.

(iii) Passenger elevator service, and freight elevator service subject to reasonable scheduling by Landlord (and the terms of the Work Letter, as applicable), provided such use shall be in common with Landlord (and in common with other parties as respects the freight elevator). For purposes of this Paragraph 9, "Standard Business Hours" shall mean 8:00am – 6:00pm Monday-Friday, and 8:00am – 1:00pm on Saturdays, excluding New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. For the avoidance of doubt, such defined term shall not be construed to limit the hours during which Tenant may perform any element of Tenant's Work. Nonetheless, Tenant shall have the use of at least one passenger elevator and the freight elevator 24 hours a day, 365 days a year (subject to reasonable scheduling by Landlord; and provided that use of the freight elevator after Standard Business Hours shall require the payment of any out-of-pocket expenses incurred by Landlord in making the same available to Tenant).

(iv) Building standard cleaning and trash and recyclables removal in and about the Premises and the common areas of the Building in a manner consistent with the specifications set forth in Exhibit "E" attached hereto and made a part hereof. Such cleaning and trash and recyclables removal service shall be provided by Landlord five (5) days per week (except in cases of federal holidays). Tenant may, at Tenant's cost and expense, supplement such cleaning and trash and recyclables removal service by using its own personnel and/or contracting with a third-party vender for such service, provided that such third party vender must utilize union labor and be approved in advance by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed.

(v) Heat and air-conditioning ("HVAC") in the Premises and the common areas of the Building, during Standard Business Hours, to maintain an average inside temperature of 72 degrees during summer local design outside temperature and an average inside temperature of 72 degrees during winter local design outside temperature under normal business operations, subject to compliance with all applicable voluntary and mandatory regulations and Laws. Tenant's use of the HVAC system serving the Premises during Standard Business Hours shall be payable by Tenant as part of Tenant's Proportionate Share of Operating Expenses (although if Tenant makes use of any supplemental HVAC service, Landlord may impose a separate charge for condenser water based on then-current rates). Notwithstanding the foregoing, if at any point during the Term, Tenant's use of such HVAC system is disproportionately higher than that which would be represented by Tenant's Proportionate Share and such disproportionately higher use continues following reasonable notice to Tenant, with Tenant being provided a reasonable cure period to address same, then Landlord may charge Tenant for the actual and documented incremental costs incurred by Landlord as a result of such higher use.

(vi) Replacement of all lamps, bulbs, starters and ballasts used in the Premises (excluding those for specialty pendant fixtures) and the common areas of the Building.

(vii) Cleaning and maintenance of the common areas and facilities of the Building and the walks, driveways, parking lots and landscaped areas adjacent to the Building, including the reasonable removal of rubbish and snow.

(viii) Bicycle storage, in a covered and secured location or locations reasonably determined by Landlord.

(vix) Reasonable accommodations as mutually agreed-upon by Landlord and Tenant with respect to Building security and guest admittance procedures for the week of Tenant's annual trade show provided any additional cost for special security requested by Tenant shall be at Tenant's sole cost and expense..

(b) Electricity and internet connectivity. Neither electricity for lighting and convenience outlets nor internet connectivity shall be furnished by Landlord, except to the extent expressly contemplated as part of the Base Landlord Work. Prior to the Possession Date, Tenant shall contract directly with the public utility company furnishing electric service and a provider of internet services to the Building for electricity for lighting and convenience outlets and internet connectivity. Landlord shall permit Tenant to receive such service direct from such utility or internet company at Tenant's cost, and shall permit Landlord's wire and conduits to the extent available, suitable and safely capable, to be used for such purposes. Tenant shall make no alterations or additions to the base Building electric systems and equipment without the prior written consent of Landlord in each instance, which shall not be unreasonably withheld, conditioned or delayed. All work associated with electrical connections or internet connectivity shall be performed in accordance with the terms and conditions of Paragraph 11. Tenant covenants and agrees that at all times its use of electric current shall never exceed the capacity of the base building electrical system as set forth on Exhibit "B" attached hereto and made a part hereof. Tenant will have the non-exclusive right to use a base building closet for electrical room, subject to Landlord review and approval of Tenant's plans (which approval must be obtained prior to any such use and which shall not be unreasonably withheld, delayed or conditioned).

(c) Additional Services. If Tenant requests any other utilities or building services in addition to those identified above or any of the above utilities or building services in frequency, scope, quality or quantities greater than that which Landlord reasonably determines are normally required by other tenants in the Building for general office use, then Landlord shall use reasonable efforts to attempt to furnish Tenant with such additional utilities or building services. In the event Landlord is able to and does furnish such additional utilities or building services, the cost thereof shall be borne by Tenant, who shall reimburse Landlord monthly for the actual and documented incremental cost of the same as provided in Paragraph 9(e) hereof. In the event Landlord is able to and does furnish such utilities or building services in greater frequency, scope, quality or quantities following reasonable notice to Tenant, the cost thereof shall be borne by Tenant, who shall reimburse Landlord monthly for the actual and documented incremental cost of the same as provided in Paragraph 9(e) hereof.

If any lights, machines or equipment (including but not limited to computers) used by Tenant in the Premises, in excess of standard types and quantities of the same, materially affect the temperature otherwise maintained by the Building's air conditioning system, and such use continues following reasonable notice to Tenant, with Tenant being provided a reasonable cure period to address same, Landlord shall have the right to install any machinery or equipment which Landlord considers reasonably necessary in order to restore the temperature balance between the Premises and rest of the Building, including that which modifies the Building's air conditioning system. All actual and documented costs expended by Landlord to install any such machinery and

equipment and any actual and documented additional cost of operation and maintenance occasioned thereby shall be borne by Tenant, who shall reimburse Landlord for the same as provided in Paragraph 9(e) hereof.

Tenant shall not install nor connect any electrical machinery or equipment other than the business machines and equipment typically used for general office use by tenants in office buildings comparable to the Building (a personal computer being an example of such a typical electrical equipment) nor any water-cooled machinery or equipment without Landlord's prior written consent. If Landlord reasonably determines that the machinery or equipment to be so installed or connected exceeds the designed load capacity of the Building's electrical system or is in any way incompatible therewith will materially affect utility costs, then Landlord shall have the right, as a condition to granting its consent, to make such modifications to any utility system or other parts of the Building or the Premises, or to require Tenant to make such modifications to the equipment to be installed or connected, as Landlord reasonably considers to be reasonably necessary before such equipment may be so installed or connected. The actual and documented cost of any such modifications shall be borne by Tenant, who shall reimburse Landlord for the same (or any portion thereof paid by Landlord) as provided in Paragraph 9(e) hereof.

(d) Interruption of Services. Tenant understands, acknowledges and agrees that any one or more of the utilities or other building services identified above may be interrupted by reason of accident, emergency or other causes beyond Landlord's control, or may be discontinued or diminished temporarily by Landlord or other persons until certain repairs, alterations or improvements can be made; that Landlord does not represent or warrant the uninterrupted availability of such utilities or building services; and that any such interruption shall not be deemed an eviction or disturbance of Tenant's right to possession, occupancy and use of the Premises or any part thereof, or render Landlord liable to Tenant in damages by abatement of rent or otherwise, or relieve Tenant from the obligation to perform its covenants under this Lease. Notwithstanding the foregoing to the contrary, if Tenant is effectively prevented from using the Premises or any material portion thereof in the ordinary course of Tenant's business because of the unavailability of any of the utilities or other Building services identified above for a period of three (3) days after Tenant notifies Landlord of such unavailability, then Tenant shall be entitled to an abatement of Base Rent and Rent Adjustment for each consecutive day after such three (3) day period that Tenant is so prevented from using the Premises. Furthermore, if Landlord ceases to furnish, or Landlord or any of its employees, agents, contractors and/or licensees interrupts, any service required of Landlord to be furnished in this Lease in the Building or Premises and such cessation or interruption lasts more than thirty (30) days after Tenant notifies Landlord in writing of such cessation or interruption, and such interruption prevents Tenant from conducting business in the Premises, then Tenant shall have the right to provide or obtain for itself the service required to conduct business in the Premises, at Landlord's cost. In such event, Tenant shall send notice of the amount to be reimbursed to Landlord, which notice shall be accompanied by documentation reasonably adequate to evidence the costs and expenses incurred by Tenant in connection with the applicable service so provided. Landlord shall reimburse such costs to Tenant within thirty (30) days following receipt of such notice from Tenant.

(e) Payment for Utilities and Building Services. The actual and documented cost of additional utilities and other building services furnished by Landlord at the request of Tenant or as a result of Tenant's activities as provided in Paragraph 9(c) hereof shall be borne by Tenant, who

shall be separately billed therefore and who shall reimburse and pay Landlord monthly for the same as Additional Rent, at the same time the next monthly installment of Base Rent and other additional rent is due. Tenant agrees to give reasonable advance notice, in writing, to Landlord of its request for additional services.

(f) Energy Conservation. Notwithstanding anything to contrary in this Paragraph 9 or elsewhere in this Lease, Landlord shall have the right, at Landlord's sole cost and expense but included as part of Operating Expenses if intended to reduce the same, to institute such policies, programs and measures as may be necessary or desirable, in Landlord's reasonable discretion, for the conservation and/or preservation of energy related services, or as may be required to comply with any applicable Laws, whether mandatory or voluntary, provided such policies, programs and measures are commensurate with the manner in which Comparable Buildings are operated.

10. SIGNS

Except as provided in this Paragraph 10, Tenant shall not inscribe, paint, affix or display any signs, advertisements or notices on or in the Building or in the Premises and visible from outside the Premises. Landlord will provide Building standard Premises identification signage at the entrance to the Premises, and Tenant shall be included on the electronic directory board in the lobby of the Building. Additionally, subject to the terms hereof, Tenant shall be permitted to install branding of Tenant on the glass corridor wall of the Premises, as more particularly described on Exhibit "H" attached hereto and made a part hereof. All signage (including the branding noted above) installed by Tenant at the Premises or the Building shall be (1) subject to Landlord's prior approval, not to be unreasonably withheld, delayed, or conditioned, including with respect to the size, design, location and manner of installation, (2) subject to all applicable Laws (including any permitting or licensing requirements), (3) furnished and installed at Tenant's cost and expense (except that Landlord will furnish and install the Premises identification signage and electronic directory board identification described above), (4) maintained in first class conditions at all times, and (5) removed by Tenant upon the expiration or earlier termination of this Lease (and Tenant shall repair and restore all areas affected thereby).

11. REPAIRS, MAINTENANCE, ALTERATIONS, IMPROVEMENTS AND FIXTURES

(a) Repair and Maintenance of Building. Landlord shall keep and maintain in good order, condition and repair in a manner commensurate with Comparable Buildings and in compliance with all Laws, the roof, exterior walls, load bearing elements, foundation, the base Building electrical, plumbing, heating, ventilation and air conditioning, vertical transportation and other mechanical systems (except to the extent such heating, ventilation and air conditioning equipment or other mechanical equipment is located within and exclusively serves the Premises, in which case such heating, ventilation and air conditioning equipment and other mechanical equipment shall be Tenant's obligation to maintain and repair), and the common areas and facilities of the Building (except as otherwise provided in this Lease, and specifically excluding electrical, plumbing, heating, ventilation and air conditioning components which have been installed in the Premises pursuant to the provisions of Paragraph 9(c) hereof, which Tenant shall maintain and repair as part of Tenant's obligations under Paragraph 11(b) below). The cost of all non-capitalized repairs (or capitalized repairs to the extent permitted to be included in Operating Expenses under GAAP) required to be made by Landlord shall be an Operating Expense of the Building (to the

extent permitted by the definition of such term) unless made necessary by the gross negligence or willful misconduct of Tenant, its employees, agents, customers or invitees, in which event they shall be borne by Tenant, who shall be separately billed and shall reimburse Landlord for the same as Additional Rent.

(b) Repair and Maintenance of Premises. Except as provided in Paragraph 11(a) hereof, Tenant shall, at its own expense, keep and maintain the interior of the Premises (including, without limitation, interior doors, ceilings, floor coverings, the distributional elements of the heating, ventilation, and air-conditioning, plumbing, sprinkler, electric, sewage and mechanical systems, facilities, appliances, lighting fixtures (including specialty pendant fixtures, but excluding the replacement of lamps, bulbs, starters and ballasts of other fixtures within the Premises) and other equipment (including, without limitation, heating, ventilation and air conditioning equipment and other mechanical equipment) located within the Premises), terraces, decks and any other areas outside of the Premises, if any, which Tenant has the exclusive right to use (as well as furniture, landscaping and surfaces or finishes installed by Tenant and located on any such terraces, decks or other areas), in good order, condition and repair at all times during the Term, and Tenant shall promptly repair all damage to such elements of the Premises and replace or repair all damaged or broken fixtures, equipment and appurtenances with materials equal in quality and class to the original materials, under the supervision and subject to the reasonable approval of Landlord, such approval not to be unreasonably withheld, delayed or conditioned. If Tenant fails to do so, and such failure continues for thirty (30) days following notice to Tenant (unless such failure results in an emergency situation, in which case, such thirty (30) day period will be reduced as necessary based on the circumstances), Landlord may, but need not make such repairs and replacements, and Tenant shall pay Landlord the reasonable cost thereof within thirty (30) days after being billed for same and receipt of reasonable supporting documentation. If damage to such elements of the Premises was caused by the sole intentional acts or omissions of Landlord, the cost to repair or replace such damaged elements will be paid for by Landlord. Notwithstanding the foregoing, in the event that Tenant is pursuing a repair in good faith but any such damage cannot reasonably be completed within such thirty (30) day period (as such period may be reduced as set forth above), unless there exists an emergency situation, Tenant shall have additional time as reasonably necessary to address and complete such repairs.

(c) Alterations or Improvements. Except as otherwise provided herein, Tenant shall not make, nor permit to be made, alterations or improvements to the Premises, unless Tenant obtains the prior written consent of Landlord thereto, which shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Tenant shall have the right to make decorative or cosmetic alterations to the interior of the Premises not to exceed Twenty and 00/100 Dollars (\$20.00) per square foot, in the aggregate in any one (1) Lease Year, without Landlord's consent (but otherwise subject to the terms hereof), provided that Tenant does not alter or impact the roof, structural components, mechanical or life safety systems, or utility or service lines of the Building and further provided that such alterations are performed in a good and workmanlike manner in compliance with all applicable Laws. Any alterations or improvements made by Tenant, shall be made in accordance with all applicable Laws, in a good and workmanlike manner and in quality equal to or better than the original construction of the Building, and shall comply with the Work Letter, including, without limitation, to the extent Landlord's consent is required for the applicable alterations or improvements, the furnishing of plans and specifications to Landlord for Landlord's approval, and the approval of the contractors to be selected to perform such work, and

the posting and re-posting of notices of Landlord's non-responsibility for mechanics' liens. Tenant shall promptly pay all costs of performing such alterations and improvements and shall indemnify, defend and hold harmless Landlord from and against any mechanic's liens or other liens or claims filed or asserted as a result thereof and against any costs or expenses which may be incurred as a result of building code violations attributable to such work. Tenant shall promptly repair any damage to the Premises or the Building caused by any such alterations or improvements. Any alterations or improvements to the Premises or the Building, except movable office furniture and equipment and trade fixtures, shall at Landlord's election, either (i) become a part of the realty and the property of Landlord, and shall not be removed by Tenant, or (ii) be removed by Tenant upon the expiration or sooner termination hereof and any damage caused thereby repaired at Tenant's cost and expense. In the event Tenant so fails to remove same, Landlord may have same removed and the Premises so repaired at Tenant's expense. Notwithstanding the foregoing, except for movable office furniture and equipment and trade fixtures (including any signage installed by Tenant), Tenant shall not be obligated to remove any alterations or improvements made to the Premises as part of Tenant's Work, except for any non-standard alterations or improvements (i.e., those specific to Tenant or Tenant's use of the Premises, as opposed to office use generally) such as high-density filing systems or raised floor computer rooms (which, if Landlord requires removal thereof, it shall notify Tenant of the same concurrently within its approval of the Plans therefor). At Landlord's election and sole cost, Landlord and Landlord's architect, engineers or contractors shall have the right to monitor all construction operations within the Premises. Landlord will not charge any fee for Landlord itself to monitor construction or review Tenant's plans and specifications; provided, however, that Tenant shall reimburse Landlord for the reasonable out-of-pocket costs and expenses incurred by Landlord to third parties in reviewing the plans for any alterations or improvements or in connection with the construction of any alterations or improvements.

(d) Trade Fixtures. Any trade fixtures installed on the Premises by Tenant at its own expense, may be removed by Tenant on the Expiration Date or earlier termination of this Lease, provided Tenant bears the cost of such removal, and further that Tenant repair at its own expense any and all damage to the Premises resulting from the original installation of and subsequent removal of such trade fixtures.

(e) Intentionally Omitted.

(f) Intentionally Omitted.

(g) Reserved Rights. Landlord reserves the right to decorate and to make, at any time or times, at its own expense, repairs, alterations, additions and improvements, structural or otherwise, in or to the Premises, the Building, or any part thereof, and to perform any acts related to the safety, protection or preservation thereof, and during such operations to take into and through the Premises or any part of the Building all material and equipment required and to close or temporarily suspend operation of entrances, doors, corridors, elevators or other facilities, provided that Landlord shall cause as little inconvenience or annoyance to Tenant as is reasonably necessary in the circumstances. Landlord shall exercise such right, if at all, in a manner commensurate the operation of Comparable Buildings and shall use commercially reasonable efforts to minimize any disruption to Tenant's normal business operations.

12. FIRE OR OTHER CASUALTY; CASUALTY INSURANCE

(a) Substantial Destruction of the Building. If the Building should be substantially destroyed (which, as used herein, means destruction or damage to at least seventy-five percent (75%) of the Building) by fire or other casualty, either party hereto may, at its option, terminate this Lease by giving written notice thereof to the other party within thirty (30) days of such casualty (or, with respect to Tenant's termination right, within thirty (30) days after Landlord notifies Tenant that such destruction or damage was so extensive). In such event, the Lease shall terminate within ten (10) days of the respective party's receipt of notice from the other party, which termination shall have the same force and effect as if such termination date were the date fixed for expiration. If neither party exercises this option, then, subject to the availability and receipt of adequate insurance proceeds, the Building shall be reconstructed and restored, at Landlord's expense, to substantially the same condition as it was prior to the casualty.

(b) Substantial Destruction of the Premises. If the Premises should be substantially destroyed (which, as used herein, means such destruction or damage as would prevent Tenant from carrying on its business on the Premises to an extent exceeding thirty-three percent (33%) of its normal business activity) by fire or other casualty and the Building is not substantially destroyed as provided above, then the parties hereto shall have the following options:

(i) Within thirty (30) days after the date of the casualty, Landlord shall notify Tenant in writing of Landlord's good faith estimate of the date on which the reconstruction and restoration of the Building and the Premises will be substantially complete (the "Estimated Restoration Date"). If this Lease is not terminated pursuant to subparagraph (ii) below, Landlord shall, subject to the availability and receipt of adequate insurance proceeds, promptly commence and thereafter diligently pursue the reconstruction and restoration, at Landlord's expense, of the Building and the Premises to substantially the same condition as they were prior to the casualty, except for repair or replacement of Tenant's personal property, equipment and trade fixtures, which shall remain Tenant's responsibility. In such event, this Lease shall continue in full force and effect for the balance of the Term upon the same terms, conditions, and covenants as are contained herein; provided, however, that the Rent shall be abated from the date of the casualty until substantial completion of the reconstruction of the Premises.

(ii) If the casualty occurs during the last twelve (12) months of the Term or if the Landlord's Estimated Restoration Date is greater than two hundred seventy (270) days from the date of the casualty, either party shall have the right and option to terminate its Lease as of the date of the casualty, which option shall be exercised by written notice to be given by either party to the other party within thirty (30) days therefrom; provided, however, that Tenant shall not have the right to terminate this Lease if such casualty was due to the negligence of Tenant or any of its employees. If this option is exercised, Rent shall be apportioned to and shall cease as of the date of the casualty.

(c) Partial Destruction of the Premises. If the Premises should be rendered partially untenantable for the purpose for which they were leased (which, as used herein, means such destruction or damage as would prevent Tenant from carrying on its business on the Premises to an extent not exceeding thirty-three percent (33%) of its normal business activity) by fire or other casualty, then such damaged part of the Premises shall be reconstructed and restored, subject to

the availability and receipt of adequate insurance proceeds, at Landlord's expense, to substantially the same condition as it was prior to the casualty; Rent shall be abated in the proportion which the approximate area of the damaged part bears to the total area in the Premises from the date of the casualty until substantial completion of the reconstruction repairs; and this Lease shall continue in full force and effect for the balance of the Term. Notwithstanding the foregoing, Landlord shall provide a commercially reasonable Estimated Restoration Date in connection with such a partial casualty, and if such reconstruction repairs are not substantially completed by Landlord within ninety (90) days after Estimated Restoration Date, Tenant may cancel this Lease upon ten (10) days notice to Landlord, in which event, unless such substantial completion occurs within the ten (10) day period following Landlord's receipt of such notice (whereupon such notice shall be null and void), this Lease shall terminate with the same force and affect as if such termination date were the date fixed for expiration.

(d) Casualty Insurance. Landlord shall be responsible for insuring and shall at all times during the Term carry, as an Operating Expense of the Building, a policy of insurance which insures the Building, including the Premises, against loss or damage by fire or other casualty (namely, the perils against which insurance is afforded by the standard fire insurance policy and extended coverage endorsement); provided, however, that Landlord shall not be responsible for, and shall not be obligated to insure against, any loss or damage to personal property (including, but not limited to, any furniture, machinery, equipment, goods or supplies) of Tenant or which Tenant may have on the Premises or any trade fixtures installed by or paid for by Tenant on the Premises or any additional improvements which Tenant may construct on the Premises as part of Tenant's Work to the extent in excess of the Allowance. Landlord shall maintain worker's compensation insurance to statutory limits, general liability insurance of not less than one million dollars (\$1,000,000), auto liability covering owned non-owned and hired vehicle liability of not less than one million dollars (\$1,000,000) and excess liability insurance or umbrella coverage of not less than five million dollars (\$5,000,000). If Tenant's particular operation (as opposed to office use generally) or any particular Tenant's Work or any other particular alterations or improvements made by Tenant pursuant to the provisions of Paragraph 11(c) hereof (in both cases, as opposed to customary leasehold improvements generally) result in an increase in the premiums charged during the Term on the casualty insurance carried by Landlord on the Building, then the actual and documented cost of such increase in insurance premiums shall be borne by Tenant, who shall reimburse Landlord for the same as additional rent after being billed therefore. Tenant shall at all times during the Term, carry, at its own expense, property insurance covering its personal property, trade fixtures installed by or paid for by Tenant or any additional improvements which Tenant may construct on the Premises which coverage shall be no less than replacement value. Tenant shall furnish Landlord with a certificate evidencing that such coverages are in full force and effect.

(e) Waiver of Subrogation. Notwithstanding anything to the contrary contained in this Lease, Landlord and Tenant hereby release each other and each other's employees, agents, customers and invitees from any and all liability for any loss, damage or injury to property occurring in, on or about or to the Premises, improvements to the Building or personal property within the Building, by reason of fire or other casualty which are covered by applicable standard fire and extended coverage insurance policies (or would have been covered had each party maintained such insurance). Because the provisions of this paragraph will preclude the assignment of any claim mentioned herein by way of subrogation or otherwise to an insurance company or

any other person, each party to this Lease shall give to each insurance company which has issued to it one or more policies of fire and extended coverage insurance notice of the terms of the mutual releases contained in this paragraph, and have such insurance policies properly endorsed, if necessary, to prevent the invalidation of insurance coverages by reason of the mutual releases contained in this paragraph. Landlord shall provide a comparable release to any permitted subtenant that itself provides a comparable release to Landlord.

13. GENERAL PUBLIC LIABILITY, INDEMNIFICATION AND INSURANCE

(a) Subject to Paragraph 12(e) above, and except to the extent caused by the negligence or willful misconduct of Landlord, its employees, agents or contractors, Tenant shall be responsible for and shall indemnify Landlord and hold it harmless from, any and all liability for any loss, damage or injury to person or property, arising out of use, occupancy or operations of Tenant and occurring in, on or about the Premises and Tenant hereby releases Landlord from any and all liability for the same. Tenant's obligation to indemnify Landlord hereunder shall include the duty to defend against any claims asserted by reason of such loss, damage or injury and to pay any judgments, settlements, costs, fees and expenses, including reasonable out-of-pocket attorneys' fees, incurred in connection therewith. Tenant's indemnity obligations hereby shall survive the expiration or earlier termination of this Lease.

(b) Subject to Paragraph 12(e) above, and except to the extent caused by the negligence or willful misconduct of Tenant, its employees, agents or contractors, Landlord shall be responsible for and shall indemnify Tenant and hold it harmless from, any and all liability for any loss, damage or injury to person or property, arising out of use, occupancy or operations of portions of the Building and adjacent areas outside of the Premises and Landlord hereby releases Tenant from any and all liability for the same. Landlord's obligation to indemnify Tenant hereunder shall include the duty to defend against any claims asserted by reason of such loss, damage or injury and to pay any judgments, settlements, costs, fees and expenses, including reasonable out-of-pocket attorneys' fees, incurred in connection therewith.

(c) Tenant shall at all times during the Term carry, at its own expense, for the protection of Tenant, Landlord and Landlord's management agent, as their interests may appear, one or more policies of general public liability and property damage insurance, issued by one or more insurance companies that maintain an AM Best rating of A-:VII or better, covering Tenant's use, occupancy and operations providing minimum coverages of \$2,000,000 combined single limit for bodily injury and property damage per occurrence with \$5,000,000 aggregate coverage. Such insurance policy or policies shall name Landlord, its agents and employees, as insureds (which may be satisfied by a blanket additional insured endorsement) and shall provide that they may not be canceled except on such written notice to Landlord as is provided in the policy. Tenant shall furnish Landlord with certificates evidencing such insurance. Such coverage limits may be achieved through a combination of primary and excess coverage policies. Landlord shall have the right during the term of this Lease to adjust the minimum coverage levels stipulated above upon written notice to Tenant. Within thirty (30) days of such written notice, Tenant shall provide Landlord with evidence of such adjustment. Tenant shall also provide Landlord with certificates evidencing workers' compensation insurance coverages. Tenant's insurance coverages required hereby shall be deemed to be additional obligations of Tenant and shall not be a discharge or limitation of Tenant's indemnity obligations contained in Paragraph 13(a) hereof.

(d) Landlord and its beneficiaries, partners, shareholders, affiliates, officers, agents, servants and employees shall not be liable for any damage to personal property or business or resulting from the loss of use thereof sustained by Tenant or by any other persons due to the Building or any part thereof or any appurtenances thereof becoming out of repair, or due to the happening of any accident or event in or about the Building, including the Premises, or due to any act or neglect of any tenant or occupant of the Building or of any other person. This provision shall apply particularly, but not exclusively, to damage caused by gas, electricity, snow, ice, frost, steam, sewage, sewer gas or odors, fire, water or by the bursting or leaking of pipes, faucets, sprinklers, plumbing fixtures and windows and shall apply without distinction as to the person whose act or neglect was responsible for the damage and whether the damage was due to any of the causes specifically enumerated above or to some other cause. Tenant agrees that all personal property located in the Premises or upon loading docks, receiving and holding areas, or freight elevators of Building, shall be at the risk of Tenant only, and that Landlord shall not be liable for any loss or damage thereto or theft thereof.

(e) Notwithstanding anything to the contrary contained in this Lease, neither Landlord nor Tenant shall be liable to the other for any indirect, consequential or punitive damages.

14. EMINENT DOMAIN

If any substantial part of the Building or Premises should be taken for any public or quasi public use under any Law, or by right of eminent domain, or by private purchase in lieu thereof and the taking would prevent or materially interfere with the use of the Building or Premises for the purpose for which it is then being used, this Lease shall terminate effective when the physical taking shall occur in the same manner as if the date of such taking were the date originally fixed in this Lease for the expiration of the Term hereof. If less than a substantial part of the Building or Premises shall be taken for any public or quasi public use under any Law, or by right of eminent domain, or by private purchase in lieu thereof, but the taking includes or affects a material portion of the Premises, or Tenant's economical operation thereof, then in such event, Tenant may elect to terminate this Lease upon at least thirty (30) days' prior notice to Landlord. If this Lease is not terminated, then the Rent payable hereunder during the unexpired portion of this Lease shall be reduced to such extent, if any, as may be fair and reasonable under all of the circumstances and Landlord shall undertake to restore the Building and Premises to a condition suitable for Tenant's use, as near to the condition thereof immediately prior to such taking as is reasonably feasible under all the circumstances. In the event of any such taking or private purchase in lieu thereof, Landlord and Tenant shall each be entitled to receive and retain such separate awards and/or portion of lump sum awards as may be allocated to their respective interests in any condemnation proceedings; provided that Tenant shall not be entitled to receive any award for Tenant's loss of its leasehold interest, the right to such award being hereby assigned by Tenant to Landlord and further provided that any award payable to Tenant shall not diminish the award available to Landlord or any Lender.

15. LIENS

If, because of any act or omission (where Tenant has a duty to act) of Tenant or anyone claiming by, through, or under Tenant, any mechanic's lien or other lien shall be filed against the Premises or the Building or against other property of Landlord (whether or not such lien is valid

or enforceable as such), Tenant shall, at its own expense, cause the same to be bonded over or discharged of record within a reasonable time, not to exceed thirty (30) days after Tenant's receipt of written notice of filing thereof, and shall also defend and indemnify Landlord and hold it harmless from any and all claims, losses, damages, judgments, settlements, cost and expenses, including attorneys' fees, resulting therefrom or by reason thereof. If such lien is not bonded over or discharged of record within thirty (30) days after Tenant's receipt of written notice of filing thereof, Landlord, at its sole option, may take all action necessary to bond over such lien (without any duty to investigate the validity thereof) and Tenant shall promptly upon notice and receipt of reasonable supporting documentation reimburse Landlord for all reasonable sums, costs and expenses (including reasonable out-of-pocket attorneys' fees and Landlord's Costs) incurred by Landlord in connection with the bonding over of such lien.

16. RENTAL, PERSONAL PROPERTY AND OTHER TAXES

(a) Tenant shall pay before delinquency any and all taxes, assessments, fees or charges (hereinafter referred to as "taxes"), including any sales, gross income, rental, business occupation or other taxes, levied or imposed upon Tenant's business operation in the Premises and any personal property or similar taxes levied or imposed upon Tenant's trade fixtures or personal property located within the Premises. In the event any such taxes are charged to the account of, or are levied or imposed upon the property of Landlord, Tenant shall reimburse Landlord for the same as additional rent. Notwithstanding the foregoing, Tenant shall have the right to contest in good faith any such tax and to defer payment, if required, until after Tenant's liability therefore is finally determined.

(b) If any tenant finish improvements, trade fixtures, alterations or improvements or business machines and equipment located in, on or about the Premises, regardless of whether they are installed or paid for by Landlord or Tenant and whether or not they are affixed to and become a part of the realty and the property of Landlord, are assessed for real property tax purposes at a valuation higher than that at which other such property in other leased space in the Building is assessed, then Tenant shall reimburse Landlord as additional rent for the amount of real property taxes shown on the appropriate county official's records as having been levied upon the Building or other property of Landlord by reason of such excess assessed valuation.

17. ASSIGNMENT AND SUBLETTING

(a) Tenant may, without Landlord's consent, sublet all or any portion of the Premises or assign its interest in this Lease to any affiliate entity controlling, controlled by or under common control, whether directly or indirectly, with Tenant, including without limitation any parent corporation controlling Tenant or any subsidiary that Tenant controls ("control" meaning holding more than fifty percent (50%) of the voting interests in the controlled entity) (a "Permitted Transfer"); provided, however, that if the applicable Permitted Transfer is an assignment, the assignee, after giving effect to the Permitted Transfer, shall have a net worth and financial condition that is equal to, or greater than, the net worth and financial condition of Tenant as of the date immediately prior to such Permitted Transfer. For any proposed Permitted Transfer, Tenant shall submit documentation to Landlord which is reasonably sufficient to evidence satisfaction of the foregoing requirements of a Permitted Transfer (including, without limitation, appropriate organizational and financial documentation). Except for a Permitted Transfer, Tenant may not

assign or otherwise transfer its interest in this Lease or sublet the Premises or any part thereof without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Tenant shall notify Landlord thirty (30) days in advance of its intent to transfer, assign or sublet all or any portion of the Premises (including in the case of a Permitted Transfer, unless prior notice cannot be provided under Law or pursuant to a confidentiality obligation to which Tenant is subject, in which event prompt subsequent notice shall be provided). In the event of any such assignment or subletting (including a Permitted Transfer), Tenant shall nevertheless at all times remain fully responsible and liable for the payment of Rent and the performance and observance of all of Tenant's other obligations under the terms, conditions and covenants of this Lease. No assignment of this Lease shall be binding upon Landlord unless such assignee shall deliver to Landlord an instrument (in recordable form, if requested) containing an agreement of assumption of all of Tenant's obligations under this Lease with respect to the period from and after the effective date of the transfer and Landlord shall execute a consent form (except in the case of a Permitted Transfer, where Landlord's execution of a consent form shall not be a condition to the effectiveness of such assignment). No subletting of the Premises or any part thereof shall be binding upon Landlord unless Landlord shall execute a consent form (except in the case of a Permitted Transfer, where Landlord's execution of a consent form shall not be a condition to the effectiveness of such subletting). Landlord agrees to be reasonable in its consent, but Landlord may at its sole discretion withhold its consent to an assignment or sublease to any present tenant of Landlord in the Building if Landlord then has comparable available space in the Building that Landlord would be willing to lease for a comparable term or to any tenant whose occupancy would be inconsistent with the character of the Building. Upon the occurrence of a Default, if all or any part of the Premises are then sublet, Landlord, in addition to any other remedies provided by this Lease or by law, may, at its option, collect directly from the subtenant all rent becoming due to Landlord by reason of the subletting. In the event Landlord terminates this Lease in connection with a Default by Tenant, Landlord, in addition to any other remedies provided by this Lease or by law, at its option, may also require any subtenant to attorn to it on the terms of the sublease. Any collection by Landlord from the assignee or subtenant shall not be construed to constitute a novation or release of Tenant from the further performance of its obligations under this Lease.

(b) Landlord shall have the right to transfer and assign, in whole or in part, all its rights and obligations hereunder and in the Building and all other property referred to herein, and upon such transfer, the transferor shall have no further liability first arising hereunder with respect to the period from and after such transfer and Tenant shall attorn to any such transferee.

(c) Without limiting Landlord's rights as set forth above, in the event Tenant proposes to sublet any portion of the Premises to any then-existing tenant or occupant of the Building (which would not constitute a Permitted Transfer), Landlord shall have the right to recapture such portion subject to the proposed subletting. Such right shall be exercised, if any all, by notice to Tenant within fifteen (15) business days following receipt of Tenant's request therefor. If Landlord exercises such recapture right, this Lease shall terminate as of the proposed effective date of the subletting (as to the portion of the Premises subject to the request to sublet) as if such date were the Expiration Date of this Lease.

(d) Tenant shall permitted to retain fifty percent (50%) of all sublease or assignment profits after the subtraction of Tenant's costs for such sublease or assignment, including

advertising, concessions for free rent, subtenant improvement allowances, real estate commissions, legal fees, unamortized improvements, and vacancy period. The remaining fifty percent (50%) shall belong to Landlord, and shall be delivered to Landlord promptly upon receipt thereof by Tenant.

(e) Tenant shall reimburse Landlord for all costs and expenses incurred by Landlord in connection with any request by Tenant to assign this Lease or sublet the Premises, including, without limitation, reasonable attorneys' fees. Notwithstanding the foregoing, such reimbursement obligation shall not exceed the sum of \$1,500.00 per any such request provided that Landlord's standard form for consenting to such assignment or sublet is accepted, in all substantial respects, by Tenant and the assignee or sublessee (as the case may be).

18. SUBORDINATION OF LEASE TO MORTGAGES

(a) This Lease is subject and subordinate to any mortgage, deed of trust or similar encumbrance, including ground or underlying leases, now or hereafter existing upon the Building or the Premises, including any renewals, extensions or modifications thereof; and the recording of any such mortgage, deed of trust or similar encumbrance shall make it prior and superior to this Lease regardless of the date of execution or recording of either document. Although the foregoing subordination of this Lease shall be self-operative, Tenant shall, at Landlord's request, execute and deliver within fifteen (15) business days to Landlord, any commercially reasonable instrument which may be deemed necessary or desirable by Landlord to confirm the subordination of this Lease. If Tenant is requested to execute and deliver any such instrument and Tenant fails or refuses to execute and deliver the same within such fifteen (15) business day period, and such failure or refusal continues for more than five (5) business days after written notice from Landlord, then in addition to Landlord's other rights and remedies, Tenant shall pay to Landlord, as liquidated damages (which the parties agree is a reasonable measure of the harm resulting from any such failure or refusal), the sum of Two Hundred Fifty and No/100 Dollars (\$250.00) per day until such time as such failure or refusal is cured. Tenant shall attorn to any subsequent owner or transferee of the Building regardless of whether or not a subordination agreement has been executed by Tenant.

(b) Whether before or after any foreclosure or power of sale proceedings are initiated or completed by any lender or a deed in lieu is granted, Tenant agrees, within ten (10) business days of written request of any such lender or any purchaser at such sale, to attorn and pay Rent to such party, and recognize such party as Landlord. The provisions of this Paragraph shall be self-operative; however Tenant shall execute and deliver, within fifteen (15) business days after request therefor, such documentation as Landlord or any lender may reasonably request from time to time, whether prior to or after a foreclosure or power of sale proceeding is initiated or completed, a deed in lieu is delivered, or a ground lease is terminated, in order to further confirm or effectuate the matters set forth in this Paragraph in recordable form.

(c) Tenant acknowledges and agrees that no lender shall, either by virtue of a mortgage, deed of trust or otherwise, be or become (i) a mortgagee-in-possession or (ii) subject to any liability or obligation under this Lease or otherwise until such lender shall have acquired by foreclosure or otherwise the interest of Landlord in the Building. In the event of the assignment or transfer of the interest of such lender, all obligations and liabilities of such lender under this Lease first arising

from and after the date of such assignment or transfer shall terminate and, thereupon, all such obligations and liabilities shall be the sole responsibility of the party to whom such lender's interest is assigned or transferred.

(d) As of the date of this Lease, there is no mortgage, deed of trust or similar encumbrance, including ground or underlying leases (each, a "Security Instrument"), affecting the Building, other than that certain Security Instrument for the benefit of The Bank of Nova Scotia (the "Existing Security Instrument"). Within thirty (30) days following the execution of this Lease by both Landlord and Tenant, Landlord shall obtain an executed subordination, non-disturbance and attornment agreement ("SNDA") from the holder of the Existing Security Instrument on the form attached hereto as Exhibit "G". Additionally, Landlord shall use commercially reasonable efforts to obtain a recordable, executed and acknowledged SNDA from the beneficiary of any future Security Instrument on the form attached hereto as Exhibit "G" or on such beneficiary's standard form therefor with such modifications as are reasonably required to provide to Tenant a degree of protection comparable to the form attached hereto as Exhibit "G". In no event, however, shall Landlord's inability to obtain an SNDA be considered a default by Landlord under this Lease. Notwithstanding anything herein to the contrary, the subordination of Tenant's rights hereunder to the lien of any future Security Instrument shall be conditioned upon such future beneficiary's execution and delivery of an SNDA.

19. DEFAULTS AND REMEDIES

(a) Default by Tenant. The occurrence of any one or more of the following events shall be a "Default" or "event of default" by Tenant under this Lease:

(i) Tenant shall fail to make any payment of Rent within five (5) business days after notice from Landlord that the same is past due, provided, however, that if Tenant shall fail to timely make any payment of Base Rent or Rent Adjustment Payment on more than two (2) occasions in any twelve (12) month period, then from and after the second (2nd) such occasion, the foregoing notice requirement shall no longer be applicable with respect to Base Rent or Rent Adjustment Payments for the balance of such twelve (12) month period and such failure shall constitute an immediate Default.

(ii) Tenant shall fail to perform or observe any term, condition, covenant or obligation required to be performed or observed by it under this Lease (other than the payment of Base Rent or Additional Rent) for a period of thirty (30) days after notice thereof from Landlord; provided, however, that if the term, condition, covenant or obligation to be performed by Tenant is of such nature that the same cannot reasonably be performed within such thirty-day period, such default shall be deemed to have been cured if Tenant commences such performance within said thirty-day period and thereafter diligently undertakes to complete the same.

(iii) Tenant makes an assignment for the benefit of creditors with respect to all or substantially all of Tenant's assets in, on or about the Premises or Tenant's interest in this Lease;

(iv) All or substantially all of Tenant's assets in, on or about the Premises or Tenant's interest in this Lease are attached or levied upon under execution (and Tenant does not discharge the same within thirty (30) days thereafter); or

(v) Tenant causes a Hazardous Material (as hereinafter defined) condition to exist on the Premises in breach of Paragraph 29 below and fails to cure such condition within thirty (30) days after notice thereof from Landlord (unless a shorter cure period is required by applicable Laws, in which case such shorter cure period shall apply).

(b) Remedies of Landlord. Upon the occurrence of any Default set forth in Paragraph 19(a) hereof, Landlord shall have the following rights and remedies, in addition to those allowed by law, any one or more of which may be exercised without further notice to or demand upon Tenant:

(i) Landlord may apply re-enter the Premises and cure any Default of Tenant, in which event Tenant shall reimburse Landlord as additional rent for any actual and documented costs and expenses which Landlord may incur to cure such Default; and Landlord shall not be liable to Tenant for any loss or damage which Tenant may sustain by reason of Landlord's action, unless caused by Landlord's gross negligence or intentional misconduct.

(ii) Landlord may terminate this Lease as of the date of such Default, in which event: (A) neither Tenant nor any person claiming under or through Tenant shall thereafter be entitled to possession of the Premises, and Tenant shall immediately thereafter surrender the Premises to Landlord; (B) Landlord may re-enter the Premises and dispossess Tenant or any other occupants of the Premises by summary proceedings, ejectment or otherwise, and may remove their effects, without prejudice to any other remedy which Landlord may have for possession or arrearages in rent; and (C) notwithstanding the termination of this Lease, Landlord may either (1) declare all Rent which would have been due under this Lease for the balance of the Term or exercised renewal period to be immediately due and payable, whereupon Tenant shall be obligated to pay the net present value of the same, less the net present value of the fair market rental value of the Premises for the balance of the Term or exercised renewal period, to Landlord, together with all reasonable and documented loss or damage which Landlord may sustain by reason of such termination and reentry, or (2) relet all or any part of the Premises for a term different from that which would otherwise have constituted the balance of the Term and for rent and on terms and conditions different from those contained herein, whereupon Tenant shall be obligated to pay to Landlord as liquidated damages the difference between the Rent provided for herein and that provided for in any lease covering a subsequent reletting of the Premises, for the period which would otherwise have constituted the balance of the Term, together with a fraction of all of Landlord's actual and documented costs and expenses for preparing the Premises for reletting, including all repairs, tenant finish improvements, marketing costs, broker's and reasonable out-of-pocket attorney's fees (which fraction has a numerator equal to the number of months in the balance of the Term or exercised renewal period and a denominator equal to the number of months in the term of the subsequent reletting, but which fraction shall not exceed one (1)), and all actual and documented loss or damage which Landlord may sustain by reason of such termination, re-entry and reletting, it being expressly understood and agreed that the liabilities and remedies specified above shall survive the termination of this Lease.

(iii) Landlord may terminate Tenant's right of possession of the Premises and may repossess the Premises by unlawful detainer action, without terminating this Lease, in which event Landlord shall make reasonable efforts to relet the same for the account of Tenant, at a fair market value, and to otherwise mitigate damages. For the purpose of such reletting, Landlord is

authorized to decorate, repair, remodel or alter the Premises. If Landlord fails to so relet the Premises, Tenant shall pay to Landlord as damages a sum equal to the Rent which would have been due under this Lease for the balance of the Term or exercised renewal period as such Rent shall become due and payable hereunder from time to time during the Term. If the Premises are relet, Tenant shall be responsible for the Rent payable under the Lease if such repossession had not occurred, less the net proceeds, if any, of any reletting of the Premises after deducting Landlord's reasonable and documented costs and expenses of all decoration, repairs, remodeling, alterations and additions and the expenses of such reletting. .

(iv) Landlord may sue for injunctive relief or to recover damages for any loss resulting from the breach.

Any agreement for an extension of the Term or any additional period thereafter shall not thereby prevent Landlord from terminating this Lease for any reason specified in this Lease. If any such right of termination is exercised by Landlord during the Term or any extension thereof, Tenant's right to any further extension shall thereby be automatically canceled. Any such right of termination of Landlord contained herein shall continue during the Term and any subsequent extension hereof. The liability of Prevolv and Inscape, each as Tenant hereunder and for the observance and performance of Tenant's obligations under this Lease, shall be joint and several.

(c) Non-Waiver of Defaults. The failure or delay by either party hereto to enforce or exercise at any time any of the rights or remedies or other provisions of this Lease shall not be construed to be a waiver thereof, nor affect the validity of any part of this Lease or the right of either party thereafter to enforce each and every such right or remedy or other provisions. No waiver of any default and breach of this Lease shall be held to be a waiver of any other default or breach. The receipt of Rent by Landlord at a time after Rent is due under this Lease shall not be construed as a waiver of such default. The receipt by Landlord of less than the full Rent due shall not be construed to be other than a payment on account of rent then due, nor shall any statement on Tenant's check or any letter accompanying Tenant's check be deemed an accord and satisfaction, and Landlord may accept such payment without prejudice to Landlord's right to recover the balance of the rent due or to pursue any other remedies provided in this Lease. No act or omission by Landlord or its employees or agents during the term of this Lease (other than an agreement in writing and signed by Landlord) shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such a surrender shall be valid unless in writing and signed by Landlord.

(d) Attorney's Fees. Notwithstanding anything to the contrary contained in this Lease, in the event of any litigation or other proceeding, declaratory or otherwise, arising out of this Lease, including an action to collect or enforce a judgment or order entered in any such litigation or proceeding, the prevailing party shall be entitled to recover from the nonprevailing party reasonable out-of-pocket attorneys' fees and costs, in an amount which will be fixed by the court.

(e) Landlord Default. Landlord's failure to do, observe, keep and perform any of the terms, covenants, conditions, agreements or provisions of this Lease required to be done, observed, kept or performed by Landlord, within thirty (30) days after written notice by Tenant to Landlord of said failure, shall be deemed a default by Landlord (except when Landlord's obligation is non-monetary and the nature of Landlord's obligation is such that more than thirty (30) days are

required for its performance, then Landlord shall not be deemed in default if it commences performance within the thirty (30) day period and thereafter diligently pursues the cure to completion).

20. BANKRUPTCY OR INSOLVENCY [NOTE TO DRAFTER:

It is understood and agreed that the following shall apply in the event of the bankruptcy or insolvency of Tenant:

(a) If a petition is filed by, or an order for relief is entered against Tenant under Chapter 7 of the Bankruptcy Code and the trustee of Tenant elects to assume this Lease for the purpose of assigning it, such election or assignment, or both, may be made only if all of the terms and conditions of subparagraphs (b) and (d) below are satisfied. To be effective, an election to assume this Lease must be in writing and addressed to Landlord, and in Landlord's business judgment, all of the conditions hereinafter stated, which Landlord and Tenant acknowledge to be commercially reasonable, must have been satisfied. If the trustee fails so to elect to assume this Lease within sixty (60) days after his appointment, this Lease will be deemed to have been rejected, and Landlord shall then immediately be entitled to possession of the Premises without further obligation to Tenant or the trustee and this Lease shall be terminated. Landlord's right to be compensated for damages in the bankruptcy proceeding, however, shall survive such termination.

(b) If Tenant files a petition for reorganization under Chapters 11 or 13 of the Bankruptcy Code, or if a proceeding filed by or against Tenant under any other chapter of the Bankruptcy Code is converted to a Chapter 11 or 13 proceeding and Tenant's trustee or Tenant as debtor-in-possession fails to assume this Lease within one hundred twenty (120) days from the date of the filing of such petition or conversion, then the trustee or the debtor-in-possession shall be deemed to have rejected this Lease. To be effective any election to assume this Lease must be in writing addressed to Landlord and, in Landlord's business judgment, all of the following conditions, which Landlord and Tenant acknowledge to be commercially reasonable, must have been satisfied (unless otherwise ordered by the bankruptcy court or required by applicable Laws):

(i) The trustee or the debtor-in-possession has cured or has provided to Landlord adequate assurance, as defined in this subparagraph (b), that:

(A) The trustee will cure all monetary defaults under this Lease within ten (10) days from the date of assumption; and

(B) The trustee will cure all non-monetary defaults under this Lease within thirty (30) days from the date of assumption.

(ii) The trustee or the debtor-in-possession has compensated Landlord, or has provided Landlord with adequate assurance, as hereinafter defined, that within ten (10) days from the date of assumption Landlord will be compensated for any pecuniary loss it has incurred arising from the default of Tenant, the trustee, or the debtor-in-possession, as recited in Landlord's written statement of pecuniary loss sent to the trustee or debtor-in-possession.

(iii) The trustee or the debtor-in-possession has provided Landlord with adequate assurance of the future performance of each of Tenant's obligations under this Lease; provided, however, that:

(A) From and after the date of assumption of this Lease, the trustee or the debtor-in-possession shall pay the Base Rent and Additional Rents payable under this Lease in advance in equal monthly installments on each date that such Rents are payable.

(B) The trustee or debtor-in-possession shall also deposit with Landlord, as security for the timely payment of Rent, an amount equal to three (3) months' Base Rent and other monetary charges accruing under this Lease;

(C) If not otherwise required by the terms of this Lease, the trustee or the debtor-in-possession shall also pay in advance, on each day that any installment of Base Rent is payable, one-twelfth (1/12) of Tenant's annual Taxes, Operating Expenses, and other obligations under this Lease; and

(D) The obligations imposed upon the trustee or the debtor-in-possession will continue for Tenant after the completion of bankruptcy proceedings.

(iv) Landlord has determined that the assumption of this Lease will not:

(A) Breach any provision in any other lease, mortgage, financing agreement, or other agreement by which Landlord is bound relating to the Property, or Building in which the Premises is located; or

(B) Disrupt, in Landlord's judgment, the tenant mix of the Building or any other attempt by Landlord to provide a specific variety of tenants in the Building which, in Landlord's judgment, would be most beneficial to all of tenants thereof and would enhance the image, reputation, and profitability thereof.

(v) For purposes of this subparagraph (b), "adequate assurance" means that:

(A) Landlord determines that the trustee or the debtor-in-possession has, and will continue to have, sufficient unencumbered assets, after the payment of all secured obligations and administrative expenses, to assure Landlord that the trustee or the debtor-in-possession will have sufficient funds timely to fulfill Tenant's obligations under this Lease and to keep the Premises properly staffed with sufficient employees to conduct a fully operational, actively promoted business in the Premises; and

(B) An order shall have been entered segregating sufficient cash payable to Landlord and/or a valid and perfected first lien and security interest shall have been granted in property of Tenant, trustee, or debtor-in-possession which is acceptable in value and kind to Landlord, to secure to Landlord the obligation of the trustee or debtor-in-possession to cure all monetary and non-monetary defaults under this Lease within the time periods set forth above.

(c) In the event this Lease is assumed by a trustee appointed for Tenant or by Tenant as debtor-in-possession under the provisions of subparagraph (b) above and, thereafter, Tenant is

either adjudicated bankrupt or files a subsequent petition for arrangement under Chapter 11 of the Bankruptcy Code, then Landlord may, at its option, terminate this Lease and all tenant's rights under it, by giving written notice of Landlord's election so to terminate.

(d) If the trustee or the debtor-in-possession has assumed this Lease, pursuant to subparagraph (a) or (b) above, to assign or to elect to assign Tenant's interest under this Lease or the estate created by that interest to any other person, such interest or estate may be assigned only if the intended assignee has provided adequate assurance of future performance, as defined in this subparagraph (d), of all of the terms, covenants, and conditions of this Lease.

(i) For purposes of this subparagraph (d), "adequate assurance of future performance" means that Landlord has ascertained that each of the following conditions has been satisfied:

(A) The assignee has submitted a current financial statement, audited by a certified public accountant, which shows a net worth and working capital in amounts determined by Landlord to be sufficient to assure the future performance by the assignee of the tenant's obligations under this Lease;

(B) If requested by Landlord, the assignee will obtain guarantees, in form and substance satisfactory to Landlord (i.e. letter(s) of credit), from one or more persons who satisfy Landlord's standards of creditworthiness; and

(C) Landlord has obtained consents or waivers from any third parties which may be required under any lease, mortgage, financing arrangement, or other agreement by which Landlord is bound, to enable Landlord to permit such assignment.

(e) When, pursuant to the Bankruptcy Code, the trustee or the debtor-in-possession is obligated to pay reasonable use and occupancy charges for the use of all or part of the Premises, it is agreed that such charges will not be less than the Base Rent as defined in this Lease, plus additional rent and other monetary obligations of Tenant included herein.

(f) In the event any of the conditions or events described previously in this Paragraph 20 exist or occur, neither Tenant's interest in this Lease nor any estate of Tenant created in this Lease shall pass to any trustee, receiver, assignee for the benefit of creditors, or any other person or entity, nor otherwise by operation of law under the laws of any state having jurisdiction of the person or property of Tenant, unless Landlord consents in writing to such transfer. Landlord's acceptance of rent or any other payments from any trustee, receiver, assignee, person, or other entity will not be deemed to have waived, or waive, either the requirement of Landlord's consent or Landlord's right to terminate this Lease for any transfer of Tenant's interest under this Lease without such consent.

21. ACCESS TO THE PREMISES

Landlord, its employees and agents shall have the right to enter any part of the Premises at during normal business hours upon 24 hour oral or written notice (except in the event of emergency, in which event entry may be made during non-business hours and prompt subsequent notice shall be provided) for the purposes of examining or inspecting the same, showing the same

to prospective purchasers, mortgagees or (during the last twelve (12) months of the then-current term of this Lease) tenants and, subject to Paragraph 11(g) above, for making such repairs, alterations or improvements to the Premises (subject to the terms of this Lease) or the Building as Landlord may deem necessary or desirable. If representatives of Tenant shall not be present to open and permit such entry into the Premises at any time when such entry is necessary or permitted hereunder, Landlord and its employees and agents may enter the Premises by means of a master key or otherwise, Landlord shall incur no liability to Tenant for such entry, nor shall such entry constitute an eviction of Tenant or a termination of this Lease, nor (subject to Paragraph 11(g) above) entitle Tenant to any abatement of Rent therefore. Notwithstanding the foregoing, Tenant agrees that entry by Landlord or Landlord's agents, employees or contractors, for purposes of providing regularly scheduled services to the Premises (such as janitorial service as and to the extent being provided by Landlord) does not require prior notice and may be done during non-business hours.

22. SURRENDER OF PREMISES

Upon the expiration or earlier termination of this Lease, Tenant shall surrender the Premises to Landlord, together with all keys, access cards, alterations, improvements, and other property as provided elsewhere herein, in broom-clean condition and in good order, condition and repair, except for ordinary wear and tear and damage which Tenant is not obligated to repair, failing which Landlord may restore the Premises to such condition at Tenant's expense, which shall be payable upon demand. Upon such expiration or termination Tenant's trade fixtures, furniture and equipment shall remain Tenant's property, and Tenant shall have the right to remove the same prior to the expiration or earlier termination of this Lease, Tenant shall promptly repair any damage caused by any such removal, and shall restore the Premises to the condition existing prior to the installation of the items so removed. Any of Tenant's trade fixtures, furniture or equipment not so removed shall be considered abandoned and may be retained by Landlord or be destroyed.

23. HOLDING OVER

If Tenant remains in possession of the Premises without the consent of Landlord after the expiration or earlier termination of this Lease, Tenant shall be deemed to hold the Premises as a tenant at will subject to all of the terms, conditions, covenants and provisions of this Lease (which shall be applicable during the holdover period), except that Tenant shall pay to Landlord one hundred fifty percent (150%) of the last current Base Rent and Additional Rent, which rent shall be payable to Landlord on demand. In addition, if (and only if) any such holdover period extends beyond sixty (60) days, Tenant shall be liable to Landlord for all direct damages occasioned by such holding over. Tenant shall vacate and surrender the Premises to Landlord upon Tenant's receipt of notice from Landlord to vacate. No holding over by Tenant, whether with or without the consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided herein.

24. RESTRICTION ON USE.

Notwithstanding anything contained in this Lease to the contrary, and without limiting any other terms of this Lease regarding Tenant's use of the Premises, Tenant hereby agrees and

acknowledges that in no event shall Tenant use the Premises, or any portion thereof, for the provision of dental services, the sale of dental-related products or services, the provision of urgent care services, or the provision of substantial business services to any dental or urgent care service providers. The foregoing restriction is a material inducement to Landlord entering into this Lease. The breach by Tenant of the foregoing restriction shall be an immediate Default under this Lease, for which there shall be no notice or cure period.

25. QUIET ENJOYMENT

Subject to the terms and conditions of this Lease (including, without limitation, Paragraph 19 above), Tenant shall at all times during the Term hereof have the peaceable and quiet enjoyment, possession, occupancy and use of the Premises without any interference from Landlord or any person or persons claiming the Premises by, through or under Landlord, subject to any mortgages, underlying leases or other matters of record to which this Lease is or may become subject.

26. NOTICE AND PLACE OF PAYMENT

(a) All Rent and other payments required to be made by Tenant to Landlord shall be delivered or mailed to Landlord at the address set forth below or any other address Landlord may specify from time to time by written notice given to Tenant.

(b) All payments required to be made by Landlord to Tenant shall be delivered or mailed to Tenant at the address set forth in Paragraph 26(c) hereof or at any other address within the United States as Tenant may specify from time to time by written notice given to Landlord.

(c) Except as expressly provided to the contrary in this Lease, any notice or other communication to be delivered hereunder shall be in writing and shall not be effective unless served personally or by national air courier service, or the United States Mail, postage prepaid, certified or registered mail, addressed to the parties hereto at the respective addresses set forth below or at such other address as they have theretofore specified by written notice delivered in accordance herewith. Every notice or other communication hereunder shall be deemed to have been given when received or refused.

Landlord:
Thor 816 W Fulton Owner LLC
25 West 39th Street, 11th Floor
New York, NY 10018
Attention: Peter McEneaney

With a copy to:
Saul Ewing Arnstein & Lehr LLP
161 N. Clark Street, Suite 4200
Chicago, IL 60601
Attention: Roy L. Bernstein

Tenant:

For Inscape:
Jon Szczur
Inscape Corporation
67 Toll Road
Holland Landing, ON L9N 1H2
416.723.9806
jszczur@myinscape.com

With a copy to:
Eric Ehgoetz
Inscape Corporation

67 Toll Road
Holland Landing, ON L9N 1H2
416.735-0636
eehgoetz@myinscape.com

For Prevolv:
John Ewine
President
2635 University Ave West
St Paul, MN 55114
651-331-1561
Jewine@prevolv.com

27. MISCELLANEOUS GENERAL PROVISIONS

(a) Payments Deemed Rent. Any amounts of money to be paid by Tenant to Landlord pursuant to the provisions of this Lease, whether or not such payments are denominated “rent” or “additional rent” and whether or not they are to be periodic or recurring, shall be deemed rent or additional rent for purposes of this Lease; and any failure to pay any of same as provided in this Lease hereof shall entitle Landlord to exercise all of the rights and remedies afforded hereby or by law for the collection and enforcement of Tenant’s obligation to pay rent. Landlord’s and Tenant’s obligations to pay any such rent or additional rent, or pay or refund any other amounts, pursuant to the provisions of this Lease shall survive the expiration or other termination of this Lease and the surrender of possession of the Premises after any holdover period.

(b) Estoppel Letters. Tenant shall, within ten (10) business days following written request from Landlord, execute and deliver to Landlord or to any lender, purchaser or prospective lender or purchaser designated by Landlord a written statement in a form substantially as set forth on Exhibit “I” attached hereto and made a part hereof (or such other form as may be required by a lender or prospective lender, certifying (i) that this Lease is in full force and effect and unmodified (or, if modified, stating the nature of such modification), (ii) the date to which Rent has been paid, (iii) that there are not, to Tenant’s knowledge, any uncured defaults (or specifying such defaults if any are claimed); and (iv) such further factual matters relating to this Lease as may be requested by Landlord that are not otherwise contained in this Lease. Any such statement may be relied upon by any prospective purchaser or mortgagee of all or any part of the Building. If Tenant fails or refuses both to execute such written statement and to provide comments to such written statement within such ten (10) business day period, and such failure or refusal continues for more than five (5) business days after written notice from Landlord, then in addition to Landlord’s other rights and remedies, Tenant shall pay to Landlord, as liquidated damages (which the parties agree is a reasonable measure of the harm resulting from any such failure or refusal), the sum of Two

Hundred Fifty and No/100 Dollars (\$250.00) per day until such time as such failure or refusal is cured.

(c) Intentionally Deleted.

(d) Claims for Fees. Landlord and Tenant represent and warrant to the other that with the exception of Stream Realty and CBRE (collectively, the “Broker”), no other broker negotiated this Lease or is entitled to any commission in connection therewith. Landlord and Tenant each agree to indemnify, defend and hold each other, their respective beneficiaries or their partners, and any of their respective agents, legal representatives, officers, partners, successors or assigns harmless from and against any claims made by any broker alleged to have been dealt with by the applicable indemnifying party (other than the Broker) for a commission or fee in connection with this Lease. Landlord will pay the Broker pursuant to a separate agreement between Landlord and the Broker

(e) Applicable Law. This Lease and all matters pertinent thereto shall be construed and enforced in accordance with the laws of the State of Illinois.

(f) Entire Agreement. This Lease, including all Exhibits attached hereto, constitutes the entire agreement between the parties hereto and may not be modified except by an instrument in writing executed by the parties hereto.

(g) Binding Effect. This Lease and the respective rights and obligations of the parties hereto shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto as well as the parties themselves; provided, however, that Landlord, its successors and assigns shall be obligated to perform Landlord’s covenants under this Lease only arising during and in respect of their successive periods as Landlord during the term of this Lease.

(h) Severability. If any provision of this Lease shall be held to be invalid, void or unenforceable, the remaining provisions hereof shall not be affected or impaired, and such remaining provisions shall remain in full force and effect.

(i) No Partnership. Landlord shall not, by virtue of the execution of this Lease or the leasing of the Premises to Tenant, become or be deemed a partner of Tenant in the conduct of Tenant’s business on the Premises or otherwise.

(j) Headings, Gender, etc. As used in this Lease, the word “person” shall mean and include, where appropriate, an individual, corporation, partnership or other entity; the plural shall be substituted for the singular, and the singular for the plural, where appropriate; and words of any gender shall include any other gender. The topical headings of the several paragraphs of this Lease are inserted only as a matter of convenience and reference, and do not affect, define, limit or describe the scope or intent of this Lease.

(k) Waiver of Jury. To the extent permitted by law, Landlord and Tenant each hereby waives any right it may have to a jury trial in the event of litigation between Tenant and Landlord pertaining to this Lease.

(l) Allocation of Rent. Landlord and Tenant agree that no portion of the Base Rent paid by Tenant during the portion of the Term of this Lease occurring after the expiration of any period during which such rent was abated shall be allocated by Landlord or Tenant to such rent abatement period, nor is such rent intended by the parties to be allocable to any abatement period.

(m) Right to Change Building Name and Address. Subject to the terms of this Lease, Landlord reserves the right to change the name or street address of the Building; however, if Landlord voluntarily changes the name or street address of the Building, then Landlord shall reimburse Tenant for the cost of replacing its on-hand stationery, business cards and similar items.

(n) Requirement of Identification. Landlord, or its contractor(s), may require all persons entering or leaving the Building during such hours as Landlord may reasonably determine, to identify themselves by registration or otherwise, and to establish their right to leave or enter, and to exclude or expel any peddler, solicitor or beggar at any time from the Premises or Building.

(o) Acceptance of Tenant's Goods. Tenant authorizes Landlord and Landlord's agents and employees to accept and sign for shipments as a convenience and measure of traffic control with a stamp which shall indicate that any signature is authorized only to clear the loading dock or other receiving area as a matter of convenience, and such signature does not constitute acceptance by the addressee and does not relieve the carrier of any liability nor create an agency or bailment. Tenant hereby releases Landlord and Landlord's agents and employees from any and all liability resulting from or related to the acceptance of goods addressed to Tenant and delivered to the Building's loading dock or other area designated for receipt of goods.

(p) Reserved Areas, Light and Air. Except as expressly set forth in this Lease otherwise, this Lease does not give Tenant any right to use, and Landlord hereby excludes and reserves for its sole and exclusive use, the following areas in and about the Premises: janitor closets, stairways and stairwells, fan, mechanical, electrical, telephone and similar rooms (other than those installed for Tenant's exclusive use, except that Tenant shall have non-exclusive access (subject to prior coordination with Landlord) to other rooms as reasonably necessary to install and operate Tenant's equipment therein, including, without limitation, to locate its electrical panels in the base building electrical closets); elevator, pipe and other vertical shafts, flues and ducts; all areas below the finished floorcovering installed in the Premises; all other structural or mechanical elements serving other areas of the Building; and all subterranean, mineral, air, light and view rights.

(q) Intentionally Deleted.

(r) Execution by Landlord. Submission of this instrument to Tenant, or Tenant's agents or attorneys, for examination or signature does not constitute or imply an offer to lease, reservation of space, or option to lease, and this Lease shall have no binding legal effect until execution hereof by both Landlord and Tenant.

(s) Time of Essence. Time is of the essence of this Lease and each of its provisions.

(t) Force Majeure. The period of time during which either party is prevented or delayed in any performance or the making of any improvements or repairs or fulfilling any obligation under this Lease, other than the payment of Rent and other monetary obligations, due

to unavoidable delays caused by fire, catastrophe, strikes or labor trouble, civil commotion, Acts of God, the public enemy, acts of terrorism, reasonably unforeseeable governmental prohibitions or regulations or inability to obtain materials by reason thereof, or any other causes beyond such party's reasonable control, shall be added to such party's time for performance, and such party shall have no liability by reason of such delay, except that as a condition to either parties' right to avail itself of force majeure, such party must give the other written notice of such claimed force majeure not later than seven (7) business days following the occurrence of such force majeure.

(u) Consents and Approvals. Notwithstanding anything to the contrary contained in this Lease, in any instance in which a matter under this Lease or any exhibit hereto is subject to Landlord's consent, approval, discretion or the like, unless otherwise expressly provided in this Lease, Landlord shall act reasonably and in good faith and shall not unreasonably withhold, condition or delay the same.

28. EXONERATION CLAUSE

In consideration of the benefits accruing hereunder, Tenant and all successors and assigns of Tenant covenant and agree that, anything contained herein to the contrary notwithstanding, the obligations under this Lease do not constitute personal obligations of the agents or individual partners, directors, officers or shareholders of Landlord, or the partners, directors, officers or shareholders of the partners or beneficiaries of Landlord. Any claim based on or in respect of any liability of Landlord under this Lease shall be enforced only against the Building and proceeds therefrom and not against any other assets, properties or funds of: (i) Landlord or any director, officer, general partner, limited partner, employee or agent of Landlord or its general partners (or any legal representative, heir, estate, successor or assign thereof; (ii) any predecessor or successor partnership or corporation (or other entity) of Landlord or its general partners, either directly or through Landlord or its predecessor or successor partnership or corporation (or other entity) of Landlord or its general partners; and (iii) any other person or entity. Furthermore, in the case of any foreclosure by any mortgagee, the rights and remedies of Tenant hereunder in respect of any obligations of any such successor to Landlord hereunder shall be non-recourse as to any assets of such successor to Landlord other than to the equity in the Building and proceeds therefrom. Tenant further agrees that each of the foregoing provisions shall be applicable to any covenant or agreement either expressly contained in this Lease or imposed by statute or at common law. Tenant's covenants and agreements contained in this Paragraph 28 are enforceable both by Landlord and also by any partner or beneficiary of Landlord.

29. HAZARDOUS MATERIALS

(a) To the best of Landlord's actual knowledge, Landlord is aware of no environmental cleanup liens filed against the Premises under federal, state or local law.

(b) Landlord shall not conduct any activities with respect to the Building which result in the generation, storage or release of any Hazardous Material (as defined herein below). Landlord shall bear all liability for any claim, injury, loss or damage to any person or the environment as a result of any such Hazardous Material being generated, stored, or released in the Building by Landlord in violation of any federal, state or local law, rule or regulation and Landlord shall save Tenant harmless and indemnify Tenant against any such loss, claim, injury or damage

unless such loss, claim or damage is caused or occasioned by Tenant, its officers, employees, contractors or agents.

(c) Tenant shall not transport, use, store, maintain, generate, manufacture, handle, dispose, release or discharge any "Hazardous Material" (as defined below) upon or about the Building, nor permit Tenant's employees, agents, contractors, and other occupants of the Premises to engage in such activities upon or about the Building. However, the foregoing provisions shall not prohibit the transportation to and from, and use, storage, maintenance and handling within, the Premises of substances customarily used in offices (or such other business or activity expressly permitted to be undertaken in the Premises under this Lease), provided: (a) such substances shall be used and maintained only in such quantities as are reasonably necessary for such permitted use of the Premises, strictly in accordance with applicable Laws and the manufacturers' instructions therefor, (b) such substances shall not be disposed of, released or discharged on the Building, and shall be transported to and from the Premises, in compliance with all applicable Laws, and as Landlord shall reasonably require, (c) if any applicable Laws or Landlord's trash removal contractor requires that any such substances be disposed of separately from ordinary trash, Tenant shall make arrangements at Tenant's expense for such disposal directly with a qualified and licensed disposal company at a lawful disposal site (subject to scheduling and approval by Landlord), and shall ensure that disposal occurs frequently enough to prevent unnecessary storage of such substances in the Premises, and (d) any remaining such substances shall be completely, properly and lawfully removed from the Building upon expiration or earlier termination of this Lease.

(d) Tenant shall promptly notify Landlord of: (i) any enforcement, cleanup or other regulatory action taken or threatened in writing by any governmental or regulatory authority with respect to the presence of any Hazardous Material on the Premises, or the migration thereof from or to other Building, (ii) any demands or claims made or threatened in writing by any party against Tenant or the Premises relating to any loss or injury resulting from any Hazardous Material, (iii) any release, discharge or nonroutine, improper or unlawful disposal or transportation of any Hazardous Material on or from the Premises, and (iv) any matters where Tenant is required by Law to give a notice to any governmental or regulatory authority respecting any Hazardous Materials on the Premises. Landlord shall have the right (but not the obligation) to join and participate, as a party, in any legal proceedings or actions affecting the Premises, initiated in connection with any environmental, health or safety Law. At such times as Landlord may reasonably request, Tenant shall provide Landlord with a written list identifying any Hazardous Material then used, stored, or maintained upon the Premises, the use and approximate quantity of each such material, a copy of any material safety data sheet ("MSDS") issued by the manufacturer therefor, written information concerning the removal, transportation and disposal of the same, and such other information as Landlord may reasonably require or as may be required by Law. The term "Hazardous Material" for purposes hereof shall mean any chemical, substance, material or waste or component thereof which is now or hereafter listed, defined or regulated as a hazardous or toxic chemical, substance, material or waste or component thereof by any federal, state or local governing or regulatory body having jurisdiction, or which would trigger any employee or community "right-to-know" requirements adopted by any such body, or for which any such body has adopted any requirements for the preparation or distribution of an MSDS. Landlord represents and warrants that, as of the date of this Lease, (1) the Building is not listed on, and has not been proposed for listing on, the National Priorities List (or the Comprehensive Environmental

Response, Compensation and Liability Information System or the Superfund Enterprise Management System) under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601 et seq., or any similar state law; and (2) to Landlord's knowledge, there has been no depositing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing ("Release") or threatened Release of any quantities or concentrations of Hazardous Materials, at, on, under, or otherwise affecting the Building or which may give rise to any duty to investigate, report, remediate or any other action or liability under any applicable environmental Law. Landlord covenants that, as of the Possession Date, the Premises and the Building shall be free from Hazardous Materials (other than those customarily used in offices or other uses at the Building in compliance with applicable Laws). Except with respect to any Hazardous Material released, discharged or disposed of by Tenant or any other occupant of the Premises, or their employees, agents or contractors, Landlord shall promptly, properly and in compliance with applicable Laws clean up and remove any and all mold, asbestos and other Hazardous Material from the Building and any other affected Building and clean or replace any affected personal property (whether or not owned by Landlord), at Landlord's expense, and indemnify Tenant for any and all remedial and compliance costs relating thereto.

(e) If any Hazardous Material is released, discharged or disposed of by Tenant or any other occupant of the Premises, or their employees, agents or contractors, on or about the Building in violation of the foregoing provisions, Tenant shall immediately, properly and in compliance with applicable Laws clean up and remove the Hazardous Material from the Building and any other affected Building and clean or replace any affected personal Building (whether or not owned by Landlord), at Tenant's expense. Such clean up and removal work shall be subject to Landlord's prior written approval (except in emergencies), and shall include, without limitation, any testing, investigation, and the preparation and implementation of any remedial action plan required by any governmental body having jurisdiction or reasonably required by Landlord. If Tenant shall fail to commence efforts to comply with the provisions of this Paragraph 29 within ten (10) business days after written notice by Landlord, or such shorter time as may be required by Laws, Landlord may (but shall not be obligated to) arrange for such compliance directly or as Tenant's agent through contractors or other parties selected by Landlord, at Tenant's reasonable expense (without limiting Landlord's other remedies under this Lease or applicable Law).

30. TENANT'S ACCESS

Subject to the terms of this Lease, Tenant shall be permitted access to the Premises on twenty-four (24) hour, seven (7) day a week basis (provided, that admittance outside of normal business hours may be under such reasonable regulations as Landlord may prescribe from time to time, which may include by way of example but not of limitation, that persons entering or leaving the Building identify themselves to a watchman by registration or otherwise and that said persons establish their right to enter or leave the Building). To the extent entry into the Building requires a so-called "key card", Landlord shall provide to Tenant with an amount of such key-cards reasonably sufficient for Tenant's operations in the Premises (provided, that if any key cards provided by Landlord are lost or stolen, replacement key cards shall be provided at Tenant's cost and expense). Landlord shall reasonably cooperate with Tenant to permit such key cards also to serve as key cards for the Premises.

31. ADDITIONAL TENANT EQUIPMENT

Landlord shall cause telecommunications service from one of AT&T, Crown Castle and/or Comcast to be available in the Building without additional charge to Tenant (other than the cost of the actual service used by Tenant). Tenant shall have the right to access and use a portion of the Building's netPOP room, risers and other common pathways utilized for voice and data cabling; provided, however, that such access shall be coordinated in advance with Landlord's riser management company and Landlord may require Tenant or its providers to pay customary riser management fees.

32. EARLY TERMINATION RIGHT

As long as (i) this Lease is in full force and effect, (ii) Tenant is not in Default under this Lease either at the time of the Termination Notice (as defined below) or at the time of the Early Termination Date (as defined below), and (iii) no more than twenty-five percent (25%) of the Premises has been sublet or this Lease assigned (except, in both cases, pursuant to a Permitted Transfer, as hereinafter defined), Tenant shall have the one-time right to terminate this Lease effective as of the last day of the eighth (8th) full Lease Year following the Commencement Date ("Early Termination Date"), by giving Landlord written notice (the "Termination Notice") of its intention to terminate no later than the date which is three hundred sixty-five (365) days prior to the Early Termination Date, time being of the essence with respect to such Termination Notice. As a condition to the effectiveness of the Early Termination Notice, Tenant shall pay a termination fee (the "Termination Fee") equal to (1) an amount equal to two (2) months' of Base Rent and Rent Adjustment payments (at the rates in effect of as of the date immediately preceding the Early Termination Date), plus (2) the sum of \$941,146.69 (representing Landlord's unamortized costs incurred by Landlord in connection with this Lease (including, without limitation, the Allowance, the Rent Abatement, and brokerage commissions) amortized over the initial Term of this Lease on a straight-line basis using an interest rate of six percent (6%)). The Termination Fee shall be payable as follows: (a) within thirty (30) days following delivery of the Early Termination Notice to Landlord, an amount equal to fifty percent (50%) of the Termination Fee, and (b) on or before the date which is thirty (30) days prior to the Early Termination Date, an amount equal to the remaining fifty percent (50%) of the Termination Fee. In the event Tenant timely delivers the Termination Notice and the Termination Fee as aforesaid, then this Lease shall expire and end as of the Early Termination Date as if the Early Termination Date were the Expiration Date of this Lease as otherwise set forth herein; provided, however, nothing herein shall relieve Tenant from any of its obligations under this Lease for so long as this Lease is in effect. In the event Tenant fails to timely delivery the Termination Notice or the Termination Fee as aforesaid, then Tenant's right to terminate this Lease as set forth in this Paragraph 32 shall be deemed waived by Tenant.

33. PARKING

Tenant shall have the right to lease one (1) parking space located within the parking garage of the Building (if Tenant leases said parking space, it shall include so-called "in and out" privileges). For such parking space so leased, Tenant shall pay to Landlord the market rate as charged by Landlord from time to time. Tenant must exercise such right to lease such parking space by delivering written notice to Landlord no later than three hundred sixty five (365) days

following the Commencement Date. If Tenant fails to so notify Landlord, then Tenant's right to lease parking spaces at the Building shall be subject to availability thereof.

34. RELOCATION

Landlord shall not have the right to relocate Tenant from the Premises to other premises within the Building during the initial Term of this Lease. .

35. STORAGE

During the Term, Landlord shall allow Tenant the use of storage space within the lower level of the Building (the "Storage Space") to use for storage in connection with Tenant's operations from the Premises. The initial location of the Storage Space shall be determined by Landlord based on then-current availability. Tenant shall accept possession of the Storage Space "as is, where is and with all defects condition" as of the date on which the Storage Space is delivered to Tenant. Tenant agrees and acknowledges that Landlord makes no representations or warranties to Tenant regarding the condition of the Storage Space or the suitability thereof for Tenant's use, and that Landlord has no obligation to make improvements or alterations to the Storage Space. The Storage Space shall be considered part of the Premises for all purposes under the Lease, except that the square footage of the Storage Space shall not be considered for purposes of determining Tenant's Proportionate Share. Notwithstanding that the Storage Space will be considered part of the Premises, Tenant agrees and acknowledges that Tenant may use the Storage Space only for so-called "dry" storage of non-perishable items to be used in connection with Tenant's operations from the Premises. Tenant shall not have the right to install or operate freezers, refrigerators or coolers, cooking equipment or any facilities using water in the Storage Space. Landlord shall have the right to relocate the Storage Space from time to time during the Term, upon not less than thirty (30) days' notice to Tenant. In such event, within thirty (30) days of receipt of such notice, Tenant shall relocate all of Tenant's property within the existing Storage Space to the new Storage Space as directed by Landlord. In consideration of Landlord granting Tenant the use of the Storage Space, Tenant shall pay to Landlord, as additional rent, the sum of Twenty and No/100 Dollars (\$20.00) multiplied by the RSF of the Storage Space per annum (the "Storage Rent"), payable in equal consecutive monthly installments at the same time and in the same manner as Tenant's payments of monthly Base Rent. The amount of Storage Rent shall increase by Fifty Cents (\$0.50) per RSF of the Storage Space per annum, with such increases to occur on each anniversary of the Commencement Date. By way of example, if the Storage Space consists of 282 RSF, the initial amount of Storage Rent would be \$5,640 per annum, payable in monthly installments of \$470.00, and Storage Rent would increase to \$5,781 per annum as of the first anniversary of the Commencement Date.

36. SKY LOUNGE

The Building includes a so-called "sky lounge" on the eighteenth (18th) and nineteenth (19th) floors, which includes a bar and adjacent outdoor deck. Subject to mutually agreeable plans for set-up and operation between Landlord and Tenant, (i) Tenant shall be granted the exclusive use of such sky lounge on Monday evening (after Standard Business Hours) during the 2022 annual tradeshow event, and (ii) Tenant shall be granted non-exclusive use of such sky lounge on Monday during the 2022 annual tradeshow event during Standard Business Hours for set-up purposes. For

all years after 2022 during the Term of this Lease, Landlord agrees to use commercially reasonable efforts to provide to Tenant space within the sky lounge or certain other areas intended for use as event or entertainment areas for the annual tradeshow event, although it is acknowledged that Tenant's use of such space may be non-exclusive depending on availability.

37. FURNITURE PROGRAM

Landlord agrees to feature furniture produced by Tenant in certain common areas of the Building from time to time. The location of such featured furniture and the timing and duration of the display thereof, shall be as mutually agreed upon by Landlord and Tenant, although Landlord will have the ultimate discretion if such mutual agreement cannot be reached. Tenant acknowledges that Landlord's obligations under this Paragraph 37 shall not be continuously applicable throughout the entire Term, but as reasonably agreed upon by Landlord based on the availability of space and Landlord's general operation of the Building. Tenant shall furnish all such furniture to be featured. Landlord hereby agrees that as an initial feature of Tenant's furniture pursuant to this Section 37, and without limiting the scope of such furniture program as set forth herein, as of the Commencement Date, Landlord shall permit Tenant, at Tenant's cost and expense, to display furniture in the high rise elevator bank on the eighth (8th) floor of the Building, in the location shown on Exhibit "J" attached hereto and made a part hereof, provided that Tenant provides plans for such display to Landlord no later than sixty (60) days prior the Commencement Date, which plans are subject to Landlord's review and approval not to be unreasonably withheld, delayed or conditioned.

38. GUARANTY OF LEASE


The obligation of Landlord to perform under the provisions of this Lease is expressly conditioned upon the due execution and delivery to Landlord of the Guaranty of Lease in the form set forth in Exhibit "I" attached hereto and made a part hereof (the "Guaranty"). Tenant represents and covenants that it will cause said Guaranty to be duly executed and delivered to Landlord concurrently with Tenant's execution and delivery of this Lease.

[END OF TEXT; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

LANDLORD:

THOR 816 W FULTON OWNER LLC,
a Delaware limited liability company

By: 
Name: MELISSA GIATTA
Title: COO

TENANT:

INSCAPE INC., a Delaware corporation

By: _____
Name: _____
Title: _____

PREVOLV, INC., a Minnesota corporation

By: _____
Name: _____
Title: _____

Exhibits

- A) Demising Plan of Premises
- B) Base Landlord Work
- C) Work Letter
- D) Rules and Regulations
- E) Janitorial Specifications
- F) List of Exclusions from Operating Expenses
- G) Form of SNDA
- H) Signage
- I) Form of Estoppel
- J) Initial Furniture Feature Location
- K) Form of Letter of Credit
- L) Guaranty of Lease

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

LANDLORD:

THOR 816 W FULTON OWNER LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

TENANT:

INSCAPE INC., a Delaware corporation

By: _____
Name: Eric Engoetz
Title: CEO

PREVOLV, INC., a Minnesota corporation

By: _____
Name: _____
Title: _____

Exhibits

- A) Demising Plan of Premises
- B) Base Landlord Work
- C) Work Letter
- D) Rules and Regulations
- E) Janitorial Specifications
- F) List of Exclusions from Operating Expenses
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LANDLORD:

THOR 816 W FULTON OWNER LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

TENANT:

INSCAPE INC., a Delaware corporation

By: _____
Name: _____
Title: _____

PREVOLV, INC., a Minnesota corporation

By: John Ewine
Name: John Ewine
Title: President

Exhibits

- A) Demising Plan of Premises
- B) Base Landlord Work
- C) Work Letter
- D) Rules and Regulations
- E) Janitorial Specifications
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- J) Initial Furniture Feature Location
- K) Form of Letter of Credit
- I) Guaranty of Lease

EXHIBIT A
DEMISING PLAN OF PREMISES



EXHIBIT B

BASE LANDLORD WORK

Landlord shall deliver to Tenant the Building and possession of the Premises in the condition described herein.

BUILDING HEIGHT: 18 Stories, 1 Basement

LOWER LEVEL: Private Parking, Bike Storage and Tenant Showers on the Lower Level 2. Proposed parking shall be in compliance with ADA. Parking areas will be illuminated to meet or exceed minimum, standards. Exposed concrete finishes at parking areas.

AMENITY SPACE: Fitness center with fitness studio spaces. Conferencing center with flexible meeting space and social lounge with bar. Alternative working areas. Flexible meeting space. Outdoor terraces with seating and landscape accessible from Amenity.

TENANT FLOORS:

- Design live loads of 70 psf including 20 psf for partitions
- Vacant, in broom clean condition, legally demised (where applicable) and in compliance with all applicable laws.
- Concrete floors designed to be smooth trowel finished to facilitate the installation of glue-down carpet without additional patching. The floor should be level and finished in accordance with ASTM E1155 floor flatness and levelness. Floors flatness within the premises shall have a finish with a tolerance of 1/2 of an inch within ten feet laterally, non-cumulative throughout the premises, not to exceed two inches between any two points on the floor and free of cracks greater than one-quarter inch (1/4") in width and without height differential on either side of the crack at the time of placement.
- No outstanding unbonded construction liens or outstanding violations with the Department of Buildings or the Fire Marshall that would prohibit work in Tenant's premises.
- Asbestos free and free of all environmentally hazardous materials (including mold). Columns will be exposed concrete.
- Designed in compliance with all local laws and provisions of the Americans with Disabilities Act of 2010
- All holes, core drilled or other perforations in slab to be patched and firestopped (including structural reinforcement of large core drill patches).
- All fireproofing and firestopping complete for core and shell work. Inclusive of columns, beams, floors and ceiling systems that would provide protection for typical office construction improvements.
- Tenant is responsible to maintain & repair the existing fireproofing and firestop during their fit out, at their cost, as well as installation of any additional fireproofing/firestopping as required by their work.
- Perimeter Floor details, such as structural angles and/or closure plates should be finishes in a level and flat finish to facilitate the installation of glue down carpet without additional patching by Tenant

STRUCTURE:

- +/-13'-6" slab-to-slab height on office floors
- Finished ceiling by Tenant. Typical underside of slab +/-13'-1" above unfinished floor.
- Slab construction consists of 24" Post-Tensioned Beams. Slab is 5"+/- thick reinforced concrete slab. Total structural depth of 24"+/-
 - Landlord to provide Tenant with Post-Tension As-Built drawings.

EXTERIOR WALL:

- Nominal floor to ceiling glass
- 5'-0" window module at tenant spaces
- High-performance glazing with Low-E coating

Sound Attenuation

Exterior wall and roof terraces designed to meet commercial building standards for sound attenuation.

CORES:

- Core concrete columns and concrete walls will be exposed.
- Drywall Partitions at Core
- Interior partitions one layer of 5/8" GWB on each side of metal stud.
- The Developer shall provide perimeter horizontal mecho shade at Landlord's cost, for installation by Tenant at tenant cost
- Rated Partitions
 - Shaft Wall two layers 5/8" GWB-type 'X' on one side with 1" liner-board on shaft side C-H metal stud framing
 - Two-hour two layer 5/8" type 'X' GWB on both sides of metal stud framing
 - One-hour same as interior partitions except one side of GWB will be Type 'x' GWB.
- Typical Core Doors and Frames
 - Doors at the core exposed to the corridor/open office.
 - All hardware shall be in conformance to Chicago Building Code and ADA.
 - Base building doors will be fully installed and primed for finished painting

CORE TOILET ROOMS:

- Designed in compliance with all Chicago Building Codes and provisions of the Americans with Disabilities Act of 2010
- Plumbing Fixtures
 - Wall-mounted, ceramic, high-efficiency, water-conserving fixtures
 - Quantity of water closets and urinals provided in accordance with the Chicago Building Code.
 - All toilets, urinals, and lavatory fixtures to be equipped with automatic sensors
- Vanities
 - Solid Surface Vanities with under-mounted sinks
 - Framed mirrors at vanities
- Toilet Partitions
 - Laminate toilet partitions

- Accessories
 - Stainless steel toilet accessories and mirrors for core toilets including code required grab-bars
- Ceilings
 - Gypsum board ceilings with recessed lighting
- Landlord will provide domestic hot water for core and shell Toilet Rooms

FIRE STAIRS

- Handrails and guardrails in egress stairs will be provided in accordance with code requirements and constructed of painted steel
- Painted gypsum walls, exposed concrete walls stair handrails and guard, hollow metal doors and frames, and drywall partitions (2) coats for exposed surfaces
- Surface mounted LED lighting connected to base building emergency generator system

MAIN LOBBY

- Terrazzo or polished concrete floor
- Glass and aluminum clad swing doors and revolving doors with laminated safety glass and associated hardware.
- Brick at the North and South lobby wall. Back painted glass at the elevator lobby.
- Light coves and downlights in lobby ceilings.
- Office lobby security desks for base building is located on the Main building lobby floor before the security turnstiles.

ELEVATORS

- Passenger Elevators designed for Class A office service
- Destination dispatch for all passengers with high quality turnstiles for security
- One Freight elevator will serve at a 4,500 lb. capacity

FIRE ALARM

- Core and shell fire and life safety systems, including, fire hose valves, alarms, speakers, panels, communications, flow valves, tamper switches, alarm floor switches, etc. shall be installed, in service, and addressable as required by City of Chicago Code.
- The building will be equipped with an addressable fire alarm system and Fire Command Center located in the lobby panel
- Wall mounted 10-lb. dry chemical and/or CO2 type fire extinguishers provided in all base building mechanical and electrical rooms as required by code.
- Points of connection for Tenant fit-out to be based on normal office occupancy. Additional panels and points of connection for higher occupancies shall be provided at Tenant's expense.

EGRESS SIGNAGE

- Code required egress signage in all common areas and base building support areas provided in base building.

HVAC

- All building systems shall be brought to the mechanical room and installed to full operational in accordance with agreed-upon specifications.
- Entire VRF system to be integrated with the building management system (BMS)
- Ventilation on Office Floors (typ):
 - A dedicated outside air system to provide 0.2 cfm/sf of airflow with a 4" pleated MERV 8 (35%) pre-filter and a MERV 13 (85%) final particulate filter.
 - Each floor will be provided with a minimum of two (2) VAV air terminals to supply the outside air. Airflow supply temperature to be reset based on outside temperature between 55F to 72F. Tenants to incorporate demand controlled ventilation to modulate outside air using CO2 sensors in spaces.
 - Existing and any new tenant VAV air terminals to be integrated with the building management system (BMS).
 - Core toilet rooms are provided with exhaust airflow of 2cfm/sf.
- Heating and Cooling on Office Floors (typ):
 - Condenser water stub for water cooled VRF condensing units and fan coil units on each floor to meet typical office heating and cooling loads. VRF system to be building standard and provided by tenant. Landlord to provide VRF and exhaust systems for all common areas including, stairwells, mechanical areas etc. VRF system to be variable volume water cooled type and tied to building management system (BMS). The BMS will monitor and determine heating and cooling usage by tenant.
 - VRF system to be installed by tenant at tenant cost and is to be integrated at tenants expense working with landlords master systems integrator of record
 - Toilet rooms are provided with radiant floor heating.
 - Cooling capacity is sized for an average of 520sf/ton. This includes capacity provided by the 55 degree F outside air supplied to the space.
 - Supplemental Cooling: Each floor has an additional condenser water stubs for year-round supplemental heat rejection of 5 tons. Tenant systems connected to these to comply with building requirements.
- Heating and Cooling Plant
 - The water-cooled condenser water system in the building is supported by a condenser water loop. This loop rejects heat via a cooling tower and injects heat via high efficiency gas fired boilers. Heating and cooling are available year- round for all spaces.

ELECTRICAL

- General office floor distribution derived from a vertical bus duct system at 277/480 volts electric riser capacity available to the Tenant 4 w/sf for HVAC, 1 w/sf for lighting and 3.5 w/sf for equipment power.
- One (1) 277/480V to 120/208V rated transformer per floor. Transformers size varies by floor area (150 kVA). Tenant distribution downstream of meters by tenant.
- Each typical floor sub-metered for Tenant electrical usage; Tenant's meter to account for all tenant electric usage on the floor, including: lighting and equipment power. HVAC power in building meter.
- Provide all electrical requirements (including panel boards, meter fittings etc.) for base building common areas including main lobby, loading dock service areas, exterior building areas and signage, core areas, toilet rooms, janitors' closets, electrical closets, stairwells, etc.

- Provide all electrical requirements (including panel boards, meter fittings, transformers, etc.) for base building mechanical equipment including rooftop equipment, mechanical room equipment, etc.
- Base building life safety and alarm system, including a complete fire suppression, communications and smoke detection system as required by code.
- Emergency distribution system as required by code.
- LL to provide surge protection to the EM panel, per City of Chicago requirement.
- Landlord shall provide the electrical panel, installed with empty meter holes for Tenant's use. All panels will be provided at Landlord's sole cost and expense.

EMERGENCY POWER

- Gas-driven emergency generator to supply power to life safety-related loads (stair and exit lighting, elevator, fire pump, fire alarm system, etc.) in the event of loss of normal power. Emergency panels are located every four floors.
- Tenant standby power options available at Tenant's sole cost and expense

PLUMBING AND FIRE PROTECTION

- Base building domestic cold water, domestic hot water, and hot water return for Toilet Rooms.
- Standpipe / Sprinkler System
 - Complete sprinkler infrastructure, including combination standpipe/sprinkler risers, pumps, valve connections and a Main sprinkler loop pipe at the core on each floor of the Premises, fully operational, code compliant, and ready for Tenant branch piping and sprinkler head installation.
- Fire hose valve outlets as required by code for Core & Shell. (Tenant fit-out additional outlets installed as directed by the Tenant mechanical engineer at the Tenant's expense.)
- Design density based on code requirements for normal office occupancy.
- Tenant responsible for hydraulic calculations for their sprinkler fit-out including the core areas.
- Two (2) ADA compliant watercooler per floor or quantity required by local code.

Plumbing Specifications

- Wet column provision, consisting of sanitary, vent and cold water capped outlets, on each floor for future Tenant needs. Each office floor is provided with the following as a minimum for tenant connection. Larger floor plates have additional wet columns.
 - One 1.5" cold water stub
 - One 4" sanitary stub
 - One 4" plumbing vent stub
- Tenant, at Tenant's sole cost and expense and subject to the terms of the Lease and the Work Letter, to connect to the cold-water line for use by Tenant.
- Janitor closet/mop sink on each typical office floor
- Tenant Build-out LEED and WELL Rating. Tenant does not yet know if they will pursue LEED and WELL Ratings for the Premise and, therefore, cannot commit to securing those ratings in their space.

CONTROLS AND USER INTERFACE

- DDC-type, central automated building management system (BMS), as part of a converged network infrastructure, to control and operate building systems via an integrated and visual user interface and analytics platform called onPoint. Integrated building systems available for monitoring, reporting and in some instances command and control include but are not limited to:
 - HVAC
 - Energy management devices
 - Lighting
 - Elevators
 - Access Control
 - After-hours and supplemental air conditioning control
 - Other programmable building controls
 - Condenser water supply temperature
 - Emergency generator plant
 - Tenant VRF system
 - Tenant additions to VAV system
 - Boiler plant
 - Air quality and occupancy sensors for amenity floors and where installed by tenants
- BMS to accommodate the connection of Tenant systems and devices and include the extension of the BMS backbone to each of the tenant floors and provide connection points to the tenant on each of the tenant floors as well as access to the onPoint user interface for integrated management of tenant systems; all connections, maintenance, subscriptions and service made at Tenant's sole cost and expense.
- Building has an intelligent building system which integrates HVAC equipment and systems, lighting, and access controls. Tenant is required to integrate into system.

TELECOM / COMMUNICATIONS / IT

- Building Technology designed for Wired Score Platinum Certification.
- Diverse and secure telco points of entry for redundant provider feeds.
- Netpop / MDF room environmentally controlled and monitored. Designed to support 10+ providers and buildings core fiber and copper distribution. Building is provided with (7) 4" sleeves back to the Netpop. Tenants shall be able to install fiber/copper within the pathways (Building management will manage riser and demarc extensions to tenant spaces).
- A IDF Room (1) located on each typical floor is available to extend telecommunications services to each tenant space; Carrier neutral Distributed Antenna System; core infrastructure only (no horizontal build-out).
- Wi-Fi for all common areas.
- Roof Top services: building infrastructure includes rooftop ensure and pathways to building core for a tenant satellite to transmit/receive radio dishes and local line of sight services.
- A converged network to service all IP traffic for building operations.
- Building security including CCTV, Access Control and Intrusion detection system.

MULTI TENANT CORRIDOR

- **Floor:** Polished concrete.
- **Ceiling:** Exposed construction. Ducts & pipes to be painted grey to match concrete.
- **Main entrance:** Interior storefront, PK-30 or similar storefront system
- **Service Door** (if required): Door dimension as required, recessed from corridor wall by 34". Single or Double Wood door per building standard

Demising Wall In addition to multi tenant corridor construction, Landlord is responsible for the sole cost of building the demising wall and entry way to premises to meet Tenant's specifications.

EXHIBIT C

WORK LETTER

This Work Letter (this “Work Letter”) is attached to and made a part of the annexed and foregoing lease (the “Lease”) by and between THOR 816 W FULTON OWNER LLC, a Delaware limited liability company (“Landlord”), and INSCAPE INC., a Delaware corporation (“Inscape”) and PREVOLV, INC., a Minnesota corporation (“Prevolv”) (Inscape and Prevolve are herein individually and collectively referred to as “Tenant”). Capitalized terms not defined in this Work Letter shall have the meaning given such terms in the Lease.

1. **Tenant’s Work.** Except for the Base Landlord Work, and subject to Landlord’s obligations with respect to Latent Defects as provided in the Lease, Tenant agrees and acknowledges that Tenant shall accept possession of the Premises on the date made available to Tenant by Landlord in its then “AS-IS, WHERE-IS” condition. Tenant shall, at Tenant’s sole cost and expense (except with respect to the Allowance to be paid by Landlord pursuant to this Work Letter), and in accordance with the Plans approved by Landlord pursuant to the terms of this Work Letter and the Lease, perform Tenant’s Work.

2. **Space Plan; Working Drawings.** Tenant has, at Tenant’s cost and expense (subject to application of the Allowance), caused a drawing and description of Tenant’s Work (the “Space Plan”) to be prepared by Tenant’s architect (the “Architect”) and dated _____, 2021 and attached as Exhibit 1 to this Workletter, and delivered to Landlord for Landlord’s review and approval, which has been granted. Any changes to the Space Plan and Tenant’s working drawings will need to be submitted to Landlord for Landlord’s review and approval, which shall not be unreasonably withheld, conditioned or delayed. In the event Landlord does not approve any revisions to the Space Plan, Landlord shall notify Tenant of such disapproval and the reasons therefor, within ten (10) business days of Landlord’s receipt of the proposed Space Plan. Tenant shall then cause the Space Plan to be revised and re-submit the same to Landlord for Landlord’s review and approval, which shall not be unreasonably withheld, conditioned or delayed, and the foregoing process shall continue until such time as Landlord has approved the Space Plan as revised. Within ten (10) business days after the date of Landlord’s approval of the Space Plan, Tenant will cause to be prepared and submitted to Landlord, at Tenant’s cost and expense (subject to application of the Allowance), working drawings (the “Working Drawings”) which shall include details of Tenant’s Work, including, without limitation, interior partitions, doors, electrical and telephone outlets, ceilings, finishes, paint, millwork, cabinetry and floor and wall coverings in the Premises. Within ten (10) business days of Landlord’s receipt of the Working Drawings from Tenant, Landlord shall either notify Tenant of Landlord’s approval such Working Drawings, or notify Tenant of Landlord’s reasonable comments thereto noting all required modifications. In the event Landlord provides such comments, then following receipt by Tenant of such comments, Tenant shall submit to Landlord revised Working Drawings. The foregoing submission and review process shall continue until such time as the Working Drawings are finally approved by Landlord. “Plans” means the “Space Plan” and/or “Working Drawings” as the context implies. Upon Landlord’s approval of any Working Drawings, the term “Plans” shall refer to such Working Drawings, which shall supersede the Space Plan. Tenant shall reimburse Landlord for the reasonable out-of-pocket costs and expenses incurred by Landlord to third parties in reviewing the Plans.

3. **Construction of Tenant's Work.**

(i) Following the commencement of Tenant's Work, Tenant shall use reasonable efforts to cause Tenant's contractor to substantially complete Tenant's Work in a reasonably expeditious manner, subject to the other provisions hereof.

(ii) Tenant's Work shall be performed in accordance with the requirements of the Lease, including the requirement of Landlord's prior approval of plans and specifications and Tenant's contractors, which shall not be unreasonably withheld, conditioned or delayed; however, in the event of a conflict between this Work Letter and the balance of the Lease, this Work Letter shall control. Once approved by Landlord, Tenant shall not make any changes, modifications or additions to the Plans that would require resubmission to the applicable governmental authority without the prior written consent of Landlord, which shall not be unreasonably withheld, conditioned or delayed. Neither review nor approval by Landlord of any plans or specifications for Tenant's Work (including the Plans) shall constitute a representation or warranty by Landlord that any of such plans or specifications either (1) are complete or suitable for their intended purpose, or (2) comply with applicable Laws, it being expressly agreed by Tenant that Landlord assumes no responsibility or liability whatsoever to Tenant or to any other person or entity for such completeness, suitability, or compliance.

(iii) Tenant shall be responsible for insuring that all Tenant's Work performed by its contractors, workmen or suppliers complies with all applicable Laws including without limitation building codes. Tenant shall pay the full cost of any remedial work which is necessary to comply with such Laws, regardless of whether such remedial work is performed by Tenant or Landlord. Landlord shall pay for the full cost of any remedial work which is necessary to comply with such Laws, if remediation is due to Landlord's base building work and turnover.

4. **Allowance.**

(i) Provided (1) Tenant is not in breach of any of the terms, covenants or conditions of the Lease (including with this Work Letter) required to be observed or performed by Tenant beyond any applicable notice and cure period (it being understood that if there is such a breach, but neither this Lease, nor Tenant's right to possession of the Premises, is terminated as a result thereof, the Allowance shall again be available when such breach is cured), and (2) subject to subparagraphs (ii)-(iii) below, Landlord agrees to contribute an amount (the "Allowance") equal to One Hundred Thirty-Five and No/100 Dollars (\$135.00) per RSF of the Premises (the "Allowance") towards the costs of Tenant's Work associated with construction of leasehold Improvements in accordance with the Plans and related soft cost associated with such construction. Notwithstanding the foregoing, Tenant may elect to convert up to fifty percent (50%) of the amount of the Rent Abatement into additional Allowance, as set forth in Section 4(f) of the Lease.

(ii) Subject to the terms of this Work Letter, the Allowance shall be made available to Tenant upon written request by Tenant (provided that such a request may not be made more than once per month) and upon receipt and reasonable approval by Landlord of proper invoices and other documentation evidencing substantial completion of the work for which the applicable portion of the Allowance is being requested (the "Construction Documents"). The Construction Documents shall include, but not be limited to, proper applications for payment,

sworn owner's and contractor's statements, partial and final waivers of lien from each contractor or other person furnishing materials or labor in connection with Tenant's Work and having lien rights (it being understood that, with respect to disbursements to be made directly to Tenant's contractors, such waivers of lien may be conditional in nature),. Provided Landlord reasonably approves of the Construction Documents, then within thirty (30) days of receipt of Tenant's complete request (including the Construction Documents), Landlord shall pay to Tenant or, at the direction of Tenant, Tenant's contractors, up to an aggregate amount equal to ninety percent (90%) of the sum of the portion of the Allowance requested; provided, however, that upon substantial completion of all Tenant's Work in accordance in all material respects with the Plans, presentation to and reasonable approval by Landlord of final Construction Documents, inspection by Landlord showing Tenant's Work to be substantially completed in all material respects , Landlord shall release to Tenant or, at the direction of Tenant, Tenant's contractors, the balance of the Allowance.

(iii) In the event the cost of Tenant's Work exceeds the amount of the Allowance, then Tenant shall be responsible for the amount of any such excess. In the event of a Default by Tenant under the terms of the Lease, and, as a result of such Default, the Lease or Tenant's right to occupy the Premises is terminated, Tenant shall promptly pay to Landlord, in addition to any and all other charges or damages for which Landlord is entitled to recover, an amount equal to the unamortized portion of the Allowance (which for purposes of this paragraph shall be amortized on a straight line basis over in the initial Term of the Lease). Notwithstanding anything contained herein to the contrary, in the event Tenant has not requested (together with the documentation required above) the full amount of the Allowance, on or before the date which is one (1) year following the Commencement Date, then such undisbursed portion of the Allowance shall be deemed waived by Tenant and Landlord shall have not obligation for payment thereof.

5. **Other Provisions.** Landlord and Tenant agree that:

(i) The Lease and the provisions of this Work Letter contain all of the terms relating to the installation of improvements within the Premises and neither Landlord nor Tenant may rely upon oral representations or statements which are not part of the Lease or this Work Letter.

(ii) Landlord shall provide Tenant with freight elevator service during the performance of Tenant's Work, at no charge to Tenant during normal business hours (including for use for deliveries of materials and furniture). Tenant shall be responsible for all costs associated with overtime hours elevator use in connection with the performance of Tenant's Work and Tenant's move-in. For purposes hereof, "overtime hours" shall mean the hours of 6:00 p.m. to 7:00 a.m., Monday through Friday. Tenant shall reasonably coordinate with Landlord to schedule the timing of its usage of the freight elevator. Tenant shall be also responsible for all costs associated with overtime hours security service in connection with the performance of Tenant's Work and Tenant's move-in. Landlord shall endeavor to arrange for equitable access to and use of the freight elevator by Tenant's contractor, construction manager, and/or subcontractors to avoid overtime charges for Tenant. Tenant shall reasonably coordinate with Landlord to schedule the timing of its need for security service. Additionally, except as otherwise set forth herein, Tenant shall reimburse Landlord for the reasonable costs of any non-standard (i.e., freight or security overtime, after-hours, shutdowns) services provided by Landlord at Tenant's request as a result of Tenant's Work and Tenant's move-in.

(iii) Tenant shall be responsible for all arrangements and costs related to moving its office equipment, supplies, furnishings, and other apparatus into the Premises. Tenant shall reimburse Landlord for the full cost of any repairs or replacements to the Building which result from Tenant's moving work, including any damage to the elevators which results from loads that exceed their rated capacity. Unless otherwise approved by Landlord, if any other office tenant has commenced business operations in the Building, all moving work which may be disruptive to such office tenant shall be performed during overtime hours. Prior to the start of any moving work, Tenant will lay down plywood protection boards over stone floors, install pads in the freight elevator, pad corridor corners and entrance doors and frames and perform such other protective work to minimize potential damage to the Building. Tenant shall provide Landlord with at least forty eight (48) hours prior notice before performing any moving work.

(iv) Tenant shall be responsible for the arrangements and costs related to removing packing cartons and other debris which results from Tenant's moving work. The normal janitorial services provided by Landlord do not include the extra work relating to the cleanup of moving debris. In order to minimize fire hazards, Tenant agrees to clean up excess moving debris on a daily basis.

(v) Tenant shall be responsible for the cost of repairing or replacing any improvement within the Premises which is damaged as a result of Tenant's moving work.

(vi) All amounts payable by Tenant to Landlord hereunder shall be deemed Additional Rent under the Lease and Landlord shall have all its rights and remedies under the Lease in the event of non payment thereof.

(vii) All alterations, betterments, fixtures and other improvements to the premises funded from the Allowance will be the property of Landlord, insured by Tenant in accordance with the Lease .

EXHIBIT D**RULES AND REGULATIONS**

- (1) Tenant shall not, whether temporarily, accidentally or otherwise, allow anything to remain in, place or store anything in, or obstruct in any way, any portion of the Building other than the Premises, including any sidewalk, plaza area, driveway, passageway, entrance, exit, stairway, lobby, corridor, hallway, elevator, shipping platform, truck concourse or vault area in or about the Building. All passageways, entrances, exits, elevators, stairways, corridors, halls and roofs of the Building are not for the use of the general public, and Landlord shall in all cases retain the right to control and prevent access thereto by all persons in whose presence, in the judgment of the Landlord, shall be prejudicial to the safety, character, reputation or other interests of the Building, its tenants or Landlord; provided, however, that nothing herein contained shall be construed to prevent ingress and egress to persons with whom Tenant deals within the normal course of Tenant's business. Tenant shall not enter nor permit its employees, agents, guests or invitees to enter into areas of the Building designated for the exclusive use of Landlord, its employees, guests or invitees. Tenant shall not use, nor permit the use by its employees, agents, guests or invitees, of any common area in the Building other than for access to and from the Premises. No motorcycle shall be brought into the Building or kept on the Premises without consent of the Landlord.
- (2) No freight, furniture or bulky matter of any description will be received into the Building or carried into the elevator (other than Tenant's freight elevator) except in such a manner, during such hours and using such elevators and passageways as may be reasonably approved by Landlord, and then only upon having been scheduled in advance. Any hand trucks, carryalls or similar appliances used for the delivery or receipt of merchandise or equipment shall be equipped with rubber tires, side guards and such other safeguards as Landlord shall require.
- (3) Tenant, or the employees, agents, servants, visitors or licensees of Tenant shall not at any time or place, leave or discard any rubbish, paper, articles, or objects of any kind whatsoever outside the doors of the Premises or in the corridors or passageways of the Building. No animals (except for guide dogs for sight impaired persons) of any kind shall be brought or kept in or about the Building. Tenant shall not permit any noise, odor or litter which is reasonably objectionable to Landlord or other tenants of the Building to emanate from the Premises.
- (4) Any person in the Building will be subject to identification by employees and agents of Landlord. All persons in or entering the Building shall be required to comply with the security policies of the Building. Tenant shall keep doors to unattended areas locked and shall otherwise exercise reasonable precautions to protect property from theft, loss or damage. Tenant shall not attach or permit to be attached additional locks or the mechanism thereof, or make or permit to be made any keys for any door or window, change existing locks or the mechanism thereof, or make or permit to be made any keys for any door other than those provided by Landlord, without providing Landlord with a copy of the key therefor. Landlord shall not be responsible for theft, loss or damage of any property.

Landlord may at all times keep a pass key to the Premises. Canvassing, soliciting or peddling in the Building is prohibited, and Tenant shall cooperate to prevent the same.

- (5) Except for portions of the Premises specifically designated by Tenant in advance to be used for a kitchen or lounge area, Tenant shall not cook, sell, purchase or permit the preparation, sale or purchase of food on the Premises.
- (6) Tenant shall not install any resilient tile or similar floor covering in the Premises except with the prior approval of Landlord.
- (7) Tenant shall give immediate notice to Landlord in case of theft, unauthorized solicitation or accident in the Premises or in the Building or of defects therein or in any fixtures or equipment, or of any known emergency in the Building.
- (8) Tenant shall not use the Premises or permit the Premises to be used for photographic, multilith or multigraph reproductions, a barber or manicure shop, an employment bureau, a labor union office, a doctor's or dentist's office, a dance or music studio, or any type of school, except in connection with its own business and not as a service for others, without Landlord's prior permission.
- (9) Tenant shall not advertise for laborers to be employed at other locations giving the Premises as an address, nor pay such laborers at a location in the Premises.
- (10) The requirements of Tenant will be attended to only upon application at the office of Landlord in the Building. Employees of Landlord shall not perform any work or do anything outside of their regular duties, unless under special instructions from the office of the Landlord.
- (11) Tenant shall at all times keep the Premises neat and orderly.
- (12) Tenant shall not make excessive noise, cause disturbances or vibrations or use or operate any electrical or mechanical devices that emit excessive sound or other waves or disturbances or create obnoxious odors, any of which may be reasonably offensive to the other tenants and occupants of the Building, or that would unreasonably interfere with the operation of any device, equipment, radio, television broadcasting or reception from or within the Building or elsewhere and shall not place or install any projections, antennas, aerials or similar devices outside of the Premises or on the Building without Landlord's prior written approval, which shall not be unreasonably withheld, conditioned or delayed.
- (13) Tenant shall not use, suffer or permit the Premises or any part hereof to be used for the manufacture, sale or distribution by gift or otherwise of any spirituous, fermented or intoxicating liquors or any drugs, except for the occasional distribution thereof in compliance with all Laws in manner commensurate with the operation of first-class offices. Tenant shall not bring or store firearms of any kind into the Building. Tenant shall not use the Premises for the manufacture of any merchandise or other materials. Tenant shall not install any equipment utilizing an ammonia or other process necessitating venting. Tenant shall not permit any odors, acids, vapors or other gases or materials to be discharged from the Premises into the common areas or other tenant spaces in the Building. Tenant shall not permit any acids, vapors or other gases to be discharged from the Premises into the

waste lines, vents or flues in the Building. Tenant shall not use, suffer or permit the use of the Premises or any part thereof for housing accommodations, for lodging or sleeping purposes or for any illegal purpose.

- (14) The water and wash closets, drinking fountains and other plumbing fixtures shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, coffee grounds or other substances shall be thrown therein. All damages resulting from any misuse of the fixtures shall be borne by the Tenant who, or whose servants, employees, agents, visitors or licensees, shall have caused the same. No person shall waste water by interfering or tampering with the faucets or otherwise.
- (15) Except as otherwise provided in the Lease, Tenant shall not employ persons (other than its own employees) to do janitor, repair or decorating work in the Premises, and no persons other than the janitors or contractors designated by Landlord or Tenant's employees shall clean, decorate, remodel or repair the Premises without prior written consent of Landlord, except as set forth in Section 10(c) of the Lease.
- (16) Except as otherwise provided in the Lease, Tenant shall not install, or operate any refrigerating, heating or air-conditioning equipment, nor any equipment of any type or nature that will or may necessitate any changes, replacements or additions to, or in the use of, the water system, heating system, plumbing system, air-conditioning system or electrical system of the Premises or the Building, without first obtaining the prior written consent of Landlord. Business machines and mechanical equipment belonging to or installed by or at the direction of Tenant that cause noise or vibration capable of being transmitted to the structure of the Building or to any space therein to such a degree as to be reasonably objectionable to Landlord or to any tenant in the Building shall be installed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to reduce such noise and vibration to a level satisfactory to Landlord and such other tenants.
- (17) Except as otherwise provided in the Lease, Landlord reserves the right to prescribe and to approve the weight, size and location of safes, book shelves and other heavy equipment, fixtures and articles in and about the Premises and the Building and to require all such items to be moved in and out of the Building and the Premises only at such times and in such manner as landlord shall direct and in all events at Tenant's sole risk and responsibility.
- (18) Tenant shall not, without the prior written consent of Landlord (which shall not be unreasonably withheld, conditioned or delayed), install any shades, draperies, blinds or other window covering, sign, lettering, picture, notice, advertisement or object unacceptable to Landlord on or against glass partitions, doors or windows that would be visible outside the Premises or any sign, lettering, picture, notice or advertisement within the Premises that would be visible outside the Premises. Landlord shall have the right to prohibit any advertisement of or by Tenant in any public media, by direct solicitation or otherwise, which advertisement includes the address of the Building and, in Landlord's opinion, tends to impair the reputation of the Building or its desirability as a high-quality office building. Upon written notice from Landlord, Tenant shall immediately refrain from and discontinue any such advertisement.

- (20) Landlord reserves the right to rescind, add to and amend any rules or regulations, to add reasonable new rules or regulations, and to waive any rules or regulations with respect to any tenant or tenants.

EXHIBIT E

JANITORIAL SPECIFICATIONS

Office Areas

Empty and clean all waste receptacles and remove waste paper and rubbish from premises nightly to the building trash room.

Hand dust and wipe clean with damp or treated cloth all furniture, files, fixtures, paneling and other horizontal surfaces nightly. (Tenant must clear desks, tables, etc.)

Remove all marks and smudges and wipe clean all vertical surfaces, to include doors, door frames, around light switches, private entrance glass and partitions nightly.

Damp dust telephones.

Wash and wipe clean coffee bar areas, counter tops and adjacent wall areas. Remaining coffee will be disposed of and machines turned off in designated suites.

All carpeting including edges will be vacuumed and spot cleaned nightly and shampooed annually.

Window sills will be dusted weekly.

Blinds will be dusted/cleaned monthly.

Cleaning personnel will work behind locked doors when possible and will close and lock all doors when cleaning is completed.

Cleaning personnel should make a record in the janitorial log book of all suites where tenants are working late which should be turned in to the property manager nightly.

Cleaning personnel should report any maintenance / repair problems via the janitorial log book to the property manager.

Special Requests Checklist should be signed off on by the building supervisor each night and turned in to the property manager with the janitorial log book.

Glass

Clean glass entrance doors and adjacent glass panels nightly.

High Dusting

Dust exterior surfaces of light fixtures, including glass and plastic enclosures two times yearly.

Damp dust all ceiling air conditioning diffusers, wall grills and other ventilating louvers two times yearly.

Screen for and remove cobwebs weekly.

Public Areas/Lobbies/Corridors

Dust and/or wash all directory boards as required, remove fingerprints and smudges nightly.

Dust baseboards nightly.

Wash, clean and disinfect all water fountains nightly.

Dust all hallway and stairwell doors and frames, removing all finger marks nightly.

Clean entrance doorframes, glass and thresholds nightly.

Exterior entrance (North, South and East) will be swept clean and wet mopped nightly.

Spot clean and vacuum corridor carpets nightly.

Spot clean corridor walls nightly and wipe down vinyl wall coverings quarterly.

Vinyl floor tiles will be swept and mopped nightly, buffed weekly, stripped and waxed every 6 months.

Sweep stairwells weekly, damp mop spills when needed. Damp mop hard surface stairwells monthly.

Sweep or damp mop outside entrance areas nightly.

Empty all waste receptacles and ashtrays nightly. Replace sand in receptacles as needed.

Keep janitorial closets/sinks in a clean, neat and orderly condition nightly. Lock doors each evening.

Exterior window cleaning.

Restrooms

All restroom fixtures, to include sinks, toilet bowls, urinals and partitions, will be scoured and disinfected nightly and kept free of scale at all times.

Clean flush valves, piping, toilet seat hinges and other metal work nightly.

Nightly, remove spots or foreign matter on stall doors and partitions.

Empty and sanitize receptacles and sanitary dispensers nightly.

Clean mirrors nightly.

Fill toilet tissue, soap and towel dispensers nightly.

Mop and rinse floors nightly, scrub monthly.

Fill floor drains with water and disinfectant monthly.

Wash all walls, partitions, tile walls from trip to floor monthly.

Remove dust from louvers and ventilation grills weekly, dust light fixtures monthly.

Report any maintenance / repair problems to property manager via the janitorial log.

Elevators

Elevator cab interiors will be vacuumed, dusted and polished nightly.

Elevator doors will be kept polished and free of smudges.

Elevator thresholds/tracks on each floor will be cleaned and polished nightly.

Elevator flooring will be spot treated and vacuumed daily and shampooed weekly.

EXHIBIT F**LIST OF EXCLUSIONS FROM OPERATING EXPENSES**

The following items shall be excluded from Operating Expenses:

1. Costs of a capital nature, except as expressly provided for in this Item 1 below, including, but not limited to, capital additions, capital improvements, capital repairs, capital maintenance, capital alterations, capital replacements, capital equipment and capital tools, and/or capital redesign, all in accordance with generally accepted accounting principles, consistently applied; provided, however, that costs of a capital nature may be included in Operating Expenses (i) if intended to and actually resulting in a reduction of the energy consumption or other Operating Expenses of the Building or if requested to by Tenant, or (ii) if required as a result of a change in Laws applicable to the Building, and not as a result of any condition existing on the Possession Date which fails to comply with any existing Laws; and then such capital costs, amortized over the useful life thereof, may be included in Operating Expenses, together with interest on the unamortized costs of such capital expenditure (at the prevailing construction loan rate available to Landlord on the date the costs of such capital expenditures are incurred).
2. Depreciation, other non-cash expense items or amortization, except for amortization charges as otherwise expressly provided in Item 1 above.
3. Intentionally omitted.
4. Alterations attributable solely to specific tenants of the Building (including Tenant) (as opposed to alterations intended for the use or benefit of all tenants) and costs of constructing leasehold improvements to rentable areas of the Building, whether for Tenant or any other tenant, including any tenant allowances, tenant concessions, work letters, and other costs or expenses (including permit, license and inspection fees) incurred in completing, fixturing, furnishing, renovating or otherwise improving, decorating or redecorating space for tenants or other occupants of the Building, or vacant, leaseable space in the Building, including space planning/interior design fees for same.
5. Payments of principal, finance charges or interest and any increase in the rate of interest payable by Landlord with respect to any debts secured by a deed of trust or mortgage on the Building and amortization or other payments or charges on loans to Landlord, whether loans secured by a deed of trust, mortgage, or otherwise on the Building, except (i) on materials, tools, supplies and vendor type equipment purchased by Landlord to enable Landlord to supply services Landlord might otherwise contract for with a third party where such amortization or other payments or charges would otherwise have been included in the charge for such third party's services, all as determined in accordance with generally accepted accounting principles, consistently applied, and when depreciation or amortization is permitted or required, the item shall be amortized over its reasonably anticipated useful life, and (ii) for loans for capital expenditures which Landlord is permitted to include in Operating Expenses as provided in Item 1 above, with such costs and fees amortized over the useful life of the capital expenditure.

6. Depreciation of the Building under or pertaining to the Building except as otherwise provided in this Section.
7. Legal, arbitration, auditing, consulting and professional fees (other than those legal, auditing, consulting and professional fees necessarily incurred in connection with the normal and routine maintenance and operation of the Building) paid or incurred in connection with negotiations for leases, financings, refinancings, sales, acquisitions, obtaining of permits or approvals, zoning proceedings or actions, environmental permits or actions, lawsuits, further development of the Building or any extraordinary transactions, occurrences or events.
8. Income, excess profits or franchise taxes or other such taxes imposed on or measured by the income of Landlord from the operation of the Building; taxes on the capital or net worth of Landlord; transfer taxes; inheritance taxes, estate taxes and succession taxes; and interest and penalties for late payment of taxes by Landlord.
9. The cost incurred in performing work or furnishing services for individual tenants which work or services are in excess of work and services provided to Tenant.
10. Expenses incurred in leasing or procuring new tenants including advertising and leasing fees, commissions or brokerage commissions of any kind, including without limitation, signing bonuses, moving expenses, assumption of rent under existing leases and other concessions or inducements, marketing expenses and expenses for preparation of leases or renovating space for new tenants and build out allowances, and similar costs incurred in connection with disputes with and/or enforcement of any leases with tenants, other occupants, or prospective tenants or other occupants of the Building.
11. The amount of rent or other charges payable under and pursuant to any ground lease or superior lease pertaining the Building.
12. Any management fees except for the annual fee for any property management services for the Building, except to the extent it exceeds three percent (3%) of the actual aggregate annual gross rent collected for the Building.
13. Costs of Landlord's general overhead and general administrative expenses (individual, partnership, or corporate, as the case may be), which costs would not be chargeable to Operating Expenses of the Building in accordance with generally accepted accounting principles, consistently applied.
14. The amount of rent or other occupancy charges, whether paid or imputed, for the Building's management or leasing office.
15. Compensation paid to clerks, attendants or other persons in commercial concessions (such as a snack bar, restaurant or newsstand), if any, operated by Landlord or any subsidiary or Affiliate of Landlord.
16. Any gifts furnished to any entity whatsoever including, but not limited to, Tenant, other tenants, employees, vendors, contractors, prospective tenants and agents.

17. Costs in connection with the ownership, operation and maintenance of any off-site garage facilities associated with the Building, and costs in connection with the operation and maintenance of any parking facilities in the basement of the Building.
18. Wages, costs and salaries associated with home office, off-site employees of Landlord, other than professional services provided by such employees which would otherwise be provided by outside professionals, but only to the extent such services are included at reasonable market rates.
19. Third-party costs of training Landlord's employees or agents, except with respect to safety and security equipment and procedures.
20. The cost of installing, operating and maintaining any specialty service, such as, but not limited to, an observatory, broadcasting facility, luncheon club, cafeteria, retail store, sundry shop, newsstand, concession, athletic or recreational club, fitness room, or day care center; but excluding from such costs the normal costs attributable to providing Building services, such as (without limitation), lighting and HVAC specifically for a cafeteria, sundry shop and fitness room.
21. The cost of correcting defects in base building construction for the Building including noncompliance with governmental codes and laws (except for noncompliance resulting from a change in such governmental codes or laws occurring after the commencement date), and costs, repairs, or replacements caused by Landlord's negligence or the negligence of its agents, employees or contractors (at whatever tier).
22. Insurance premiums to the extent any tenant's particular use causes Landlord's existing insurance premiums to increase or requires Landlord to purchase additional insurance.
23. Intentionally deleted.
24. Premiums or other costs of any insurance carried by Landlord as to the Building and any other property(ies) if and to the extent that such premiums and other costs are not equitably allocated as between the Building and all such other property(ies).
25. Any advertising, promotional or marketing expenses for the Building, including, without limitation, any costs incurred in operating any sign or other similar device designed principally for advertising or promotion to the extent that Landlord leases or licenses to a third party such sign or device, or the portion of the Building where such sign or device is installed.
26. Any cost representing an amount paid to any entity related to Landlord which is in excess of the amount which would have been paid in the absence of such relationship, or any profit to any subsidiary or Affiliate (hereinafter defined) of Landlord, or to any other party, as a result of a non-competitive selection process for services (other than the management fee, if any) on or to the Building, or for goods, supplies or other materials, to the extent that the costs of such services, goods, supplies and/or materials exceed the costs that would have been paid had the services, goods, supplies or materials been provided by parties unaffiliated with Landlord, or by third parties, of similar skill, competence and experience, on a competitive basis. As used herein, the term "Affiliate" shall mean and refer to any

person or entity controlling, controlled by, or under common control with another such person or entity.

27. Payments for rented equipment (except when needed on a temporary basis in connection with normal repairs and maintenance of permanent systems), the cost of which equipment would constitute a capital expenditure excluded from operating expenses if the equipment were purchased.
28. Costs incurred due to violation by Landlord, its employees, agents and/or contractors, or any tenant of the Building of the terms of any lease or condition, covenant or restriction affecting the Building, or any laws, rules, regulations or ordinances applicable to the Building (except for costs incurred to correct a violation resulting from a change in such laws, rules, regulations or ordinances occurring after the Commencement Date).
29. Costs of repairs, replacements or other work occasioned by the exercise by governmental authorities of the right of eminent domain, any costs due to casualty (whether insured or not) and any expenses for repair or replacements covered by warranties or guarantees (net of collection costs).
30. Services, costs, items and benefits for which Tenant or any other tenant or occupant of the Building or third person (including insurers) specifically reimburses Landlord (other than pursuant to tax and operating expense reimbursement provisions in leases) or for which Tenant or any other tenant or occupant of the Building pays third persons.
31. Penalties and interest for late payment of, including, without limitation, taxes, insurance, equipment leases and other past due amounts.
32. Contributions to Operating Expense reserves.
33. Costs incurred in removing the property of former tenants or other occupants of the Building.
34. Salaries or other compensation paid to executive employees above the grade of building manager (including, without limitation, profit sharing, bonuses and 401(k) savings plans).
35. Costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Building.
36. The cost of any disputes including, without limitation, legal fees, between Landlord, any employee or agency of Landlord, or any mortgagees or ground lessors of Landlord.
37. The cost of special services for the Building (such as, but not limited to shuttle buses) supplied by Landlord unless Tenant has expressly requested such services.
38. Real estate taxes or special assessments on the Building.
39. Any cost of acquiring, installing, moving, insuring, leasing, showing, promoting, repairing and/or maintaining objects of art.

40. Costs of acquiring, operating and maintaining motor vehicles except (to the extent not otherwise excluded from Operating Expenses) motor vehicles used exclusively for the operation, repair and/or maintenance of the building and/or the land.
41. The initial cost of tools, materials, spare parts and equipment used in the operation of the Building.
42. Costs in connection with services (including electricity), items or other benefits of a type which are not standard for the Building and which are not available to Tenant without specific charge therefor, but which are provided to another tenant or occupant of the Building, whether or not such other tenant or occupant is specifically charged therefor by Landlord.
43. Except to the extent capital expenditures are specifically permitted to be included in Operating Expenses, costs of structural repairs and replacements and any other repairs and replacements of a capital nature to the Building (including contributions to capital reserves).
44. Costs of repairs, replacements, alterations or improvements necessary to make the Building comply with applicable laws in effect as of the Possession Date, such as, without limitation, sprinkler installation or requirements under the Americans with Disabilities Act.
45. Costs of repairs, replacements, alterations and/or improvements, the need for which arises out of the negligence of Landlord, its employees or agents.
46. Costs of testing (except for routine water tests), containing, removing or abating or any costs otherwise caused by any hazardous, toxic or biologically undesirable wastes, materials, conditions and/or substances, including, without limitation, asbestos and asbestos containing materials and mold, in, upon or beneath the Building.
47. The cost of any utility services for which Tenant or any other tenant directly contracts with a third party therefor or in respect of which Tenant or any other tenant or other occupant is separately metered or sub-metered and pays Landlord directly.
48. Costs incurred in installing, operating, maintaining, and owning any specialty items or services normally installed, operated and maintained in Class A buildings comparable to the Building and not necessary for Landlord's operation, repair and maintenance of, and the providing of required services for, the Building and/or any associated parking facilities, (unless required to protect the health, safety or welfare of tenants in the Building), including, but not limited to, an observatory, beacon(s), broadcasting facilities (other than the Building's music system, and life support and security systems), luncheon club, athletic or recreational club, helicopter pad, child care center, kiosks, promotions, displays, concierge, etc.
49. Costs of restoration or repair of the Building as a result of total or partial destruction or condemnation thereof.
50. Initial costs of interior and exterior landscaping.

51. The costs of any “tap fees” or one-time lump sum sewer or water connection fees for the Building.
52. Costs or fees relating to the defense of Landlord’s title to or interest in the Building, or any part thereof, or any legal fees incurred in connection with any tax proceedings.
53. An equitable allocation of wages, salaries and other compensation and benefits of Landlord’s employees and personnel work on other projects, including, without limitation, those being periodically developed, managed and/ or operated by Landlord, in addition to the Building, among all such projects in proportion to their time spent in performing services other than the Building.
54. Taxes on Tenant’s personal property, provided the amount of tax attributable thereto is expressly stated and allocated by the respective taxing authority in its tax statement to Landlord.
55. Any bad debt loss, rent loss, or reserves for bad debts or rent loss.
56. Costs or payments associated with Landlord’s obtaining air rights or development rights.
57. The cost of any after Building completion additions to the Building that result in a larger Building.
58. Costs incurred in connection with the after Building completion expansion the rentable area of the Building.
59. The cost of providing any “overtime” services to any tenant, including, without limitation, HVAC.
60. Any costs related to a property assessed clean energy program (PACE) or similar program, regardless of whether charged as Operating Expenses or Taxes, and/or any costs incurred by Landlord in an attempt to procure, or to maintain, certification by, or compliance with, the U.S. Green Building Council’s Leadership in Energy and Environmental Design (LEED) rating system or a similar rating system.
61. Any recalculation of or additional Operating Expense(s) actually incurred more than one (1) year prior to the year in which Landlord proposes such expense(s)/cost(s) be included.
62. Amounts payable by Landlord for withdrawal liability or unfunded pension liability to a multiemployer pension plan (under Title IV of the Employee Retirement Income Security Act of 1974, as amended).
63. Costs that Landlord incurs to correct a breach of a representation or warranty made by Landlord in this Lease.
64. Any other expense which, under generally accepted accounting principles, consistently applied, would not be considered to be a normal maintenance or operating expense of the Building, and/or any costs that are duplicative of any other cost that is included in Operating Expenses.

EXHIBIT G**FORM OF SNDA****RECORDING REQUESTED BY AND
AFTER RECORDING, RETURN TO:**

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

**SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT**

This Subordination, Non-Disturbance and Attornment Agreement ("**Agreement**"), is made as of this [] day of [], 2021, by and among [], a [], having an address at [] (together with its successors, assigns and/or affiliates, "**Lender**"), [], a [] ("**Landlord**"), and [], a [] ("**Tenant**").

Background

A. Lender has agreed to make a loan to Landlord (such loan may be made by Lender or one of its affiliates which is a designee of Lender) in the original principal amount \$[] ("**Loan**"), which will be secured by a mortgage, deed of trust or similar security instrument (either, "**Security Instrument**") on Landlord's property described more particularly on Exhibit A attached hereto ("**Property**"). The Security Instrument, along with all other documents and instruments evidencing and/or securing the Loan are referred to herein as the "**Loan Documents**".

B. Tenant is the present lessee under that certain lease agreement between Landlord and Tenant dated [], as thereafter modified and supplemented ("**Lease**"), demising a portion of the Property described more particularly in the Lease ("**Leased Space**").

C. A requirement of the Loan is that Tenant's Lease be subordinated to the Security Instrument. Landlord has requested Tenant to so subordinate the Lease in exchange for Lender's agreement not to disturb Tenant's possession of the Leased Space upon the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises of this Agreement, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Subordination. Tenant agrees that the Lease and all of the terms, covenants and provisions thereof, and all estates, options and rights created under the Lease, hereby are subordinated and made subject to the lien and effect of the Security Instrument (including, without limitation, all renewals, increases, modifications, spreaders, consolidations, replacements and extensions thereof), as if the Security Instrument had been executed and recorded prior to the Lease.

2. Nondisturbance. Lender agrees that no foreclosure (whether judicial or nonjudicial), deed-in-lieu of foreclosure, or other sale of the Property in connection with enforcement of the Security Instrument or otherwise in satisfaction of the Loan shall operate to terminate the Lease or Tenant's rights thereunder to possess and use the Leased Space provided, however, that (a) the term of the Lease has commenced, (b) Tenant is in possession of the Leased Space, and (c) the Lease is in full force and effect and no uncured default (beyond any period given Tenant by the terms of the Lease to cure such default) exists under the Lease.

1. Attornment. Tenant agrees to attorn to and recognize as its landlord under the Lease each party acquiring legal title to the Property by foreclosure (whether judicial or nonjudicial) of the Security Instrument, deed-in-lieu of foreclosure, or other sale in connection with enforcement of the Security Instrument or otherwise in satisfaction of the Loan ("Successor Owner"). Provided that the conditions set forth in Section 2 above are met at the time Successor Owner becomes owner of the Property, Successor Owner shall perform all obligations of the landlord under the Lease arising from and after the date title to the Property is transferred to Successor Owner. In no event, however, will any Successor Owner be: (a) liable for any default, act or omission of any prior landlord under the Lease, provided, however, Successor Owner covenants and agrees that it will cure any uncured default(s) related to the physical condition of the premises by any prior landlord (including Landlord) to the extent such uncured default(s) exist as of the date Lender acquires legal title to the Property (the "Transfer Date") and Tenant has provided Lender notice thereof as required herein; (b) subject to any offset or defense which Tenant may have against any prior landlord under the Lease; (c) bound by any payment of rent or additional rent made by Tenant to Landlord more than thirty (30) days in advance; (d) bound by any waiver of Lease terms made without Lender's written consent thereto; (e) liable for the return of any security deposit or other prepaid charge paid by Tenant under the Lease, except to the extent such amounts were actually received by Lender; (f) liable or bound by any right of first refusal or option to purchase all or any portion of the Property; or (g) liable for construction or completion of any improvements to the Property or as required under the Lease for Tenant's use and occupancy (whenever arising). For certainty, the foregoing shall not limit either (i) Tenant's right to exercise against Successor Owner any rights otherwise available to Tenant because of events occurring after the date of attornment, or (ii) Successor Owner's obligation to correct any physical conditions at the Premises that existed as of the date of attornment and violate Successor Owner's obligations as landlord under the Lease, other than construction obligations which shall not be an obligation of Successor Owner pursuant to clause (g) of this Section 3. Although the foregoing provisions of this Agreement are self-operative, Tenant agrees to execute and deliver to Lender or any Successor Owner such further instruments as Lender or a Successor Owner may from time to time request in order to confirm this Agreement. If any liability of Successor Owner does arise pursuant to this Agreement, such liability shall be limited to Successor Owner's interest in the Property. Lender is not bound by any amendment, modification or supplement to the Lease made without Lender's written consent, not to be unreasonably withheld, conditioned, or delayed, that (1) results in a reduction in rent or other sums due and payable pursuant to the Lease, (2) reduces the term of the Lease, (3) modifies the terms of the Lease regarding surrendering possession of the Property, (4)

provides for the payment of rent more than one month in advance, (5) modifies the Permitted Use (as defined in the Lease), except for any change to such Permitted Use provided for or permitted under the express terms of the Lease, (6) modifies the provisions regarding Tenant's obligation to comply with all applicable laws (including environmental laws) or (7) materially increases Lender's obligations under the Lease; unless, however, such amendment, modification or supplement was made pursuant to a right or option expressly granted to Tenant pursuant to the Lease. Lender will notify Landlord and Tenant of its acceptance or rejection of any amendment, modification or supplement to the Lease within ten (10) days of its receipt of written notification of the same ("**Lender's Response Period**"). If Lender fails to respond within Lender's Response Period, Lender will be deemed to have consented to the amendment, modification or supplement to the Lease.

2. Prior Assignment; Rent Payments; Notice to Tenant Regarding Rent Payments. Tenant has no knowledge of any prior assignment or pledge of the rents accruing under the Lease by Landlord. Tenant hereby consents to that certain Assignment of Leases and Rents from Landlord to Lender executed in connection with the Loan. Tenant acknowledges that the interest of the Landlord under the Lease is to be assigned to Lender solely as security for the purposes specified in said assignment, and Lender shall have no duty, liability or obligation whatsoever under the Lease or any extension or renewal thereof, either by virtue of said assignments or by any subsequent receipt or collection of rents thereunder, unless Lender shall specifically undertake such liability in writing. Tenant agrees not to pay rent more than one (1) month in advance unless otherwise specified in the Lease. After notice is given to Tenant by Lender that the rentals under the Lease are to be paid to Lender directly pursuant to the Loan Documents and the assignment of leases and rents granted by Landlord to Lender in connection therewith, Tenant shall thereafter pay to Lender, pursuant to the instructions given by Lender to Tenant, all rent and all other amounts due or to become due to Landlord under the Lease. Landlord hereby expressly authorizes Tenant to make such payments to Lender upon reliance on Lender's written notice (without any inquiry into the factual basis for such notice or any prior notice to or consent from Landlord) and hereby releases Tenant from all liability to Landlord in connection with Tenant's compliance with Lender's written instructions. Landlord and Lender acknowledge and agree that such payments made to Lender shall be credited to Tenant under the Lease as if Tenant had made such payments directly to Landlord.

3. Lender Opportunity to Cure Landlord Defaults. Tenant agrees that, until the Security Instrument is released by Lender, it will not exercise any remedies under the Lease following a Landlord default without having first given to Lender (a) written notice of the alleged Landlord default and (b) the opportunity to cure such default within the longer of (i) 30 days after the cure period provided under the Lease to Landlord, (ii) thirty (30) days from Landlord's receipt of Tenant's notice to Lender of a Landlord default, or (iii) if the cure of such default requires possession of the Property, thirty (30) days after Lender has obtained possession of the Property; provided that, in each case, if such default cannot reasonably be cured within such thirty-day period and Lender has diligently commenced to cure such default promptly within the time contemplated by this Agreement, such thirty-day period shall be extended for so long as it shall require Lender, in the exercise of due diligence, to cure such default, but, unless the parties otherwise agree, in no event shall the entire cure period be more than one hundred twenty (120) days. Tenant acknowledges that Lender is not obligated to cure any Landlord default (except in the event Lender becomes a Successor Owner and subject to the limitations on the Lender's cure obligations set forth in Section 3 above), but if Lender elects to do so, Tenant agrees to accept cure by Lender as that of Landlord under the Lease and will not exercise any right or remedy under the Lease for a

Landlord default. Performance rendered by Lender on Landlord's behalf is without prejudice to Lender's rights against Landlord under the Security Instrument or any other documents executed by Landlord in favor of Lender in connection with the Loan.

4. Right to Purchase. Tenant covenants and acknowledges that it has no right or option of any nature whatsoever, whether pursuant to the Lease or otherwise, to purchase the Property or the real property of which the Property is a part, or any portion thereof or any interest therein and to the extent that Tenant has had, or hereafter acquires any such right or option, the same is hereby acknowledged to be subject and subordinate to the Security Instrument and is hereby waived and released as against Lender.

5. Miscellaneous.

(a) Notices. All notices and other communications under this Agreement are to be in writing and addressed as set forth below such party's signature hereto. Default or demand notices shall be deemed to have been duly given upon the earlier of: (i) actual receipt; (ii) one (1) business day after having been timely deposited for overnight delivery, fee prepaid, with a reputable overnight courier service, having a reliable tracking system; (iii) one (1) business day after having been sent by telecopier (with answer back acknowledged) provided an additional notice is given pursuant to (ii); or (iv) three (3) business days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by certified mail, postage prepaid, return receipt requested, and in the case of clause (ii) and (iv) irrespective of whether delivery is accepted. A new address for notice may be established by written notice to the other parties; provided, however, that no address change will be effective until written notice thereof actually is received by the party to whom such address change is sent.

(b) Entire Agreement; Modification. This Agreement is the entire agreement between the parties hereto with respect to the subject matter hereof, and supersedes and replaces all prior discussions, representations, communications and agreements (oral or written). This Agreement shall not be modified, supplemented, or terminated, nor any provision hereof waived, except by a written instrument signed by the party against whom enforcement thereof is sought, and then only to the extent expressly set forth in such writing.

(c) Binding Effect; Joint and Several Obligations. This Agreement is binding upon and inures to the benefit of the parties hereto and their respective heirs, executors, legal representatives, successors, and assigns, whether by voluntary action of the parties or by operation of law.

(d) Unenforceable Provisions. Any provision of this Agreement which is determined by a court of competent jurisdiction or government body to be invalid, unenforceable or illegal shall be ineffective only to the extent of such determination and shall not affect the validity, enforceability or legality of any other provision, nor shall such determination apply in any circumstance or to any party not controlled by such determination.

(e) Duplicate Originals; Counterparts. This Agreement may be executed in any number of duplicate originals, and each duplicate original shall be deemed to be an original. This Agreement (and each duplicate original) also may be executed in any number of counterparts, each of which shall be deemed an original and all of which together constitute a fully executed Agreement even though all signatures do not appear on the same document.

(f) Construction of Certain Terms. Defined terms used in this Agreement may be used interchangeably in singular or plural form, and pronouns shall be construed to cover all

genders. Article and section headings are for convenience only and shall not be used in interpretation of this Agreement. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or other subdivision; and the word “section” refers to the entire section and not to any particular subsection, paragraph or other subdivision; and “Agreement” and each of the Loan Documents referred to herein mean the agreement as originally executed and as hereafter modified, supplemented, extended, consolidated, or restated from time to time.

(g) Governing Law. This Agreement shall be interpreted and enforced according to the laws of the State where the Property is located (without giving effect to its rules governing conflict of laws).

(h) Consent to Jurisdiction. Each party hereto irrevocably consents and submits to the exclusive jurisdiction and venue of any state or federal court sitting in the county and state where the Property is located with respect to any legal action arising with respect to this Agreement and waives all objections which it may have to such jurisdiction and venue.

(i) **WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY HERETO WAIVES AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS AGREEMENT.**

[remainder of page is blank; signatures appear on next page]

IN WITNESS WHEREOF, this Agreement is executed this ____ day of _____, 2021.

TENANT:

[insert Tenant's name]

By: _____
Name:
Title:

Tenant Notice Address:

Attn: _____

STATE OF)
) ss.:
COUNTY OF)

On this, the __ day of _____, 2021, before me, the undersigned Notary Public, personally appeared _____ known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and who acknowledged to me that he/she is an officer of _____ in the capacity stated and that he/she executed the within instrument in such capacity for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public

[Signatures continue on next page.]

LANDLORD:

 [insert Landlord's name]

By: _____
 Name:
 Title:

Landlord Notice Address:

 Attn: _____

STATE OF)
) ss.:
 COUNTY OF)

On this, the __ day of _____, 2021, before me, the undersigned Notary Public, personally appeared _____ known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and who acknowledged to me that he/she is an officer of _____ in the capacity stated and that he/she executed the within instrument in such capacity for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

 Notary Public

[Signatures continue on next page.]

LENDER:_____
[insert Lender's name]By: _____
Name:
Title:**Lender's Notice Address:**_____

Attn: _____STATE OF)
) ss.:
COUNTY OF)

On this, the ___ day of _____, 2021, before me, the undersigned Notary Public, personally appeared _____ known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and who acknowledged to me that he/she is an officer of _____ in the capacity stated and that he/she executed the within instrument in such capacity for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Notary Public

Exhibit A - Legal Description of the Property

Parcel 1:

Lots 10 and 11 in Block 18 in Carpenter's Addition to Chicago in Section 8, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

Lot 9 in Block 18 in Carpenter's Addition to Chicago in Section 8, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 3:

Lot 8 in Block 18 in Carpenter's Addition to Chicago in Section 8, Township 39 North, Range 14 East of the Third Principal Meridian, except that portion of Said Lot 8 described as follows:

Beginning at the Northwest Corner of Lot 13; thence West along the North Line of Said Lot 13, Extended, a Distance of 3.30 Feet, thence North along a line parallel to the West Line of Said Lot 13 a distance of 1.00 feet; thence East parallel to the North Line of Said Lot 13, a distance of 42.60 feet thence South along a line parallel to the West Line of Said Lot 13, a distance of 1.00 feet to a point of the intersection with North Line of Said Lot 13; thence West along said North Line, a distance of 39.30 feet to the point of beginning, all in Cook County, Illinois.

Parcel 4:

Lot 12 in Block 18 in Carpenter's Addition to Chicago, being a subdivision of the Southeast 1/4 of Section 8, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 5:

The South 40 feet of Lots 13 and 14 in Block 18 in Carpenter's Addition to Chicago, being in the Southeast quarter of Section 8, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Tax Parcel Numbers: 17-08-418-002-0000, 17-08-418-003-0000, 17-08-418-004-0000, 17-08-418-005-0000, 17-08-418-007-0000, 17-08-418-008-0000, 17-08-418-009-0000, 17-08-418-010-0000

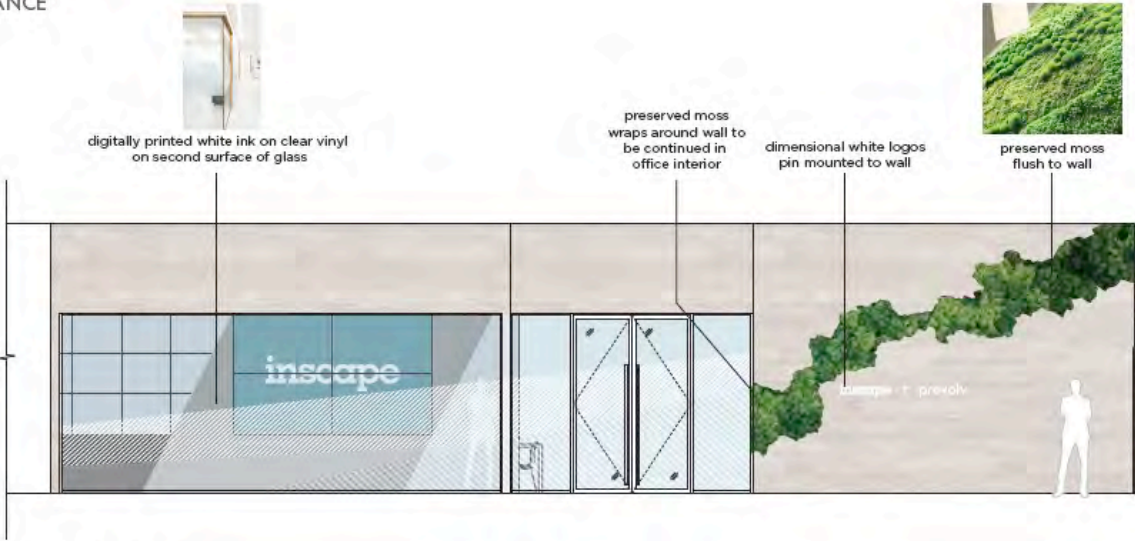
Property Address: 800 W Fulton Market, Chicago, Illinois

EXHIBIT H

SIGNAGE

01 | BRAND GRAPHICS REVIEW

SHOWROOM
ENTRANCE



ELEVATOR LOBBY ENTRY
1/4" = 1'-0"

EXHIBIT I**FORM OF ESTOPPEL**

To: _____ (“Borrower”)

_____ (“Lender”)

Re: Lease dated [_____] (the “Lease”) by and between [_____] (“Landlord”) and [_____] (“Tenant”) for certain premises located at [_____] (the “Premises”)

Ladies and Gentlemen:

The following certifications are made with the knowledge that Borrower and Lender are relying on them and their accuracy in connection with the purchase and financing of the Premises.

Tenant hereby certifies to Borrower and Lender that the following statements are true, correct and complete as of the date hereof:

1. Tenant is the “Tenant” under the Lease, a true and complete copy of which Lease is attached hereto as Exhibit “A”. The Term of the Lease commenced on _____ and expires on _____, unless sooner terminated in accordance with the terms of the Lease. Tenant has [_____] option(s) to extend the Term for [_____] years [each], but has no other or further rights to extend the Term. Tenant has deposited a Security Deposit pursuant to the Lease in the amount of \$_____.
2. There have been no amendments, modifications or revisions to Lease nor any side letters or understandings, oral or written, of any sort, except as referenced above and attached to Exhibit “A”.
3. The Lease has been duly authorized and executed by Tenant and is in full force and effect.
4. Tenant is presently occupying the Premises. The Lease has not been assigned by Tenant and no sublease, concession agreement or license covering the Premises, or any portion of the Premises, has been entered into by Tenant, except as follows: (if none, write “none”): _____.
5. Tenant is currently obligated to pay Monthly Base Rent under the Lease in the monthly amount of \$_____. Additionally, Tenant is responsible for payment of Rent Adjustments with respect to Tenant’s Proportionate Share of Taxes and Operating Expenses, in the current monthly amount of \$_____. Rent has been paid under the Lease through

_____, 20___. No rent under the Lease has been paid more than one (1) month in advance.

6. To Tenant's knowledge, neither Landlord nor Tenant is in default under the Lease, nor does any condition exist which with the giving of notice of the passage of time, or both, would constitute a default by Landlord or Tenant under the Lease, and Tenant has no right of offset against Landlord with respect to any obligations or liabilities of Tenant under the Lease. Tenant has unconditionally accepted possession of the Premises. Tenant is not aware of any defect in the Premises. There is no remaining free rent period or any unexpired concession or abatement of rent. The Lease term has commenced and full rental is now accruing thereunder. Landlord is not reimbursing Tenant or paying Tenant's rent obligations under any other lease, and Tenant has not advanced any funds for or on behalf of Landlord for which Tenant has a right of deduction from, or set off against, future rent payments.

7. Landlord has completed all of its obligations (if any) under the Lease relating to construction of the Premises and has paid Tenant all allowances and other amounts (if any) due to Tenant under the Lease, and Tenant has no claims against Landlord in respect to any such construction, allowances or other amounts. To Tenant's actual knowledge, all other obligations and conditions under the Lease to be performed by Landlord as of the date hereof have been performed.

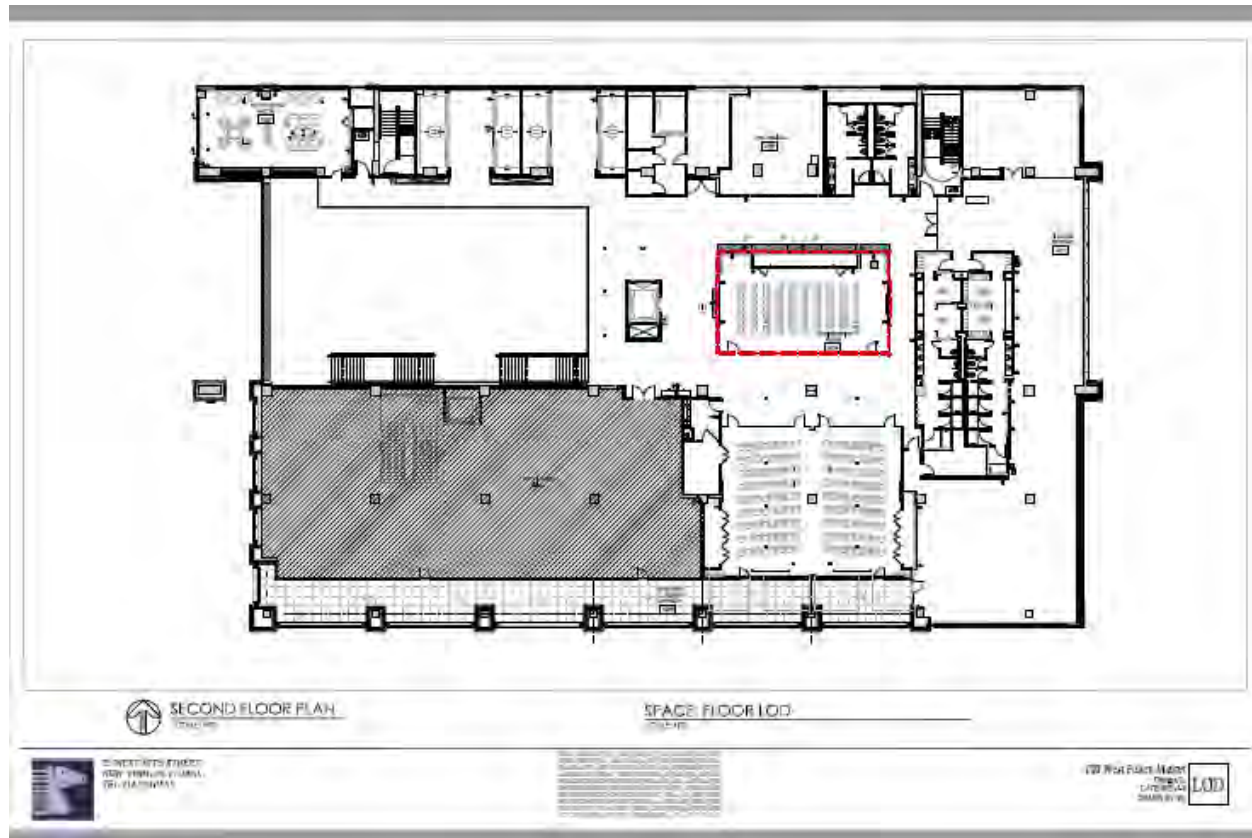
(Signature page to follow)

EXECUTED as of the _____ day of _____, 20__.

TENANT:

[_____]

By: _____
Name: _____
Title: _____

EXHIBIT J**INITIAL FURNITURE FEATURE LOCATION**

*Note: the following renderings are for illustration purposes only. All furniture displays shall be subject to Section 37 of this Lease.



 **prevolv**
Evolving your work environment.



2 |

 **prevolv**
evolving your work environment.

EXHIBIT K**FORM OF LETTER OF CREDIT****Date****IRREVOCABLE LETTER OF CREDIT NO.****U.S. DOLLARS AMOUNT: \$500,000**

Thor 816 W Fulton Owner LLC
25 West 39th Street, 11th Floor
New York, NY 10018
Attention: Peter McEneaney

Ladies & Gentlemen:

At the request of and for the account of **Name & Address** ("Applicant"), we hereby establish our Irrevocable Letter of Credit No. **AXXX**, in your favor in the amount not to exceed **\$500,000.00**.

The amount of this Letter of Credit is available to you against draft at sight on us, with such draft signed by one of your authorized signatories and, if presented by any transferee, that such transferee is an assignee of the rights and obligations of Thor 816 W Fulton Owner LLC, as Landlord under the Lease. Drafts drawn under this credit must bear on their face the clause, "drawn under Letter of Credit No. **AXXX**, dated **XXXXXX**. " Partial drawings are allowed under this Letter of Credit. Any drawing under this Letter of Credit will be paid from our general funds and not directly or indirectly from funds or collateral deposited with or for our account by the Applicant, or pledged with or for our account by the Applicant

Drafts when presented for negotiation must be accompanied by this original Letter of Credit.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision) International Chamber of Commerce Publication No. 600. This Letter of Credit is transferable and assignable to any transferee of Thor 816 W Fulton Owner LLC, as Landlord under the Lease, and notwithstanding the foregoing Uniform Customs and Practice for Documentary Credits, this Letter of Credit may be successively transferred.

We hereby agree to honor each draft drawn under and in compliance with the terms of this credit if duly presented to us with the documents as specified on or before **the expiration date**; provided that, it is a condition of this Letter of Credit that it shall be automatically extended without amendment for a period of one year from the current or any future expiration date, unless at least forty-five (45) days prior to the then current expiration date, we shall notify you at the address shown above, in writing by registered or certified mail, return receipt requested, at the above listed address (or such other address of which you notify us in writing from time to time) of our intention

not to renew this Letter of Credit. In all events, this Letter of Credit shall expire no later than [120 days after the expiration date of the Lease] _____, 20__.

This Letter of Credit cannot be drawn on nor terminated prior to **the expiration date**, without the written consent of an authorized official of Thor 816 W Fulton Owner LLC (or its transferee). Except as expressly stated herein, payment under this Letter of Credit is not subject to any conditions, qualifications or deliveries.

Platinum Bank

By: _____

Its:

EXHIBIT I
GUARANTY OF LEASE

The undersigned, **INSCAPE CORPORATION**, a corporation formed under the laws of the Province of Ontario (“**Guarantor**”), with a principal executive office as of the date hereof at 67 Toll Road, Holland Landing, ON L9N 1H2, in consideration of the execution and delivery of the annexed and foregoing lease (the “**Lease**”) bearing date of June 17, 2021, pursuant to which THOR 816 W FULTON OWNER LLC, a Delaware limited liability company (hereinafter and in said Lease called “**Landlord**”) has leased to **INSCAPE INC.**, a Delaware corporation (hereinafter and in said Lease called “**Tenant**”) certain premises located in the building commonly known as 800 W. Fulton Market Street, Chicago, Illinois (as more fully described in the Lease, the “**Premises**”), and for other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby absolutely, unconditionally and irrevocably guarantee to Landlord the full, prompt and punctual performance by Tenant of all of Tenant’s agreements, covenants and obligations under, and for the term of, the Lease, including the payment of all amounts that may be or become payable by Tenant to or for the benefit of Landlord under the Lease, and the payment of all damages that arise in consequence of any default by Tenant under the Lease, together with reasonable attorneys’ fees and other costs incurred by Landlord in enforcing the Lease and/or this Guaranty of Lease (this “**Guaranty**”). Guarantor agrees and acknowledges that Guarantor owns a substantial direct and/or indirect interest in Tenant and will derive substantial benefit from the Lease.

Guarantor hereby agrees with Landlord that this Guaranty is unconditional and irrevocable, and that Guarantor hereby waives (a) notice of the acceptance of this Guaranty by Landlord, (b) all notices or demands which may be given or are required to be given under the Lease to Tenant, (c) the right to require Landlord first to proceed against Tenant prior to proceeding against Guarantor for enforcement of the obligations under this Guaranty, and (d) notice or right of approval of any amendment, modification or assignment of the Lease. This Guaranty shall remain in full force and effect, notwithstanding any amendment or modification of the Lease, or any assignment of Tenant’s interest in the Lease. In the event that any other party is also a Guarantor of Tenant’s obligations under the Lease, Guarantor’s obligations hereunder shall not be terminated, affected or impaired by reason of such other guaranty or by any action or inaction of Landlord in relation thereto. Bankruptcy or any similar insolvency proceedings affecting Tenant shall not limit Guarantor’s obligations herein.

Guarantor further agrees that the validity of this Guaranty and the obligations hereunder shall in no way be terminated, affected or impaired by reason of the assertion or waiver by Landlord of any of the rights or remedies reserved to Landlord pursuant to the terms of the Lease.

Guarantor further agrees that if at any time all or any part of any payment to Landlord under the Lease is or must be rescinded, returned or forfeited by Landlord for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of Tenant), this Guaranty and Guarantor’s obligations under this Guaranty shall, to the extent of such payment so rescinded, returned or forfeited, continue in existence and be effective or be reinstated, as the case may be, as to such payment, all as though such payment had not been made.

This Guaranty shall be governed by and construed in accordance with the internal substantive laws of the state in which the Premises are located (without regard to the conflict of law provisions thereof).

Guarantor hereby: (i) irrevocably consents and submits to the jurisdiction of the courts of the state in which the Premises are located with respect to any action or proceeding brought therein by Landlord against Guarantor concerning any matters arising out of or in any way relating to this Guaranty or the Lease; (ii) expressly waives any rights of Guarantor pursuant to the laws of any other jurisdiction by virtue of which exclusive jurisdiction of the courts of any other jurisdiction might be claimed; (iii) irrevocably waives personal service of any summons and complaint, and consents to the service upon Guarantor of process in any such action or proceeding by the mailing of such process by first class, registered or certified mail, postage prepaid, to Guarantor at the address set forth in this Guaranty and hereby agrees that such service shall be deemed sufficient; (iv) irrevocably waives all objections as to venue or inconvenient forum; (v) agrees that the laws of the state in which the Premises are located (without giving effect to the conflicts of laws doctrines thereof) shall govern in any such action or proceeding, and waives any defense to any action or proceeding granted or allowed by the laws of any other country or jurisdiction unless such defense is also allowed by the laws of the state in which the Premises is located; and (vi) agrees that any final judgment rendered against Guarantor in any such action or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law, and expressly consents to the affirmation of the validity of any such judgment by the courts of any other jurisdiction so as to permit execution thereon. Guarantor hereby represents, as of the date hereof, without any independent investigation or inquiry, that it has no actual knowledge of any treaties or laws which would preclude, impair or hinder the recognition of any judgment rendered by any such court sitting in the state in which the Premises is located by, and the enforcement of any such judgment by, the courts of any other jurisdiction, and Guarantor agrees that Guarantor will interpose no defense or claim based on the same and shall consent to the issuance of all necessary documents by the courts of any other jurisdiction in order to execute upon any such judgment. Guarantor hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, trial by jury in any action or proceeding arising out of or relating to this Guaranty.

This Guaranty shall be binding on Guarantor, its successors, assigns and legal representatives, and for the benefit of Landlord, its successors, assigns and legal representatives.

[END OF TEXT; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has caused this Guaranty to be duly executed on this 17 day of June, 2021.

GUARANTOR:

INSCAPE CORPORATION, a corporation formed under the laws of the Province of Ontario

By: 
Name: Eric Ehgoetz
Its: CEO

CITY OF Holland Landing)
SS:
PROVINCE OF ONTARIO)

The foregoing instrument was acknowledged, sworn to and subscribed before me this 17 day of June, 2021 by Eric Ehgoetz, as CE O of Inscape Corporation, a corporation formed under the laws of the Province of Ontario. He/ ~~she~~ personally known to me or has produced Drivers License as identification.


(Signature of Acknowledger)

Jon Szczur, CFO
(Typed Name of Acknowledger - Title or Rank)

**This is Exhibit “K” referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 11th day of January, 2023**

DocuSigned by:

Monica Fakem

A027020416D742A

A COMMISSIONER FOR TAKING AFFIDAVITS

FIRST AMENDMENT OF LEASE

AGREEMENT, made as of October 10, 2020, by and between Ponte Gadea New York, LLC ("Landlord"), having an address at 270 Biscayne Blvd. Way, Suite 201, Miami, Florida 33131 and , Inscape Corporation., a Canadian corporation ("Tenant"), having an address at 67 Toll Road, Holland Landing, Ontario L9N 1H2, Canada.

Statement of Facts

By lease, dated as of November 19th, 2010 (the "Lease"), Landlord's predecessor leased to Tenant the sixth (6th) floor ("Premises" or "Demised Premises") in the building ("Building") located at 414 West 14th Street, New York, New York, upon all of the terms, covenants, conditions and provisions more particularly contained in the Lease and by "Letter Agreement" dated June 22, 2020, certain rent deferrals and conditions were agreed to by the parties and the Letter Agreement and Lease are collectively referred to hereinafter as the Lease.


Landlord and Tenant now desire to amend the Lease by, among other things, extending the Term of the Lease, upon all of the terms, covenants and conditions contained in this Agreement and all the defined terms herein shall have the same meaning as set forth in the Lease, as modified herein.

NOW, THEREFORE, for ten (\$10.00) dollars and other good and valuable consideration, the receipt and adequacy of which is hereby mutually acknowledged, Landlord and Tenant hereby agree to the following:

Terms, Covenants and Conditions

1. Extension of Term:

Irrespective of the existing expiration of the original Lease Term, effective from and after the date hereof, the Term of the Lease, as amended by this Agreement, shall be deemed extended through and expire on November 30, 2032 or shall expire on such earlier date upon which said term may expire or be canceled or terminated pursuant to any of the conditions or covenants of the Lease, as amended by this Agreement, or pursuant to law, and from and after the date hereof the term "Expiration Date," as used in the Lease, as amended by this Agreement, shall be deemed to refer to November 30, 2032. The period commencing on November 1, 2020 and ending on November 30, 2032 is hereinafter sometimes referred to as the "Extension Term." Other than Landlord's existing continuing obligations under the terms of the Lease and legal compliance obligations for the Building Systems and common areas of the Building, Landlord shall have no obligation to perform any work or make any installations or repairs relating specifically with or in connection with this Agreement and the Extension and Tenant acknowledges that to its knowledge, the Demised Premises and Building are currently in compliance with the terms of the Lease and Landlord is performing thereunder and in compliance therewith. The foregoing notwithstanding, provided Tenant is then in compliance with the terms of the Lease (or cures promptly any non-compliance after notice), Landlord shall provide Tenant, after Tenant's completion of and payment for the "Work", an allowance of \$424,125.00 (the "Allowance") to be utilized for reimbursement of Tenant's costs of the upgrade alterations and refurbishment in the Demised Premises (the "Work") and up to 30% of the



Allowance may be utilized for and applied to renovations of the Roof Deck along with and including an amount for soft costs relating with all Work. All such Work shall be effectuated in accordance with the requirements of the Lease for alterations and subject to Landlord's prior reasonable written approval of architectural, mechanical, electrical and structural plans to be submitted by Tenant to Landlord and in accordance with all Laws and requirements ("Legal Requirements"), including proper filings, inspections and issuance of all permits. The payment of the Allowance by Landlord shall be over submission by Tenant within 18 months after the date first above appearing, of the foregoing and presentation of proper architect approved and certified lien waivers and general releases of all contractors and sub-contractors and Tenant's architect's certification of completion of the Work and compliance with all Laws and regulations and the plans approved by Landlord. If Tenant has not requested payment of the Allowance within the 18 months above provided, the time period to request the Allowance on all the aforementioned terms shall be extended by 12 months so long as the Lease shall be in full force and effect and the Tenant not in default beyond applicable cure periods. The "Statement of Facts" above reflected shall be deemed included herein as if stated in their entirety.

2. Fixed Annual Rent:

The Fixed Annual Rent (as such term is used in the Lease and sometimes referred to as annual "Base Rent"), and the monthly installments of Fixed Annual Rent (as such term is used in the Lease) occurring during the Extended Term shall be deemed adjusted for and commencing with the Extension Term shall, subject to adjustment as therein in the Lease and herein provided, be \$652,500.00 per annum and \$54,375.00 monthly, respectively, for the period commencing on November 1, 2020 and ending November 30, 2026 and thereafter at \$691,650.00 per annum and \$57,637.50 monthly until and including the Expiration Date, both dates inclusive. Provided and for so long as Tenant is not in monetary default and timely and satisfactorily performs its other obligations under the Lease, each of the first 14 monthly installments of Base Rent for November, 2020 through and including December, 2021 shall be conditionally reduced by 50%. Until the commencement of the Extension Term, Tenant shall continue to pay the fixed annual base rent and all other "additional rentals", including electricity under Article 4 and other charges, all as provided by the terms of the Lease.

3. Operating Payments – Additional Rent:

The Tenant's Share of Operating Expenses and Tenant's obligations to continue to pay such under Article 3 of the Lease shall continue during the Extension Term based on the Operating Expenses for the Base Year being deemed to be the calendar Operating Expense Base Year of 2021. Landlord shall equitably and consistently adjust the Base Year Operating Expense and each of the subsequent Operating Expense calculations to reflect "full occupancy" of the office portions of the Building owned by Landlord.

4. Real Estate Tax Payments - Additional Rent:

Tenant shall continue to pay the additional rent constituting Tenant's Tax Payment under Article 3 of the Lease as calculated thereunder except that for the purposes of calculating said additional rent from and after October 1, 2020, "Base Tax Year" shall be deemed to mean the New York City fiscal year beginning July 1, 2020 and ending June 30, 2021.



5. Brokerage: Landlord and Tenant each represent, warrant and confirm to the other that it dealt with no broker with respect to this lease amendment or the transactions contemplated hereby other than Cushman & Wakefield and CBRE (collectively, "Broker"). Each party agrees to indemnify and save the other harmless of, from and against any and all claims (and all expenses and fees, including attorneys' fees, related thereto) for commissions or compensation made by any broker or entity other than Broker, with whom it dealt, arising out of or relating to this lease amendment, the demised premises and/or the acts of such party, its employees or agents. Landlord will compensate Broker(s) by separate agreement. This Section shall survive the expiration or earlier termination of the term of the Lease.

6. Security: At execution hereof, Tenant shall deposit additional Security with Landlord to increase the Security Deposit Amount to be equal to \$271,875.00 and within 90 days from execution hereof, obtain and have issued to Landlord in exchange for the cash Security Deposit Amount, a commercial, transferrable, evergreen letter of credit in form and with a bank reasonably acceptable to Landlord in the amount of \$271,875.00 to be held by Landlord in accordance with the provisions of the Lease and provided Tenant has not been in monetary default under the Lease beyond any applicable cure periods during the Extension Term and is not in default thereunder at the relevant reduction time below, and continues to occupy and operate in the entire Demised Premises, Landlord shall provide the Letter of Credit issuing Bank its consent and authorization to amend the Letter of Credit to reduce the Letter of Credit security amount by (i) \$54,375.00 on January 1, 2025 and (ii) an additional \$54,375.00 on January 1, 2027. Landlord shall cooperate with the Landlord approved Letter of Credit bank to exchange and wire the existing cash Security Deposit Amount in exchange for the new Letter of Credit.

7. Notice: Notices to Landlord under Article 29 shall be given to Landlord in the manner provided under Article 29 at the address first above appearing with a copy to Akerman LLP, 520 Madison Avenue, 20th Floor, New York, New York 10022, Attn: John B. Wood, Esq. or such other address as may be directed by Landlord. Notices under the Lease may be given by the party's counsel in all instances.

8. Miscellaneous:

(a) Articles 2 (relating with Landlord's preparation of the Demised Premises initially), 38 and 39 are deemed deleted from the Lease and except as otherwise provided herein, all of the other terms, covenants, conditions and provisions of the Lease shall remain and continue unmodified, in full force and effect.

(b) This Agreement sets forth the entire agreement between the parties regarding the subject matter hereof, superseding all prior agreements and understandings, written and oral, regarding the subject matter hereof, and may not be altered or modified except by a writing signed by both parties.

(c) Tenant warrants and represents to Landlord that the Lease is in full force and effect; to Tenant's knowledge no default exists on the part of Landlord under the Lease; Tenant has neither received nor given any notice of default thereunder; Tenant has no knowledge of the existence of any condition which constitutes a default under the Lease or which, with the

giving of notice or the passage of time, or both, would constitute a default under the Lease; Tenant knows of no defense or counterclaim to the enforcement of the Lease; and Tenant is not entitled to any reduction, offset or abatement of the rents payable under the Lease.

(d) Landlord and Tenant each represent and warrant to the other that it has not relied upon any representation or warranty, express or implied, in entering into this Agreement, except those which are set forth herein.

(e) This Agreement has been executed in the State of New York and shall be governed by and construed in accordance with the laws of the State of New York and as set forth under the terms of the Lease.

(f) The covenants and agreements herein contained shall bind and inure to the benefit of Landlord, its successors and assigns, and Tenant, its successors and assigns. If any of the provisions of this Agreement, or its application to any situation, shall be invalid or unenforceable to any extent, the remainder of this Agreement, or the application thereof to situations other than that as to which it is invalid or unenforceable, shall not be affected thereby, and every provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(g) The captions of this Agreement are for convenience and reference only and in no way define, limit or describe the scope or intent of this Agreement.

(h) Submission by Landlord of the within Agreement for execution by Tenant shall confer no rights nor impose any obligation on Landlord unless and until both Landlord and Tenant shall have executed this Agreement and duplicate originals thereof shall have been delivered by Landlord and Tenant to each other.

(i) Landlord shall be responsible for repair or replacement costs throughout the duration of the Extension Term in excess of \$2,500 for any major repair or replacement of the HVAC package unit provided Tenant shall have continuously maintained the required service contract(s) with the approved qualified HVAC vendor during the Term of the Lease.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Agreement as of the date first above written.

LANDLORD:

PONTE GADEA NEW YORK, LLC

By: _____

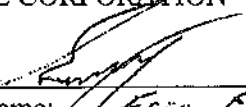
Name:

Title:



TENANT:

INSCAPE CORPORATION

By: 

Name: Eric Ehgoetz

Title: CEO

By: 

Name: JON SZCZUR

Title: CFO

**This is Exhibit “L” referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 11th day of January, 2023**

DocuSigned by:

Monica Faleim

A COMMISSIONER FOR TAKING AFFIDAVITS

Execution Version

OFFICE LEASE AGREEMENT
BY AND BETWEEN
1090 VERMONT AVENUE, N.W.
ASSOCIATES LIMITED PARTNERSHIP
AND
INSCAPE INC.

1090 Vermont Avenue, N.W.
Washington, D.C. 20005

Office

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS	1
ARTICLE II PREMISES	2
ARTICLE III TERM.....	3
ARTICLE IV BASE RENT.....	6
ARTICLE V OPERATING CHARGES AND REAL ESTATE TAXES	7
ARTICLE VI USE OF PREMISES.....	13
ARTICLE VII ASSIGNMENT AND SUBLETTING	16
ARTICLE VIII MAINTENANCE AND REPAIRS	20
ARTICLE IX ALTERATIONS.....	22
ARTICLE X SIGNS	25
ARTICLE XI SECURITY DEPOSIT	26
ARTICLE XII INSPECTION.....	26
ARTICLE XIII INSURANCE.....	27
ARTICLE XIV SERVICES AND UTILITIES	29
ARTICLE XV LIABILITY OF LANDLORD.....	32
ARTICLE XVI RULES	34
ARTICLE XVII DAMAGE OR DESTRUCTION	34
ARTICLE XVIII CONDEMNATION	36
ARTICLE XIX DEFAULT	37
ARTICLE XX BANKRUPTCY.....	41
ARTICLE XXI SUBORDINATION.....	42
ARTICLE XXII HOLDING OVER.....	43
ARTICLE XXIII COVENANTS OF LANDLORD.....	43
ARTICLE XXIV PARKING	45
ARTICLE XXV GENERAL PROVISIONS.....	46

EXHIBIT A — Plan Showing Premises

EXHIBIT B — Rules and Regulations for Contractors

EXHIBIT C — Rules and Regulations

EXHIBIT D — Certificate Affirming the Lease Commencement Date

EXHIBIT E — Exercise Facility Consent and Waiver of Liability

EXHIBIT F — Janitorial Specifications

OFFICE LEASE AGREEMENT

THIS OFFICE LEASE AGREEMENT (this "Lease") is dated as of the 5th day of April, 2018, by and between **1090 VERMONT AVENUE, N.W. ASSOCIATES LIMITED PARTNERSHIP**, a District of Columbia limited partnership ("Landlord"), and **INSCAPE INC.**, a Delaware corporation ("Tenant").

ARTICLE I DEFINITIONS

1.1 **Building:** a twelve (12) story building deemed to contain one hundred forty-four thousand seven hundred eighty-nine (144,789) square feet of office rentable area ("Office Area") and one hundred fifty-seven thousand five hundred twenty-three (157,523) square feet of total building rentable area ("Total Area"), located at 1090 Vermont Avenue, N.W., Washington, D.C. 20005.

1.2 **Premises:** deemed to contain three thousand seven hundred fifty (3,750) square feet of rentable area located on a portion of the eleventh (11th) floor of the Building, known as Suite 1101, as more particularly designated on Exhibit A.

1.3 **Lease Term:** seventy-two (72) months, subject to Section 3.1.

1.4 **Anticipated Occupancy Date:** June 1, 2018.

1.5 **Base Rent:** an annual amount payable as follows:

Lease Year	Annual Rate per Rentable Square Foot	Monthly Installment	Annual Installment*
1	\$50.00	\$15,625.00	\$187,500.00
2	\$51.25	\$16,015.63	\$192,187.56
3	\$52.53	\$16,415.63	\$196,987.56
4	\$53.84	\$16,825.00	\$201,900.00
5	\$55.19	\$17,246.88	\$206,962.56
6	\$56.57	\$17,678.13	\$212,137.56

*based on twelve (12) full calendar months.

1.6 **Base Rent Annual Escalation Percentage:** two and one-half percent (2.50%).

1.7 **Operating Charges Base Year:** calendar year 2018.

1.8 **Real Estate Taxes Base Year:** Washington D.C. Fiscal Year 2018 (i.e., October 1, 2017 through September 30, 2018).

1.9 **Security Deposit Amount:** Fifteen Thousand Six Hundred Twenty-Five Dollars (\$15,625.00).

1.10 **Broker(s):** Jones Lang LaSalle Brokerage, Inc. ("Landlord's Broker"); and Martek Global Services, Inc. ("Tenant's Broker").

1.11 **Tenant Notice Address:** Inscape Inc., 221 Lister Avenue, Falconer, NY 14733; with a copy to Grossberg, Yochelson, Fox & Beyda, LLP, 1200 New Hampshire Ave., N.W., Suite 555, Washington, D.C. 20036, Attn: Richard F. Levin, Esq.

1.12 **Landlord Notice Address:** c/o TF Cornerstone Inc., 387 Park Avenue South, 7th Floor, New York, New York 10016, Attention: Director of Commercial Leasing.

1.13 **Landlord Payment Address:** c/o TF Cornerstone Inc., 387 Park Avenue South, 7th Floor, New York, New York 10016, Attention: Accounts Receivable

1.14 **Building Hours:** 8:00 a.m. to 6:00 p.m. Monday through Friday (excluding Holidays) and 8:00 a.m. to 1:00 p.m. on Saturday (excluding Holidays).

1.15 **Guarantor(s):** Not applicable.

1.16 **Retail Area:** deemed to contain eight thousand eight hundred ten (8,810) square feet of rentable area in the Building, comprised of premises leased or hereafter leased to tenants primarily for retail purposes (the "Retail Space").

1.17 **Tenant's Proportionate Share:** 2.59% for Operating Charges; and 2.38% for Real Estate Taxes.

1.18 **Parking Allotment:** three (3) monthly parking permits (based on one (1) permit for each one thousand five hundred (1,500) square feet of rentable area in the Premises).

1.19 **Holidays:** all holidays recognized by the United States federal government.

ARTICLE II PREMISES

2.1 Tenant leases the Premises from Landlord for the term and upon the conditions and covenants set forth in this Lease. Tenant will have the non-exclusive right, at no additional charge (except as may be expressly set forth herein and as may be permitted to be included in Operating Charges pursuant to Article V below) to use those areas and facilities of the Building and improvements to the Land which are from time to time provided by Landlord for the use or benefit of tenants in the Building and their employees, clients, customers, licensees and invitees or for use or benefit by the public ("common areas"), including, (a) access corridors, elevator foyers and core bathrooms, to the extent the same are not located on floors fully leased to a single tenant, (b) Building-wide mailrooms, fire rooms, vending areas, health and fitness facilities, janitorial areas and other similar facilities of the Building, (c) any and all non-exclusive grounds, parks, landscaped areas, courtyards, plazas, outside sitting areas, sidewalks, pedestrian ways, loading docks, and (d) generally all other common and public improvements on the Land. Except as may otherwise be expressly provided in this Lease, the lease of the Premises does not include the right to use the roof, mechanical rooms, electrical closets, janitorial closets, telephone rooms, parking

areas or non-common or non-public areas of any portion of the Building, whether or not any such areas are located within the Premises (it being understood, however, that Tenant shall have the non-exclusive right to use (1) the plenums, electrical closets, telephone rooms, ducts or pipes on or serving the floor on which the Premises are located (other than those installed for another tenant's exclusive use and provided Tenant shall have utilization of each such facility or area in no greater proportion than the ratio by which the square feet of rentable area in the Premises compares to the square feet of rentable area in the Building) in accordance with plans and specifications to be approved by Landlord (which consent shall not be unreasonably withheld, conditioned or delayed), (2) the Parking Facility (as hereinafter defined), but only in strict accordance with Article XXIV, and (3) any mechanical rooms, electrical closets and telephone rooms located within the Premises, for the purpose for which they were intended, but only with Landlord's prior consent (except to the extent that such rooms and closets contain no system, wiring or other item related to either the Building Structure and Systems (defined below) or to a structure or system of any tenant or occupant other than Tenant, in which case no such prior consent of Landlord shall be required for the use of such area by Tenant's on-site, properly licensed and trained technicians) and strictly in accordance with Landlord's rules, regulations and requirements in connection therewith).

ARTICLE III

TERM

3.1 (a) All of the provisions of this Lease shall be in full force and effect from and after the date first above written. The Lease Term shall commence on the Lease Commencement Date specified in Section 3.2. If the Lease Commencement Date is not the first day of a month, then the Lease Term shall be the period set forth in Section 1.3 plus the partial month in which the Lease Commencement Date occurs. The Lease Term shall also include any properly exercised renewal or extension of the term of this Lease.

(b) Provided no Event of Default by Tenant has occurred and is continuing under this Lease, Tenant shall have the right to install in the Premises during the Early Access Period (as defined below) Tenant's cabling, furniture, furnishings, equipment, or trade fixtures, and otherwise prepare the Premises for Tenant's occupancy, all subject to all applicable terms and conditions of this Lease and applicable Laws. The "Early Access Period" shall commence on the next business day following the Effective Date and continue through the day before the Lease Commencement Date; provided, however, that no access whatsoever shall be permitted unless Tenant shall deliver to Landlord written evidence specifying that Tenant is then carrying all insurance required by this Lease to be carried by Tenant and its contractors. Any and all activity by Tenant or any Agent of Tenant prior to the Lease Commencement Date shall be coordinated with Landlord and its contractor, if applicable, to ensure that such activity does not interfere with any other work. During the Early Access Period, neither Tenant nor any of its Agents shall unreasonably delay or otherwise inhibit the work being performed in the Premises by Landlord or Landlord's Agents or employees. Notwithstanding anything in the Lease (as amended hereby) to the contrary: (a) Landlord shall have no responsibility with respect to any items placed in the Premises by Tenant or any Agent prior to the Lease Commencement Date; and (b) all of the provisions of the Lease (including, without limitation, all insurance, indemnity and utility

provisions) shall apply during the Early Access Period, except that during such period (i) Tenant shall not be obligated to pay Base Rent or Tenant's Proportionate Share of increases in Operating Charges and Real Estate Taxes, and (ii) Landlord shall not be obligated to provide to the Premises any utility, service or other item in excess of those customarily provided to or for the benefit of a premises in order for Landlord to perform any building standard initial improvement work thereto.

3.2 The "Lease Commencement Date" shall be June 1, 2018. Promptly after the Lease Commencement Date is ascertained, Landlord and Tenant shall execute the certificate confirming the Lease Commencement Date attached to this Lease as Exhibit D. Failure to execute said certificate shall not affect the commencement or expiration of the Lease Term or the commencement of Rent.

3.3 It is presently anticipated that the Premises will be delivered to Tenant in the condition required pursuant to Section 9.1 on or about the Anticipated Occupancy Date; provided, however, that if Landlord does not so deliver possession of the Premises by such date, then, except as set forth below, Landlord shall not have any liability whatsoever, and this Lease shall not be rendered void or voidable, as a result thereof. Notwithstanding the foregoing to the contrary, in the event that Landlord does not deliver possession of the Premises on the later of the Anticipated Occupancy Date or the date upon which Tenant has delivered to Landlord the insurance certificates evidencing that Tenant has obtained the insurance required by Article XIII hereof, then, provided that no Event of Default by Tenant then exists and that such delay is not caused by Tenant or any Agent of Tenant, as Tenant's sole and exclusive remedy, the Lease Commencement Date shall be extended one day for each day of delay in the delivery of possession of the Premises to Tenant.

3.4 "Lease Year" shall mean a period of twelve (12) consecutive months commencing on the Lease Commencement Date, and each successive twelve (12) month period thereafter; provided, however, that if the Lease Commencement Date is not the first day of a month, then the second Lease Year shall commence on the first day of the month in which the first anniversary of the Lease Commencement Date occurs.

3.5 Landlord hereby grants to Tenant the conditional right, exercisable at Tenant's option, to renew the Lease Term, with respect to the entire Premises only, for one (1) term of five (5) years (the "Renewal Term"). If exercised, and if the conditions applicable thereto have been satisfied, the Renewal Term shall commence immediately following the expiration of the Lease Term. The rights of renewal herein granted to Tenant shall be subject to, and shall be exercised in accordance with, the following terms and conditions:

(a) Tenant shall exercise its right of renewal with respect to the Renewal Term by giving Landlord written notice (the "Renewal Option Notice") of such election not earlier than sixteen (16) months nor later than ten (10) months prior to the expiration of the Lease Term. The parties shall then have thirty (30) days after Landlord's receipt of such determination (the "Negotiation Period") in which to agree on the annual base rent, escalation factor and additional rent which shall be payable during the Renewal Term. The parties shall attempt in good faith to agree upon an annual base rent payable for the first year of the Renewal Term which would equal one hundred percent (100%) of the applicable fair market rent taking into account the Market Items (as defined below). The term "Market Items" shall mean, if then applicable, rent abatements,

brokerage commissions and construction allowances for standard and above-standard construction, and any other market concessions then being offered by landlord of comparable class office buildings located in the Central Business District of Washington, D.C.; provided, however that no consideration shall be given to (and the fair market rent so determined shall not be reduced on account of) "downtime" that may be associated with this or comparable transactions. Among the factors to be considered by the parties during such negotiations shall be the general office rental market in the Central Business District in Washington, D.C., the rental rates then being quoted by Landlord to comparable tenants for comparable space in the Building and comparable buildings, and the rents being charged to similar tenants in similar office space in multi-tenanted, multi-story, first-class office buildings, and the provision to Tenant or absence thereof of all then-applicable market concessions. If during the Negotiation Period the parties agree on such annual base rent, escalation factor and additional rent, then they shall promptly execute an amendment to this Lease stating the terms so agreed upon. If during the Negotiation Period the parties are unable, for any reason whatsoever, to agree on such annual base rent, escalation factor and additional rent payable, then within ten (10) days thereafter, the parties shall each appoint a real estate broker who shall be licensed in the District of Columbia and who specializes in the field of commercial office space leasing in downtown Washington, D.C., has at least ten (10) years of experience and is recognized within the field as being reputable and ethical. Such two individuals shall each determine, within ten (10) days after their appointment, such annual base rent, escalation factor and additional rent. If such individuals do not agree on such items, then the two individuals shall, within five (5) days, render separate written reports of their determinations and together appoint a third similarly qualified individual. The third individual shall, within ten (10) days after his or her appointment, select either Landlord's broker's determination or Tenant's broker's determination (this being the third broker's sole function) as being closest to the applicable fair market annual base rent, escalation factor and additional rent and shall notify the parties of such selection. The third broker's decision shall be final and conclusive, and binding on Landlord and Tenant. Landlord and Tenant shall each bear the cost of its broker and shall share equally the cost of the third broker. Upon determination of the annual base rent, escalation factor and concessions payable pursuant to this Section, the parties shall promptly execute an amendment to this Lease stating the rent and additional terms so determined.

(b) If the Renewal Option Notice is not given timely, then Tenant's right of renewal with respect to the Renewal Term shall lapse and be of no further force or effect.

(c) If an Event of Default by Tenant then exists under this Lease on the date Tenant sends the Renewal Option Notice or any time thereafter until the Renewal Term is to commence, then, at Landlord's election, the Renewal Term shall not commence and the Lease Term shall expire at the expiration of the then-current Lease Term.

(d) If at any time fifty percent (50%) or more of the square feet of rentable area of the Premises has been subleased or assigned (other than to an Affiliate of Tenant as permitted hereunder), or if the Lease has been terminated with respect to such portion of the Premises, then Tenant's rights pursuant to this Section shall lapse and be of no further force or effect.

(e) Tenant's right of renewal under this Section may be exercised only by Tenant (and may not be exercised by or for the benefit of any other transferee, sublessee or assignee of Tenant, other than an Affiliate as permitted hereunder).

(f) The Renewal Term may be exercised only with respect to all of the then-current Premises.

ARTICLE IV BASE RENT

4.1 From and after the Lease Commencement Date, Tenant shall pay the Base Rent in equal monthly installments in advance on the first day of each month during a Lease Year.

4.2 Notwithstanding the foregoing, provided no Event of Default by Tenant has occurred under this Lease which has continued beyond the expiration of applicable notice and cure periods, Landlord grants to Tenant an abatement of the Base Rent otherwise payable hereunder during the first six (6) full calendar months of the Lease Term following the Lease Commencement Date (the "Abatement Period"). If by reason of any other express provision of this Lease Tenant is entitled to receive an abatement of rent during a period coinciding with the Abatement Period (e.g., pursuant to Article XVII below), then and in such event the Abatement Period shall be extended on a day-for-day basis by the period that such other abatement coincided with the above designated Abatement Period, so as to provide Tenant with the benefit of the full amount of the abatement provided solely by virtue of and pursuant to this Section 4.2. Concurrently with Tenant's execution of this Lease, Tenant shall pay an amount equal to one (1) monthly installment of the Base Rent payable during the first Lease Year, which amount shall be credited toward the monthly installment of the Base Rent payable for the first (1st) full calendar month of the Lease Term following the Abatement Period. If the Lease Commencement Date is not the first day of a month, then the Base Rent from the Lease Commencement Date until the first day of the following month shall be prorated on a per diem basis at the rate of one-thirtieth (1/30th) of the monthly installment of the Base Rent payable during the first Lease Year, and Tenant shall pay such prorated installment of the Base Rent on the Lease Commencement Date.

4.3 All sums payable by Tenant under this Lease shall be paid to Landlord in legal tender of the United States, without setoff, deduction or demand, at the Landlord Payment Address, or to such other party or such other address as Landlord may designate in writing. At Landlord's option, Tenant shall make all payments by electronic transfer of funds. Landlord's acceptance of rent after it shall have become due and payable shall not excuse a delay upon any subsequent occasion or constitute a waiver of any of Landlord's rights hereunder. All checks tendered to Landlord from anyone other than Tenant as and for the Base Rent and/or additional rent reserved hereunder may, at Landlord's discretion, be deemed payments for the account of Tenant. Acceptance by Landlord, in its discretion, of Base Rent and/or additional rent from anyone other than Tenant shall not be deemed to operate as (1) an attornment to Landlord by the payor of such rent and/or additional rent, (2) the consent of Landlord to an assignment of this Lease or subletting by Tenant of the Premises to such payor, (3) a modification of any of the provisions of this Lease, (4) an acknowledgement or agreement by Landlord that such payor has any right to possess or otherwise use or occupy the Premises, or (5) a waiver of Landlord's right to refuse to accept future

payments from anyone other than Tenant. If any sum payable by Tenant under this Lease is paid by check which is returned due to insufficient funds, stop payment order, or otherwise, then: (a) such event shall be treated as a failure to pay such sum when due; and (b) in addition to all other rights and remedies of Landlord hereunder, Landlord shall be entitled (i) to impose a returned check charge of Fifty Dollars (\$50.00) to cover Landlord's administrative expenses and overhead for processing, and (ii) if such event has occurred more than two times during the Lease Term, to require that all future payments be remitted by wire transfer, money order, or cashier's or certified check.

ARTICLE V OPERATING CHARGES AND REAL ESTATE TAXES

5.1 For the purposes of this Article V, the term "Building" shall be deemed to include the site upon which the Building is situated (which site is sometimes referred to herein as the "Land"), the roof of the Building and any physical extensions therefrom, any driveways, sidewalks, landscaping, alleys and parking facilities in the Building or on the Land, and all other areas, facilities, improvements and appurtenances relating to any of the foregoing. If the Building is operated as part of a complex of buildings or in conjunction with other buildings or parcels of land, then Landlord may prorate the common expenses and costs with respect to each such building or parcel of land in such manner as Landlord, in its sole but reasonable judgment, shall determine.

5.2 (a) From and after the first anniversary of the Lease Commencement Date, Tenant shall pay as additional rent Tenant's Proportionate Share of the amount by which Operating Charges for each calendar year falling entirely or partly within the Lease Term exceed a base amount (the "Operating Charges Base Amount") equal to the Operating Charges incurred during the Operating Charges Base Year. Tenant's Proportionate Share with respect to Operating Charges set forth in Article I has been calculated to be that percentage which is equal to a fraction, the numerator of which is the number of square feet of rentable area in the Premises as set forth in Section 1.2, and the denominator of which is the Office Area.

(b) (i) "Operating Charges" shall mean all expenses, charges and fees incurred by or on behalf of Landlord in connection with the management, operation, ownership, maintenance, servicing, insuring and repair of the Building, including, without limitation, the following: (1) charges for electricity, gas, water, HVAC, sewer and other utility costs, charges and fees (including, without limitation, any tap fees and connection and switching fees) of every type and nature, excluding any electricity and water/sewer charges paid by tenants of the Building separately from Operating Charges; (2) premiums, deductibles (to the extent reasonable and customary) and other charges for insurance; (3) management fees of not more than three percent (3%) of the gross revenues of the Building, and personnel costs of the Building (including Landlord's reasonable allocation of such costs paid by Landlord with respect to employees who are assigned part-time to the operation, maintenance and/or repair of the Building and all fringe benefits, workers' compensation insurance premiums and payroll taxes); (4) costs of service, access control, landscaping and maintenance contracts; (5) maintenance, repair and replacement expenses and supplies; (6) depreciation/amortization for capital expenditures made by Landlord to reduce operating expenses if Landlord reasonably estimates that the annual reduction in operating expenses shall exceed such depreciation or to comply with applicable Laws or insurance

requirements that are created or imposed after the date hereof (the "Permitted Capital Items"), and which shall be charged to Operating Charges in annual installments over the useful life (as generally determined in the commercial real estate industry in downtown Washington, D.C.) of the items for which such costs are incurred, together with interest, each calendar year such costs are charged to Operating Charges, on the unamortized balance at an interest rate of one percent (1%) in excess of the Prime Rate (as defined in Section 19.5) in effect on January 1 of each calendar year; (7) charges for janitorial and cleaning services and supplies; (8) any business, professional or occupational license tax payable by Landlord with respect to the Building and any association fees; (9) [reserved]; (10) sales, use and personal property taxes payable in connection with tangible personal property and services purchased for and used in connection with the Building; (11) reasonable third party accounting and audit fees relating to the determination of Operating Charges (and tenants' proportionate shares thereof) and the preparation of statements required by tenant leases; (12) costs incurred in connection with enforcement of any warranties; (13) administrative overhead with respect to operating and maintaining the common areas; (14) expenses incurred in connection with concierge and other shared services provided to the Building (if any); (15) the fair market rental value of any management office (of reasonable and customary size), the Fitness Facility (as defined in Section 14.4) and health/fitness facilities in the Building (to the extent not offset by separate membership or usage fees imposed by Landlord); (16) special assessments, fees, penalties and other charges and costs for transit, transit encouragement traffic reduction programs, or any similar purpose; (17) all costs of operating, maintaining, repairing and, subject to clause (6) above, replacing equipment in any portion of the Fitness Facility (to the extent not offset by separate membership or usage fees), roof deck, function room or other amenity of the Building; and (18) any other expense reasonably incurred by Landlord in arm's-length transactions in connection with maintaining, repairing or operating the Building.

(ii) Notwithstanding any provision contained in this Lease to the contrary, Operating Charges shall not include: (i) Retail Area Charges or Real Estate Taxes; (ii) principal or interest payments on any Mortgages (as defined in Section 21.1); (iii) the costs of special services and utilities separately charged to particular tenants of the Building; (iv) ground lease payments; (v) costs for which Landlord is reimbursed by insurance proceeds (or which would have been reimbursed had Landlord carried the insurance required to be carried by Landlord hereunder) or from tenants of the Building (other than such tenants' regular contributions to Operating Charges), or from any other source; (vi) legal fees incurred for negotiating leases, collecting rents, enforcing lease terms upon a default of any tenant, or disputes with any tenant or occupant or prospective tenant or occupant; (vii) costs directly and solely related to the maintenance and operation of the entity that constitutes the Landlord, such as accounting fees incurred solely for the purpose of reporting Landlord's financial condition; (viii) costs of repairs, replacements or other work occasioned by fire, windstorm or other casualty, or the exercise by governmental authorities of the right of eminent domain (except a commercially reasonable deductible); (ix) leasing and brokerage commissions, attorney's fees, marketing costs, disbursements and other expenses incurred by Landlord or its agents in connection with negotiations for leases with tenants, other occupants or prospective tenants or other occupants of the Building, and similar costs incurred in connection with disputes with and/or enforcement of any leases with tenants, other occupants, or prospective tenants or other occupants of the Building; (x) tenant allowances, tenant concessions, and other costs and expenses (including permit, license and inspection fees) incurred in connection with completing, fixturing, furnishing, renovating or

otherwise improving, decorating or redecorating leased premises for tenants or other occupants of the Building, or vacant, leasable space in the Building, including space planning/interior architecture fees and/or engineering for same; (xi) costs or expenses (including fines, penalties and legal fees) incurred due to the violation (as compared to compliance costs, which are included in Operating Charges as provided above) by Landlord, its agents, any tenant (other than Tenant) or other occupant of the Building of any terms and conditions of this Lease or of the leases of other tenants in the Building, and/or of any valid applicable Laws that would not have been incurred but for such violation by Landlord, its agent, tenant, or other occupant, it being intended that each party shall be responsible for the costs resulting from its violation of such leases and Laws; provided that reasonable attorneys' fees to enforce rules and regulations for the Building shall be included in Operating Charges; (xii) penalties for any late payment by Landlord, including, without limitation, taxes and equipment leases; (xiii) compensation paid to clerks, attendants or other persons in commercial concessions (such as a snack bar, restaurant or newsstand, but not including Building amenities such as the Fitness Facility or the Parking Facility); (xiv) Landlord's contributions to political or charitable organizations; (xv) costs in connection with services (including electricity), items or other benefits of a material type which are not available to Tenant without specific charge therefor, but which are provided to another tenant or occupant of the Building, whether or not such other tenant or occupant is specifically charged therefor by Landlord; (xvi) costs or expenses for sculpture, paintings or other works of art, including costs incurred with respect to the purchase, ownership, leasing, showing, promotion, securing, repair and/or maintenance of same, other than normal building decorations customary in buildings comparable to the Building; (xvii) depreciation/amortization for capital expenditures, except for Permitted Capital Items to the extent expressly permitted above; (xviii) costs arising from the presence of Hazardous Materials in, about or below the Land or the Building (including any Hazardous Materials brought to, deposited on or disposed of at the Building by Landlord or Landlord's Agents) (but excluding those Hazardous Materials utilized in connection with the operation, maintenance and repair of the Building in the ordinary course and those brought, deposited or disposed of by Tenant or Tenant's Agents with respect to its use or occupancy of space in the Building); (xix) advertising and promotional expenses directly relating to the leasing of space in the Building or the marketing of the Building for sale; (xx) expense reserves; (xxi) management fees in excess of the amount permitted above; (xxii) payments made to any entities that are related to Landlord to the extent such payments exceed the market rate customarily paid to unrelated entities for comparable goods or services; (xxiii) salaries, wages or other compensation paid to officers or executives not engaged in the day to day management, operation or maintenance of the Building; (xxiv) costs for repairs or replacements to the extent caused by Landlord's negligence or willful misconduct or the negligence or willful misconduct of its agents, employees or contractors; (xxiv) bad debt losses, rent losses and reserves for such losses; (xxv) increases in insurance premiums caused by Landlord's or any other tenant's negligence or willful misconduct or violation of any Law; and (xxvi) rental costs and related expenses for leasing equipment or systems that would be considered a capital improvement or expenditure if purchased to the extent the same would be in excess of the corresponding Permitted Capital Item cost.

(iii) "Retail Area Charges" shall mean those expenses, if any, that are solely attributable to and payable by tenants of the Retail Area (for example, expenses relating to janitorial, bussing and cleaning services; supplemental storage and removal of trash; maintenance and replacement of tables, chairs, trash receptacles and other furnishings or facilities; and

electricity, gas, water, sewer and other utility service furnished solely to such space, to the extent applicable).

(c) If the average occupancy rate for the Building during any calendar year (including the Operating Charges Base Year) is less than one hundred percent (100%), or if any tenant is separately paying for (or does not require) electricity, janitorial or other utilities or services furnished to its premises, then Landlord shall include in Operating Charges for such year all additional expenses, as reasonably estimated by Landlord, which would have been incurred during such year if such average occupancy rate had been one hundred percent (100%) and if Landlord paid for such utilities or services furnished to such premises; provided, however, that in no event shall Landlord be entitled to collect from tenants on account of Operating Charges in any calendar year more than one hundred percent (100%) of the actual Operating Charges for such calendar year.

(d) Tenant shall make estimated monthly payments to Landlord on account of the amount by which Operating Charges that are expected to be incurred during each calendar year (or portion thereof) would exceed the Operating Charges Base Amount, based on a reasonably detailed written statement from Landlord setting forth Landlord's reasonable estimate of such excess and Tenant's Proportionate Share thereof. Tenant shall pay to Landlord on the first day of each month following receipt of such statement, until Tenant's receipt of the succeeding annual statement, an amount equal to one-twelfth (1/12) of each such share (estimated on an annual basis without proration pursuant to Section 5.4). Not more than twice during any calendar year, Landlord may revise Landlord's estimate and adjust Tenant's monthly payments to reflect Landlord's revised estimate. Within approximately one hundred twenty (120) days after the end of each calendar year, or as soon thereafter as is feasible, Landlord shall submit a reasonably detailed written statement (the "Reconciliation Statement") showing (1) Tenant's Proportionate Share of the amount by which Operating Charges incurred during the preceding calendar year, exceeded the Operating Charges Base Amount and (2) the aggregate amount of Tenant's estimated payments made on account of Operating Charges during such year. If such statement indicates that the aggregate amount of such estimated payments exceeds Tenant's actual liability, then Landlord shall credit the net overpayment toward Tenant's next estimated payment(s) pursuant to this Section and against the next installment(s) of Base Rent due under this Lease, or, if the Lease Term has expired, or if Tenant is not otherwise liable to Landlord for further payment of Operating Charges, Landlord shall reimburse Tenant for the amount of such overpayment within thirty (30) days after the delivery of such statement. If such statement indicates that Tenant's actual liability exceeds the aggregate amount of such estimated payments, then Tenant shall pay the amount of such excess as additional rent within thirty (30) days after delivery of such statement.

5.3 (a) From and after the first anniversary of the Lease Commencement Date, Tenant shall pay as additional rent Tenant's Proportionate Share of the amount by which Real Estate Taxes for each calendar year falling entirely or partly within the Lease Term exceed a base amount (the "Real Estate Taxes Base Amount") equal to the Real Estate Taxes incurred during the Real Estate Taxes Base Year. Tenant's Proportionate Share with respect to Real Estate Taxes shall be that percentage which is equal to a fraction, the numerator of which is the number of square feet of rentable area in the Premises as set forth in Section 1.2, and the denominator of which is the Total Area.

(b) "Real Estate Taxes" shall mean (1) all real estate taxes, vault and/or public space rentals, rates and assessments (including general and special assessments, if any), ordinary and extraordinary, foreseen and unforeseen, which are imposed upon Landlord or assessed against the Building or the Land, or Landlord's personal property used in connection therewith, (2) any other present or future taxes or charges that are imposed upon Landlord or assessed against the Building which are in the nature of or in substitution for real estate taxes, including any tax levied on or measured by the gross rents payable by tenants of the Building, any public safety fee or similar charge, any transit, sales, rental, use, receipts or occupancy tax or fee, and any assessment imposed in connection with business improvement or similar districts or in connection with public funding for the construction of a sports or other public venue, and (3) reasonable expenses (including, without limitation, reasonable attorneys' and consultants' fees and court costs) incurred in reviewing, protesting or seeking a reduction or abatement of, or defending or otherwise participating in any challenge to, real estate taxes, whether or not such protest or reduction is ultimately successful (provided, however, that such review, protest, or reduction attempt is undertaken in good faith by Landlord with the reasonable expectation to reduce Real Estate Taxes for the Building). Tenant shall not initiate or participate in any contest of Real Estate Taxes without Landlord's prior written consent. Subject to the foregoing, Real Estate Taxes shall not include any inheritance, estate, gift, succession, transfer, capital levy, capital stock, franchise, corporation, net income or net profits tax assessed against Landlord from the operation of the Building, or any income taxes paid by Landlord determined on the basis of Landlord's income, receipts or revenues. Real Estate Taxes shall not include any interest charges or penalties incurred as a result of Landlord's failure to timely pay Real Estate Taxes or by reason of late filing of any required governmental report (e.g., the income-expense report required annually by the District of Columbia); provided, however, that if the taxing authority permits a taxpayer to elect to pay in installments, then, for purposes of determining the amount of Real Estate Taxes, if Landlord so elects to pay in installments (not to exceed the maximum number of permitted installments), all interest charges resulting therefrom shall be deemed Real Estate Taxes. Additionally, Real Estate Taxes shall not include any costs incurred to obtain a reduced assessment or reimbursement of any Real Estate Taxes applicable solely to periods falling prior to the commencement of the Lease Term or periods falling beyond the expiration of the Lease Term; provided, however, that if such reduced assessment shall apply to both periods within the Lease Term and periods after the Lease Term, then, and in such event, such costs shall be prorated based upon the respective time period that such reduced assessment falls within the Lease Term.

(c) If during any calendar year (including the Real Estate Taxes Base Year), the Building is not fully assessed for tax purposes, then Landlord may include in Real Estate Taxes for such year all additional taxes, as reasonably estimated by Landlord, which would have been incurred during such year if the Building had been fully assessed.

(d) Tenant shall make estimated monthly payments to Landlord on account of the amount by which Real Estate Taxes that are expected to be incurred during each calendar year would exceed the Real Estate Taxes Base Amount based on a reasonably detailed written statement from Landlord setting forth Landlord's reasonable estimate of such amount and Tenant's Proportionate Share thereof. Tenant shall pay to Landlord on the first day of each month following receipt of such statement, until Tenant's receipt of the succeeding annual statement, an amount equal to one-twelfth (1/12) of such share (estimated on an annual basis without proration pursuant

to Section 5.4). Not more than twice during any calendar year, Landlord may revise Landlord's estimate and adjust Tenant's monthly payments to reflect Landlord's revised estimate. Within approximately one hundred twenty (120) days after the end of each calendar year, or as soon thereafter as is feasible, Landlord shall submit a Reconciliation Statement showing (1) Tenant's Proportionate Share of the amount by which Real Estate Taxes incurred during the preceding calendar year exceeded the Real Estate Taxes Base Amount, and (2) the aggregate amount of Tenant's estimated payments made during such year. If such statement indicates that the aggregate amount of such estimated payments exceeds Tenant's actual liability, then Landlord shall credit the net overpayment toward Tenant's next estimated payment(s) pursuant to this Section and against the next installment(s) of Base Rent due under this Lease, or, if the Lease Term hereof has expired, or if Tenant is not otherwise liable for further payment of Real Estate Taxes, Landlord shall reimburse Tenant for the amount of such overpayment within thirty (30) days after delivery of such statement. If such statement indicates that Tenant's actual liability exceeds the aggregate amount of such estimated payments, then Tenant shall pay the amount of such excess as additional rent within thirty (30) days after delivery of such statement.

5.4 If the Lease Term commences or expires on a day other than the first day or the last day of a calendar year, respectively, then Tenant's liabilities pursuant to this Article for such calendar year shall be apportioned by multiplying the respective amount of Tenant's Proportionate Share thereof for the full calendar year by a fraction, the numerator of which is the number of days during such calendar year falling within the Lease Term.

5.5 Provided no Event of Default exists hereunder and Tenant has timely paid the amount set forth in the applicable Reconciliation Statement, Tenant (through its regular, full-time employees who are reasonably qualified to do so), or an independent, nationally recognized certified public accounting firm (on behalf of Tenant) who is hired by Tenant on a non-contingent fee basis, offers a full range of accounting services and is otherwise reasonably approved by Landlord, shall have the right, during regular business hours, at the management office for the Building and after giving at least fifteen (15) days' advance written notice to Landlord, to commence to have Landlord's books and records related to Operating Charges and Real Estate Taxes (collectively, "Pass-Throughs") for the immediately preceding calendar year (or portion thereof) reviewed (and if so commenced, to continuously, expeditiously and diligently pursue such review to completion), provided that such review shall be concluded not later than one hundred eighty (180) days following the date of Tenant's receipt of the applicable Reconciliation Statement for the year to which such review relates and that substantially all of the communications with Landlord (and Landlord's representatives) in connection with the review shall be conducted by an employee of Tenant. If Landlord disagrees in good faith with the results of Tenant's review and Landlord and Tenant cannot otherwise agree on the amount of Pass-Throughs payable by Tenant for the calendar year reviewed, then Landlord and Tenant's auditor shall together select a neutral auditor of similar qualifications to conduct a review of such books and records (the fees of such neutral auditor to be shared equally by Landlord and Tenant), and the determination of Pass-Throughs reached by such neutral auditor shall be final and conclusive. If the amounts paid by Tenant to Landlord on account of Pass-Throughs (a) exceed the amounts to which Landlord is entitled hereunder, then Landlord shall, upon final determination, credit the amount of such excess toward the next monthly payment(s) of Pass-Throughs and Base Rent due hereunder, or (b) are less than the amounts to which Landlord is entitled hereunder, then Tenant shall pay such

deficiency as additional rent within thirty (30) days following receipt of a written invoice therefor. All costs and expenses of any such review shall be paid by Tenant; provided, however, that if the amount of Operating Charges used in such statement to calculate Tenant's Proportionate Share of Operating Charges (but not Real Estate Taxes) was overstated by Landlord by more than five percent (5%), Landlord shall reimburse Tenant for the commercially reasonable, out-of-pocket hourly or flat fee costs and expenses paid by Tenant in connection with Tenant's review (not to exceed \$5,000 in total). Any and all information obtained through any review (including, without limitation, any matters pertaining to Landlord, its managing agent, or the Building), and any compromise, settlement or adjustment that may be proposed or reached between Landlord and Tenant, shall be held in strict confidence, and neither Tenant nor any of Tenant's Agents shall disclose any such information to any person or entity other than a Permitted Recipient on a need-to-know basis. A "Permitted Recipient" shall be the officers, partners and employees of Tenant who are involved in lease administration, Tenant's certified public accountants who have responsibilities related to Pass-Throughs, Tenant's attorney if involved in the dispute, any employees of Tenant's auditor involved with the review, or any person or entity to whom disclosure is required by applicable judicial or governmental authority. Prior to disclosing any such information to any Permitted Recipient (including its auditor), Tenant shall instruct such Permitted Recipient to abide by this confidentiality provision. Notwithstanding anything herein to the contrary, if Tenant does not notify Landlord in writing of any objection to any Reconciliation Statement within ninety (90) days after receipt thereof, then Tenant shall be deemed to have waived any such objection and shall have no right to review pursuant to this subsection.

ARTICLE VI USE OF PREMISES

6.1 Tenant shall use and occupy the Premises solely for general (non-medical and non-governmental) office purposes compatible with first class office buildings in the Building's submarket, and for no other use or purpose. Tenant shall not use or occupy the Premises for any unlawful purpose, or in any manner that will violate the certificate of occupancy for the Premises or the Building, or that will constitute waste, nuisance or unreasonable annoyance to Landlord or any other tenant or user of the Building, or in any manner that will increase the number of parking spaces required for the Building or its full occupancy as required by applicable Law (as defined below). To Landlord's knowledge, Tenant's occupancy of the Premises for the purposes set forth in Section 6.1 will not violate the Certificate of Occupancy for the Building or increase the required number of parking spaces for the Building. Following Landlord's delivery of the Premises to Tenant in compliance with all applicable Laws (including, without limitation, the ADA, as required in this Section 6.1), Tenant shall comply with all present and future laws (including, without limitation, Environmental Laws (as hereinafter defined), the Americans with Disabilities Act and the regulations promulgated thereunder (the "ADA"), ordinances (including without limitation, zoning ordinances and land use requirements), regulations, orders and recommendations (including, without limitation, those made by any public or private agency having authority over insurance rates) (collectively, "Laws") concerning the use, occupancy and condition of the Premises and all machinery, equipment, furnishings, fixtures and improvements therein, all of which shall be complied with in a timely manner at Tenant's sole expense. If any such Law requires an occupancy or use permit or license for the Premises or the operation of the business conducted therein or requires Tenant's employees to obtain licenses or permits to conduct

business in the Premises, then Tenant shall obtain (prior to the date required under applicable Laws) and keep current such permits or licenses at Tenant's expense and shall promptly deliver a copy thereof to Landlord. Notwithstanding the foregoing, Landlord, at its expense (subject to reimbursement pursuant to Article V, if and to the extent permitted thereby), shall take steps to comply with Laws (including, without limitation, the ADA, building and fire codes, and Environmental Laws) to the extent the same apply directly to the Building Structure and Systems (as hereinafter defined) and common areas of the Building as a whole; provided, however, that to the extent any non-compliance is a result of Tenant's particular use or occupancy of the Premises (as opposed to office use generally) or any negligence or willful misconduct of Tenant or any Agent, or if any improvements made by Landlord to comply with such Laws solely benefit the Premises (and not any other premises) and are atypical of those performed for similarly situated tenants, then such compliance shall be at Tenant's cost. Without limiting the generality of any of the foregoing, Tenant, at its expense, shall install and maintain fire extinguishers and other fire protection devices as may be required with respect to Tenant's use of the Premises from time to time by any agency having jurisdiction thereof and/or the underwriters insuring the Building, and Tenant, at its sole cost and expense, shall be solely responsible for taking any and all measures which are required to comply with the ADA concerning the Premises (including suite entry doors and related items) and the business conducted therein. Any Alterations made or constructed by or for Tenant for the purpose of complying with the ADA or which otherwise require compliance with the ADA shall be done in accordance with this Lease; provided, that Landlord's consent to such Alterations shall not constitute either Landlord's assumption, in whole or in part, of Tenant's responsibility for compliance with the ADA, or representation or confirmation by Landlord that such Alterations comply with the provisions of the ADA. Use of the Premises is subject to all covenants, conditions and restrictions of record. Tenant shall not use any space in the Building or the Land for the sale of goods to the public at large or for the sale at auction of goods or property of any kind. Tenant shall not conduct any operations, sales, promotions, advertising or special events outside the Premises, in the Building or on the Land. Except as otherwise expressly provided in this Lease to the contrary, Tenant shall not be required to (i) pay for any structural alterations unless resulting from Tenant's particular special use of the Premises (as opposed to general office use) except as may be permitted pursuant to Section 5.2(b); (ii) pay for the removal of any Hazardous Materials installed by a party other than Tenant, its agents, employees, contractors or invitees, (iii) correct or cure any defect or deficiency in any work performed by Landlord or with respect to the base Building systems, or (iv) perform any work or alteration triggered solely by reason of the performance by Landlord, or another occupant of the Building, of any alterations or improvements at the Building.

6.2 Tenant shall pay before delinquency any business, rent or other taxes or fees that are now or hereafter levied, assessed or imposed upon Tenant's use or occupancy of the Premises, the conduct of Tenant's business at the Premises, or Tenant's equipment, fixtures, furnishings, inventory or personal property. If any such tax or fee is enacted or altered so that such tax or fee is levied against Landlord or so that Landlord is responsible for collection or payment thereof, then Tenant shall pay as additional rent the amount of such tax or fee, plus any delinquency fees or professional fees related thereto.

6.3 Tenant shall not allow, cause or permit any Hazardous Materials to be generated, used, treated, released, stored or disposed of in or about the Building or the Land, provided that

Tenant may use and store normal and reasonable quantities of standard cleaning and office materials in the Premises as may be reasonably necessary for Tenant to conduct normal general office use operations in the Premises so long as such materials are properly, safely and lawfully stored and used by Tenant and the quantity of same does not equal or exceed a "reportable quantity" as defined in 40 C.F.R. 302 and 305, as amended. At the expiration or earlier termination of this Lease, with respect to conditions existing on account of Tenant's use or occupancy of the Premises or any action or inaction of Tenant or any Agent of Tenant (it being understood that the term "inaction" as used in this Section shall not impose upon Tenant any obligation to remove Hazardous Materials existing in the Premises as of the Lease Commencement Date which were introduced into the Premises by anyone other than Tenant or any Agent of Tenant, unless such condition is knowingly aggravated as a result of Tenant's use or occupancy of the Premises), Tenant shall surrender the Premises to Landlord free of Hazardous Materials and in compliance with all Environmental Laws. "Hazardous Materials" means (a) asbestos and any asbestos containing material and any substance that is then defined or listed in, or otherwise classified pursuant to, any Environmental Law or any other applicable Law as a "hazardous substance," "hazardous material," "hazardous waste," "infectious waste," "toxic substance," "toxic pollutant" or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, or Toxicity Characteristic Leaching Procedure (TCLP) toxicity, including toxic mold, (b) any petroleum and drilling fluids, produced waters, and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources, and (c) any petroleum product, polychlorinated biphenyls, urea formaldehyde, radon gas, radioactive material (including any source, special nuclear, or by-product material), medical waste, chlorofluorocarbon, lead or lead-based product, and any other substance whose presence could be detrimental to the Building or the Land or hazardous to health or the environment. "Environmental Law" means any present and future Law and any amendments (whether common law, statute, rule, order, regulation or otherwise), permits and other requirements or guidelines of governmental authorities applicable to the Building or the Land and relating to the environment and environmental conditions or to any Hazardous Material (including, without limitation, CERCLA, 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. § 300f et seq., the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. § 1101 et seq., the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq., and any so-called "Super Fund" or "Super Lien" law, any Law requiring the filing of reports and notices relating to hazardous substances, environmental laws administered by the Environmental Protection Agency, and any similar state and local Laws, all amendments thereto and all regulations, orders, decisions, and decrees now or hereafter promulgated thereunder concerning the environment, industrial hygiene or public health or safety). Tenant shall: (i) give Landlord immediate verbal and follow-up written notice of any actual or threatened Environmental Default with respect to conditions existing on account of Tenant's use or occupancy of the Premises or any action or inaction of Tenant or any Agent of Tenant, which Environmental Default Tenant shall cure in accordance with all Environmental Laws and only after Tenant has obtained Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed; and

(ii) promptly deliver to Landlord copies of any notices or other items received from or submitted to any governmental or quasi-governmental agency, or any claim instituted or threatened by any third party, concerning the Premises, the occupancy or use thereof, or the existence or potential existence of Hazardous Materials therein. Upon any Environmental Default, in addition to all other rights available to Landlord under this Lease, at law or in equity, Landlord shall have the right but not the obligation to immediately enter the Premises, to supervise and approve any actions taken by Tenant to address the Environmental Default, and, if Tenant fails to promptly address same in accordance with this Lease, to perform, with respect to conditions existing on account of Tenant's use or occupancy of the Premises or any action or inaction of Tenant or any Agent of Tenant, at Tenant's sole cost and expense, any lawful action necessary to address same. "Environmental Default" means any of the following by Tenant or any Agent of Tenant: a violation of an Environmental Law; a release, spill or discharge of a Hazardous Material on or from the Premises, the Land or the Building in violation of the terms of this Lease; an environmental condition requiring responsive action pursuant to applicable Environmental Law; or an emergency environmental condition. Landlord represents that it has not received any notice of violation of any Environmental Law which remains uncured, and that, to its current actual knowledge, no Hazardous Substances (other than standard quantities of standard building cleaning, maintenance and repair materials or other de minimis amounts of same) are present in the Premises or the Building that would materially adversely affect the Premises or Tenant's access thereto or are in violation of any Environmental Law. Upon Landlord's receipt of any such notice from the applicable authority, Landlord, at its sole cost and expense (except that such cost or expense shall become an Operating Charge to the extent permitted by Article V), shall use reasonable efforts to make any repairs, changes or additions to the Premises or the Building required to be made pursuant to such notice, so long as such repairs, changes or additions are required in connection with Landlord's operation and management of the Building as a whole and not due to the particular use or occupancy (if different from general office use) of the Premises or the machinery, equipment or furnishings owned or used by Tenant therein.

ARTICLE VII

ASSIGNMENT AND SUBLETTING

7.1 Tenant shall not assign, transfer or otherwise encumber (collectively, "assign") this Lease or all or any of Tenant's rights hereunder or interest herein, or sublet, license or otherwise permit anyone to use or occupy (collectively, "sublet") the Premises or any part thereof, without obtaining the prior written consent of Landlord, which consent may be withheld or granted in Landlord's sole and absolute discretion (subject to the remainder of this Article VII). Notwithstanding any of the foregoing to the contrary, provided no Event of Default exists under this Lease, and subject to Landlord's rights and Tenant's obligations pursuant to Sections 7.3, 7.4 and 7.5 below, Landlord shall not unreasonably withhold, condition or delay its consent to any proposed subletting of the entire or any portion of the Premises or assignment of this Lease in its entirety. For purposes of the immediately preceding sentence, it shall be reasonable for Landlord to withhold its consent if, for example: (i) the proposed subtenant or assignee is engaged in a business, or the Premises will be used in a manner, that is inconsistent with the first-class image of the Building; or (ii) Landlord is not reasonably satisfied with the financial condition of the proposed subtenant or assignee, taking into account the remaining obligations under this Lease and the proposed sublease obligations, as well as any continued liability of Tenant under this

Lease, as applicable; or (iii) the proposed use of the Premises is not in compliance with Article VI or is not compatible with the other uses within, and the terms of other leases with respect to, the Building; or (iv) [reserved]; or (v) the initial Tenant does not remain fully liable as a primary obligor for the payment of all rent and other charges payable by Tenant under this Lease and for the performance of all other obligations of Tenant under this Lease; or (vi) the proposed subtenant or assignee is a governmental or quasi-governmental agency; or (vii) the holders of Mortgages encumbering the Building shall fail to consent where such consent is required under the applicable Mortgage documents (Landlord hereby agreeing to use commercially reasonable efforts to obtain such consent if Landlord approves such transaction); or (viii) the proposed subtenant or assignee is either (A) an existing tenant of the Building (or any parent, subsidiary or affiliate thereof) if Landlord has adequate space available in the Building for a comparable term, or (B) for a period of ninety (90) days following the submission of a written proposal for the lease of space (and thereafter if a mutual agreement such as a letter of intent is executed within such period), any other person or entity with which Landlord is in the process of negotiating for the rental of space in the Building. No assignment or right of occupancy hereunder may be effectuated by operation of law or otherwise without the prior written consent of Landlord. Any attempted assignment, transfer, or other encumbrance of this Lease or all or any of Tenant's rights hereunder or interest herein, any sublet or permission to use or occupy the Premises or any part thereof not in accordance with this Article VII, shall be void and of no force or effect. Any assignment or subletting, Landlord's consent thereto, the listing or posting of any name other than Tenant's, or Landlord's collection or acceptance of rent from any assignee or subtenant shall not be construed either as waiving or releasing Tenant from any of its liabilities or obligations under this Lease as a principal and not as a guarantor or surety, or as relieving Tenant or any assignee or subtenant from the obligation of obtaining Landlord's prior written consent to any subsequent assignment or subletting. As security for this Lease, Tenant hereby assigns to Landlord the rent due from any assignee or subtenant of Tenant. During any period that there exists an uncured Event of Default under this Lease, Tenant hereby authorizes each such assignee or subtenant to pay said rent directly to Landlord upon receipt of notice from Landlord specifying same. Landlord's collection of such rent shall not be construed as an acceptance of such assignee or subtenant as a tenant. Tenant shall not mortgage, pledge, hypothecate or encumber (collectively "mortgage") this Lease without Landlord's prior written consent, which consent may be granted or withheld in Landlord's sole and absolute discretion. Except in connection with any assignment or sublet to an Affiliate of Tenant as permitted under Section 7.2(b), Tenant shall pay to Landlord an administrative fee equal to One Thousand Dollars (\$1,000) plus all other all reasonable, out-of-pocket, third party expenses (including reasonable attorneys' fees and accounting costs), up to a maximum of Five Thousand Dollars (\$5,000) in the aggregate for any one (1) such request for consent, incurred by Landlord in connection with Tenant's request for Landlord to give its consent to any assignment, subletting, or mortgage, and Landlord's receipt of such sum shall be a condition to Landlord providing such consent. Any sublease, assignment or mortgage shall, at Landlord's option, be effected on forms reasonably approved by Landlord. Tenant shall deliver to Landlord a fully-executed copy of each agreement evidencing a sublease, assignment or mortgage, and Landlord's consent thereto, within ten (10) days after execution thereof.

7.2 (a) If Tenant is or becomes a partnership or a limited liability company, then any event (whether voluntary, concurrent or related) resulting in a dissolution of Tenant, any withdrawal or change (whether voluntary, involuntary or by operation of law) of the partners or

members, as applicable, owning a controlling interest in Tenant (including each general partner or manager, as applicable), or any structural or other change having the effect of limiting the liability of the partners shall be deemed a prohibited assignment of this Lease subject to the provisions of this Article. If Tenant is or becomes a corporation or a partnership with a corporate general partner, then any event (whether voluntary, concurrent or related) resulting in a dissolution, merger, consolidation or other reorganization of Tenant (or such corporate general partner), or the sale or transfer or relinquishment of the interest of shareholders who, as of the date of this Lease, own a controlling interest of the capital stock of Tenant (or such corporate general partner), shall be deemed a prohibited assignment of this Lease subject to the provisions of this Article; provided, however, that if Tenant is a corporation whose stock is traded through a national or regional exchange or over-the-counter market, then the foregoing portion of this sentence shall be applicable only if such event has or is intended to have the effect of limiting liability under this Lease.

(b) Notwithstanding anything contained in this Article VII to the contrary, provided no uncured Event of Default exists hereunder, Tenant may, upon not less than ten (10) days' prior written notice to Landlord (which notice shall contain a written certificate from Tenant, signed by an authorized representative of Tenant, containing a representation as to the true, correct and complete legal and beneficial relationship of Tenant and the proposed assignee, transferee or subtenant) but without Landlord's prior written consent and without being subject to Landlord's rights and Tenant's obligations set forth in Sections 7.4 and 7.5 below, assign or transfer its entire interest in this Lease or sublease the entire or any portion of the Premises to any of the following (each, an "Affiliate"): (i) to a corporation or other business entity (herein sometimes referred to as a "successor corporation") into or with which Tenant shall be merged or consolidated, or to which substantially all of the assets or ownership interests of Tenant may be transferred or sold, provided that such successor corporation shall have a net worth and liquidity factor at least equal to the net worth and liquidity factor of Tenant as of the date hereof or otherwise reasonably acceptable to Landlord taking into account the fact that the original Tenant under this Lease is not being released, and provided that the successor corporation shall assume in writing all of the obligations and liabilities of Tenant under this Lease and the proposed use of the Premises is in compliance with Article VI; or (ii) to a corporation or other business entity (herein sometimes referred to as a "related corporation") which shall control, be controlled by or be under common control with Tenant, provided that in the event of an assignment, such related corporation shall assume in writing all of the obligations and liabilities of Tenant under this Lease (without relieving Tenant therefrom) (and in the event of a sublease, such related corporation shall be obligated to perform all obligations of Tenant under this Lease (except for the payment of rent), without relieving Tenant therefrom) and the proposed use of the Premises is in compliance with Article VI. In the event of any such assignment or subletting, Tenant shall remain fully liable as a primary obligor for the payment of all rent and other charges required hereunder and for the performance of all obligations to be performed by Tenant hereunder. For purposes of clause (ii) above, "control" shall be deemed to be ownership of more than fifty percent (50%) of the stock or other voting interest of the controlled corporation or other business entity. Notwithstanding the foregoing, if Tenant structures one or more assignment or sublease transactions to an entity that meets the definition of an Affiliate as specified above for the purpose of circumventing the restrictions on subleases and assignments provided elsewhere in this Article VII, then such subtenant(s) or assignee(s) shall conclusively be deemed not to be an Affiliate and subject to all

such restrictions. For the avoidance of doubt, in no event shall any transfer to an Affiliate pursuant to the terms of this paragraph entitle Landlord to either recapture the Premises or terminate this Lease, in whole or in part, nor entitle Landlord to receive any fees or charges in connection therewith.

7.3 If at any time during the Lease Term Tenant desires to assign, sublet or mortgage all or part of this Lease or the Premises, then in connection with Tenant's request to Landlord for Landlord's consent thereto, Tenant shall give notice to Landlord in writing ("Tenant's Request Notice") containing: the identity of the proposed assignee, subtenant or other party and a description of its business; the terms of the proposed assignment, subletting or other transaction (including a copy of the proposed document for same); the anticipated commencement date of the proposed assignment, subletting or other transaction (the "Proposed Sublease Commencement Date"); the area proposed to be assigned, sublet or otherwise encumbered (the "Proposed Sublet Space"); audited financial statements for the prior two (2) years certified by an authorized officer of Tenant or a certified public accounting firm, or other evidence of financial responsibility of such proposed assignee, subtenant or other party; and a certification executed by Tenant and such party stating whether or not any premium or other consideration is being paid for the assignment, sublease or other transaction. Landlord shall advise Tenant in writing of its decision to grant or withhold its consent to any proposed subletting or assignment (with reasonable specificity as to any disapproval) within twenty (20) business days after Landlord's receipt of Tenant's Request Notice and all information required hereunder in connection therewith.

7.4 If the proposed term with respect to the Proposed Sublet Space is either (i) longer than seventy five percent (75%) of the then remaining Lease Term or (ii) to extend (including any renewal or extension options) beyond the first (1st) day of the eighteenth (18th) calendar month before the then scheduled expiration of the Lease Term, or if the Proposed Sublet Space is (or, when aggregated with other space being sublet by Tenant, will be) more than fifty percent (50%) of the rentable area of the Premises, then Landlord shall have the right in its sole and absolute discretion to terminate this Lease with respect to the Proposed Sublet Space by sending Tenant written notice of such termination within twenty (20) business days after Landlord's receipt of Tenant's Request Notice. Notwithstanding the foregoing to the contrary, if Landlord sends Tenant a written notice pursuant to the preceding sentence indicating Landlord's intention to terminate this Lease with respect to the Proposed Sublet Space, then Tenant shall have the right, to be exercised by written notice to Landlord provided within five (5) business days after receipt of Landlord's recapture notice, to withdraw Tenant's Request Notice. If the Proposed Sublet Space does not constitute the entire Premises and Landlord exercises its option to terminate this Lease with respect to the Proposed Sublet Space (and Tenant does not timely withdraw Tenant's Request Notice as provided above), then (a) Tenant shall tender the Proposed Sublet Space to Landlord on the Proposed Sublease Commencement Date and such space shall thereafter be deleted from the Premises, and (b) as to that portion of the Premises which is not part of the Proposed Sublet Space, this Lease shall remain in full force and effect except that Base Rent and additional rent shall be reduced pro rata. Fifty percent (50%) of the cost of any construction required to permit the operation of the Proposed Sublet Space separate from the balance of the Premises shall be paid by Tenant to Landlord as additional rent hereunder. If the Proposed Sublet Space constitutes the entire Premises and Landlord elects to terminate this Lease (and Tenant does not timely withdraw Tenant's Request Notice as provided above), then Tenant shall tender the Proposed Sublet Space

to Landlord, and this Lease shall terminate, on the Proposed Sublease Commencement Date. The terms of this Section 7.4 shall not be applicable with respect to an assignment or sublease to an Affiliate as permitted pursuant to Section 7.2(b).

7.5 Except in connection with any assignment or sublet to an Affiliate of Tenant as permitted pursuant to Section 7.2(b), if any sublease or assignment (whether by operation of law or otherwise, including without limitation an assignment pursuant to the provisions of the Bankruptcy Code or any other Insolvency Law) provides that the subtenant or assignee thereunder is to pay any amount (other than sums paid on account of Tenant's business operations, services provided by Tenant or Tenant's personal property, if applicable) in excess of the sum of (a) the rent and other charges due under this Lease, plus (b) the reasonable out-of-pocket expenses (excluding, however, any costs attributable to vacancy periods or "downtime"), which Tenant reasonably incurred in connection with the procurement of such sublease, assignment or other transfer, then whether such net excess be in the form of (i) an increased monthly or annual rental, or (ii) a lump sum payment, payment for the sale, transfer or lease of Tenant's fixtures, leasehold improvements, furniture and other personal property, or any other form of payment which is materially in excess of the market value thereof, but only to the extent any of the foregoing are "disguised" rental payments (and if the subleased or assigned space does not constitute the entire Premises, the existence of such excess shall be determined on a pro-rata basis), then in either such case, Tenant shall pay to Landlord, along with the next monthly installment of Base Rent due, fifty percent (50%) of any such net excess or other premium applicable to the sublease or assignment, which amount shall be calculated and paid by Tenant to Landlord on a monthly basis as additional rent (it being understood that Landlord is not intending to receive any amounts which are considered to be based on the income of Tenant or any subtenant or assignee). Acceptance by Landlord of any payments due under this Section shall not be deemed to constitute approval by Landlord of any sublease or assignment, nor shall such acceptance waive any rights of Landlord hereunder. Landlord shall have the right, upon reasonable prior notice to Tenant and at reasonable times, to inspect and audit Tenant's books and records solely to the extent relating to any sublease or assignment.

7.6 All restrictions and obligations imposed pursuant to this Lease on Tenant shall be deemed to extend to any subtenant, assignee, licensee, concessionaire or other occupant or transferee, and Tenant shall cause such person to comply with such restrictions and obligations. Any assignee shall be deemed to have assumed obligations as if such assignee had originally executed this Lease and at Landlord's request shall execute promptly a document confirming such assumption. Each sublease is subject to the condition that if the Lease Term is terminated or Landlord succeeds to Tenant's interest in the Premises by voluntary surrender or otherwise, at Landlord's option the subtenant shall be bound to Landlord for the balance of the term of such sublease and shall attorn to and recognize Landlord as its landlord under the then executory terms of such sublease.

ARTICLE VIII MAINTENANCE AND REPAIRS

8.1 Except for and to the extent of the express obligations of Landlord pursuant to Section 8.2 below, Tenant, at Tenant's sole cost and expense, shall promptly make all repairs and

replacements, and perform all maintenance in and to the Premises to keep the Premises in good operating condition and repair, in a clean, safe and tenantable condition, well-ventilated and moisture-controlled, and otherwise in accordance with all Laws and the requirements of this Lease. Tenant shall also maintain, repair and replace all fixtures, furnishings and equipment located in, or exclusively serving, the Premises in clean, safe and sanitary condition, shall take good care thereof and make all required repairs and replacements thereto. Without limiting the generality of the foregoing, Tenant shall maintain throughout the Lease Term, at Tenant's sole cost and expense, all non-Building standard supplemental heating, ventilation and air conditioning equipment and systems serving exclusively the Premises, and any special tenant areas, facilities and finishes, special fire protection equipment, telecommunications and computer equipment, kitchen/galley equipment and fixtures, all other furniture, furnishings, equipment and systems of Tenant and all Alterations (collectively, "Tenant Items") and shall keep in force commercially reasonable maintenance and service contracts therefor. Tenant shall give Landlord prompt written notice of any defects or damage to the structure of, or equipment or fixtures in, the Building or any part thereof, or any mold or moisture condition, of which Tenant has knowledge. Tenant shall suffer no waste or injury to any part of the Premises, and shall, at the expiration or earlier termination of the Lease Term, surrender the Premises in an order and condition equal to or better than that on the Lease Commencement Date, except for ordinary wear and tear and as otherwise provided in Article XIII or Article XVII. Except as otherwise provided in Article XVII, all injury, breakage and damage to the Premises and to any other part of the Building or the Land caused by any act or omission of any agent, employee, subtenant, assignee, contractor, client, family member, licensee, customer, invitee or guest of Tenant (collectively, "Agents") or Tenant, shall be repaired by and at Tenant's expense, except that if either an emergency condition exists or the Lease Term has expired or Tenant fails to commence and diligently prosecute to completion repair of any such injury, breakage or damage within a reasonable period (not to exceed ten (10) business days) following Tenant's receipt of notice from Landlord, then Landlord shall have the right at Landlord's option to make any such repair and to charge Tenant for all actual and commercially reasonable costs and expenses incurred in connection therewith. Landlord shall provide and install replacement tubes for Building standard fluorescent light fixtures (subject to reimbursement pursuant to Article V). All other bulbs and tubes for the Premises shall be provided and installed at Tenant's expense.

8.2 Except as otherwise provided in this Lease and subject to normal wear and tear, Landlord at its expense (subject to reimbursement pursuant to Article V if and to the extent permitted thereby) shall keep the exterior and common area walls, main lobby in the Building, slab floors, exterior windows, load bearing elements, elevator shafts, footings, floor slabs, foundations, roof, roof membrane and common areas that form a part of the Building, and the building standard mechanical, fire and life safety, water, electrical, HVAC (including but not limited to perimeter heat pumps) HVAC units and plumbing systems, pipes and conduits that are provided by Landlord in the operation of the Building (collectively, the "Building Structure and Systems"), clean and in good operating condition, in accordance with the Comparable Standard (as defined below), and, promptly after becoming aware of any item needing repair or replacement, will make such repair or replacement thereto. Notwithstanding any of the foregoing to the contrary: (a) maintenance and repair of all Tenant Items shall be the sole responsibility of Tenant and shall be deemed not to be a part of the Building Structure and Systems; and (b) subject to the subrogation provisions of this Lease, Landlord shall have no obligation to make any repairs whatsoever brought about by any act or omission of Tenant or any Agent.

ARTICLE IX
ALTERATIONS

9.1 (a) Tenant shall accept the Premises in its "as is" condition as of the Lease Commencement Date. Landlord shall deliver the Premises in "broom clean" condition. Landlord is under no obligation to make any structural or other alterations, decorations, additions, installations, demolitions, improvements or other changes (collectively, "Alterations") in or to the Premises or the Building except as may be otherwise expressly provided in this Lease.

(b) Provided that no Event of Default by Tenant has occurred, and Tenant has commenced beneficial use of the Premises, Landlord shall, at Tenant's written request, which request shall be made on or before the first anniversary of the Lease Commencement Date and shall include copies of invoices or receipts therefor and any other information relating to the expenses for which reimbursement is being sought as may be reasonably requested by Landlord) provide Tenant with an allowance (the "Allowance") up to a total amount equal Thirty-Seven Thousand Five Hundred Dollars (\$37,500.00) (i.e., the product of Ten Dollars (\$10.00) and the rentable square feet in the Premises) to reimburse Tenant for costs and expenses related to the installation of Cabling, its relocation expenses incurred in connection with relocating into the Premises, and the performance of any Alterations made in accordance with this Lease (including Section 9.2 hereof) by or on behalf of Tenant at the Premises. Landlord shall have no duty to reimburse Tenant for the cost of any Alterations until receipt by Landlord of a certificate of completion from Tenant's architect (which includes certification that the plans and specifications for such Alterations (if applicable) comply with applicable codes, regulations and laws) and lien waivers from Tenant's contractor, and further provided that: (A) the work and materials for which payment is requested are in complete accordance with the final working drawings approved by Landlord, if any; (B) the work for which payment is requested has been performed both by a contractor and in accordance with a construction contract approved by Landlord, if applicable; and (C) the work and materials for which payment is requested have been physically incorporated into the Premises, free of any security interest, lien or encumbrance fully in accordance with Article IX. Notwithstanding anything above to the contrary, Landlord shall have the right to apply portions of the Allowance towards the construction supervision fee and expenses incurred by Landlord in reviewing the plans and drawings for such Alterations, as provided herein. Tenant shall not be entitled to any credit, cash or otherwise, for any unused portion of the Allowance.

9.2 Tenant shall not make or permit anyone to make any Alterations in or to the Premises or the Building, without the prior written consent of Landlord, which consent may be withheld or granted in Landlord's sole and absolute discretion with respect to structural Alterations and those non-structural Alterations which are visible from the exterior of the Premises, and which consent shall not be unreasonably withheld, conditioned or delayed with respect to (i) the replacement by Tenant of existing walls within the Premises with Tenant's demountable wall systems, provided that Tenant shall include, with its request for approval, product information for any such wall replacement Alterations (the "Wall Alterations") and (ii) all other non-structural Alterations. Structural Alterations shall be deemed to include, without limitation, any Alteration that will or may necessitate any changes, replacements or additions to the load-bearing or exterior walls, non-drop (i.e., the deck structure) ceilings, partitions (load-bearing or demising), columns or floor, or to the fire protection, water, sewer, waterproofing, windows, building skin, vertical

transportation system, security, electrical, mechanical, plumbing, HVAC or any other base building systems, of the Premises or the Building. Notwithstanding the foregoing, Tenant shall have the right to make Cosmetic Changes (as defined below) within the Premises without requiring the consent of Landlord. "Cosmetic Changes" shall mean those minor, non-structural Alterations of a decorative nature consistent with a first-class office building for which a building permit is not required and which cost (including installation) in the aggregate less than Fifty Thousand Dollars (\$50,000) per project or series of related projects (as reasonably determined by Landlord), such as, but not limited to, painting, carpeting and hanging pictures. Any Alterations made by Tenant shall be made: (a) in a good, workerlike, first-class and prompt manner; (b) using new or comparable materials only; (c) by a contractor reasonably approved in writing by Landlord (and upon Landlord's request, Tenant shall deliver to Landlord a copy of the fully executed contract between Tenant and such contractor); (d) on days and at times reasonably approved in writing by Landlord; (e) other than with respect to Cosmetic Changes, under the supervision of an architect reasonably approved in writing by Landlord; (f) other than with respect to Cosmetic Changes, in accordance with plans and specifications reasonably acceptable to Landlord, which plans and specifications shall be approved in writing by Landlord and Tenant shall reimburse Landlord for all actual, commercially reasonable out of pocket costs incurred by Landlord in connection therewith; (g) in accordance with all Laws (including all required permits and authorizations) and in compliance with the Rules and Regulations for Contractors attached hereto as Exhibit B and the Building rules and regulations and Landlord's standard operating procedures as adopted by Landlord from time to time; (h) if required by the applicable Mortgage, after having obtained any required consent of the holder of any Mortgage; (i) after obtaining public liability, commercial general liability insurance on a primary and non-contributory basis with contractual liability coverage, worker's compensation, and other than with respect to Cosmetic Changes, builders' risk insurance for the full value of the portion of the Alterations to be performed by such contractor, which policies shall cover every person who will perform any work with respect to such Alteration, and name Landlord, Landlord's managing agent, and any Mortgagees as additional insureds; (j) with the obligation for Tenant to obtain and deliver to Landlord written, unconditional full or partial (as applicable) waivers of mechanics' and materialmen's liens against the Premises and the Building for all work, labor and services to be performed and materials to be furnished within ten (10) business days after the applicable portion of the Alterations are completed; (k) upon request, in connection with projects costing in excess of One Hundred Thousand Dollars (\$100,000), after Tenant has delivered to Landlord documentation reasonably satisfactory to Landlord evidencing Tenant's financial ability to complete the Alteration in accordance with the provisions of this Lease (including, without limitation, a payment or performance bond); and (l) after delivery to Landlord of certificates (in form and substance reasonably acceptable to Landlord) evidencing the insurance requirements of (i) above, the requirements of Article XIII, and any additional documents or materials related to such Alterations as required by Landlord's insurance carrier. If any lien (or a petition to establish such lien) is filed in connection with any Alteration made by or on behalf of Tenant, such lien (or petition) shall be discharged by Tenant within ten (10) business days thereafter, at Tenant's sole cost and expense, by the payment thereof or by the filing of a reasonably acceptable bond. If Landlord gives its consent to the making of any Alteration, such consent shall not be deemed to be an agreement or consent by Landlord to subject its interest in the Premises or the Building to any liens which may be filed in connection therewith. Any Alterations made or constructed by Tenant for the purpose of complying with the ADA or which otherwise require

compliance with the ADA shall be done in accordance with this Lease; provided that Landlord's consent to such Alterations shall not constitute either Landlord's assumption, in whole or in part, of Tenant's responsibility for compliance with the ADA, or representation or confirmation by Landlord that such Alterations comply with the provisions of the ADA. Tenant acknowledges that any Alterations are accomplished for Tenant's account, Landlord having no obligation or responsibility in respect thereof. Landlord's approval of any plans and drawings (and changes thereto) regarding any Alterations or any contractor or subcontractor performing such Alterations shall not constitute Landlord's representation that such approved plans, drawings, changes or Alterations comply with all Laws. Any deficiency in design or construction, although same had prior approval of Landlord, shall be solely the responsibility of Tenant. All Alterations involving structural, electrical, mechanical or plumbing work, the heating, ventilation and air conditioning system of the Premises or the Building, fire and life safety system, the roof of the Building or any areas outside of the Premises shall, at Landlord's election, be performed by Landlord's designated contractor or subcontractor at Tenant's expense (provided the cost therefor is competitive). In connection with any Alteration other than Cosmetic Changes, Landlord (or Landlord's agent in Landlord's sole discretion) shall be paid a construction supervision fee in an amount equal to three percent of the total hard cost of such Alteration. Promptly after the completion of an Alteration (other than Cosmetic Changes), Tenant at its expense shall deliver to Landlord three (3) sets of accurate as-built (or record) drawings and CAD files showing such Alteration in place. Notwithstanding anything contained in this Lease to the contrary, the performance of any Alterations pursuant to the provisions of this Article IX or of any other provisions of this Lease or the Exhibits hereto shall not be done in a manner which would violate any union contracts affecting the Building, or by which Landlord is bound, or create any work stoppage, picketing, labor disruption, disharmony or dispute or any interference with the business of Landlord or any tenant or occupant of the Building. Tenant shall immediately stop the performance of any Alterations or other activity if Landlord notifies Tenant that continuing such Alteration or activity would violate any union contracts affecting the Building, or by which Landlord is bound, or create any work stoppage, picketing, labor disruption, disharmony or dispute or any interference with the business of Landlord or any tenant or occupant of the Building.

9.3 If any Alterations that require Landlord's consent are made without the prior written consent of Landlord, then, if either an emergency condition exists, or the Lease Term has expired, or Tenant fails to commence and diligently prosecute to completion, removal and correction of such Alterations and restoration of the Premises and the Building to their condition immediately prior thereto within a reasonable period (not to exceed ten (10) days) following Tenant's receipt of notice from Landlord, Landlord shall have the right, at Tenant's expense, to so remove and correct such Alterations and restore the Premises and the Building. All Alterations to the Premises or the Building made by either party shall immediately become the property of Landlord and shall remain upon and be surrendered with the Premises as a part thereof at the expiration or earlier termination of the Lease Term; provided, however, that (a) if Tenant is not in default under this Lease, then Tenant shall have the right to remove, prior to the expiration or earlier termination of the Lease Term, all movable furniture, furnishings and equipment installed in the Premises solely at the expense of Tenant, and (b) Tenant shall remove at its expense all Alterations and other items (including any telecommunications, security, data, computer and similar equipment, cabling and wiring) in the Premises or the Building which Landlord requests and designates in writing for removal. Landlord shall make such designation promptly after receipt of a written request by

Tenant given with Tenant's request for Landlord's approval of such Alteration. Notwithstanding the foregoing, Tenant shall not be required to remove: (x) Alterations consisting of standard buildout items that are typically installed by similar tenants in multi-tenanted, multi-story, first class office buildings (such as partitions, but not interior staircases, for example, with the understanding that Tenant shall have the option to either leave the Wall Alterations in place or replace such Wall Alterations with walls substantially similar to the walls existing in the Premises as of the date hereof), unless so indicated by Landlord at the time required above; and (y) the initial Alterations installed in the Premises as of the Lease Commencement Date. Movable furniture, furnishings and trade fixtures shall be deemed to exclude without limitation any item the removal of which would normally require special handling unless Tenant employs persons holding a Master Rigger's License to do said work. If such removal causes damage or injury to the Premises or the Building, then, if either an emergency condition exists, or the Lease Term has expired, or Tenant fails to repair the same within a reasonable period (not to exceed ten (10) days) following Tenant's receipt of notice from Landlord, Landlord shall have the right, at Tenant's expense, to repair all damage and injury to the Premises or the Building caused by such removal as aforesaid. If such furniture, furnishings and equipment are not removed by Tenant prior to the expiration or earlier termination of the Lease Term, the same shall at Landlord's option be deemed abandoned or become the property of Landlord to be surrendered with the Premises as a part thereof; provided, however, that Landlord shall have the right at Tenant's expense to remove from the Premises any or all such items or any other item or to require Tenant to do the same, except as otherwise provided in this Section. If Tenant fails to return the Premises to Landlord as required by this Section, then Tenant shall pay to Landlord all costs (including a construction management fee) incurred by Landlord in effectuating such return.

ARTICLE X SIGNS

10.1 Landlord will list, at Landlord's expense, the name of Tenant (and any permitted subtenants and assignees) in the Building directory and will provide Building standard signage on one suite entry door. Tenant shall not place, inscribe, paint, affix or otherwise display any sign, advertisement, picture, lettering or notice of any kind on any part of the exterior or interior of the Building (including windows and doors), or on any part of the interior of the Premises which can be seen from outside the Building or the Premises (other than tasteful and professionally-prepared interior signage that may be visible from the elevator lobby serving the Premises), without the prior written approval of Landlord, which may be granted or withheld in Landlord's sole and absolute discretion. If any such item that has not been approved by Landlord is so displayed, then, if either an emergency condition exists or the Lease Term has expired or Tenant fails to remove such items within a reasonable period (not to exceed ten (10) days) following Tenant's receipt of notice from Landlord, Landlord shall have the right to remove such item at Tenant's expense. Landlord reserves the right to install and display signs, advertisements and notices on any part of the exterior or interior of the Building.

ARTICLE XI SECURITY DEPOSIT

11.1 Simultaneously with Tenant's execution of this Lease, Tenant shall deposit with Landlord, the Security Deposit Amount (as defined in Section 1.9) which shall be security for the performance by Tenant of all of Tenant's obligations, covenants, conditions and agreements under this Lease. Landlord shall not be required to maintain such security deposit in a separate account. Except as may be required by law, Tenant shall not be entitled to interest on the security deposit. Provided Tenant is not in default under this Lease, within approximately ninety (90) days after the later of the expiration or earlier termination of the Lease Term or Tenant's vacating the Premises, Landlord shall return such security deposit to Tenant, less such portion thereof as Landlord shall have appropriated to satisfy any of Tenant's unperformed obligations, or any Event of Default by Tenant, under this Lease. If there shall be any default by Tenant under this Lease, then Landlord shall have the right, but shall not be obligated, to use, apply or retain all or any portion of the security deposit for the payment of any (a) Base Rent, additional rent or any other sum as to which Tenant is in default, or (b) amount Landlord may spend or become obligated to spend, or for the compensation of Landlord for any losses incurred, by reason of Tenant's default (including, but not limited to, any damage or deficiency arising in connection with the reletting of the Premises). If any portion of the security deposit (whether in cash or of letter of credit form) is so used or applied, then within five (5) business days after Landlord gives written notice to Tenant of such use or application, Tenant shall deposit with Landlord cash in an amount sufficient to restore the security deposit to the original Security Deposit Amount, and Tenant's failure to do so shall constitute an Event of Default under this Lease.

11.2 If Landlord transfers the security deposit to any purchaser or other transferee of Landlord's interest in the Property, then Tenant shall look only to such purchaser or transferee for the return of the security deposit, and Landlord shall be released from all liability to Tenant for the return of such security deposit. Tenant acknowledges that the holder of any Mortgage shall not be liable for the return of any security deposit made by Tenant hereunder unless such holder actually receives such security deposit. Tenant shall not pledge, mortgage, assign or transfer the security deposit or any interest therein.

ARTICLE XII INSPECTION

12.1 Tenant shall permit Landlord, its agents and representatives, and the holder of any Mortgage, to enter the Premises at any time and from time to time, without charge therefor and without diminution of the rent payable by Tenant, in order to examine, inspect or protect the Premises and the Building, to make such alterations, and/or repairs as in the sole but reasonable judgment of Landlord may be deemed necessary or desirable, or to exhibit the same to brokers, prospective tenants (during the last twelve (12) months of the Lease Term), lenders, purchasers and others. Except in the event of an emergency, Landlord shall give Tenant reasonable advance notice of not less than 24 hours (which may be electronic to Tenant's office manager at the Premises) of any such entry and to minimize disruption to Tenant's normal business operations in the Premises in connection with any such entry, recognizing that work that would likely unreasonably disrupt or interfere with Tenant's business operations shall be performed outside of

Tenant's normal business hours when reasonable practicable. Landlord, at its sole cost and expense (subject to Section 13.3 below) shall repair any damage to the Premises caused by Landlord's negligence or willful misconduct in connection with the exercise of its rights under this Section 12.2.

ARTICLE XIII INSURANCE

13.1 Tenant shall not conduct or permit to be conducted any activity, or place or permit to be placed any equipment or other item in or about the Premises or the Building, which will in any way increase the rate of property insurance or other insurance on the Building. If any increase in the rate of property or other insurance is due to any activity, equipment or other item of Tenant, then (whether or not Landlord has consented to such activity, equipment or other item) Tenant shall pay as additional rent due hereunder the amount of such increase. The statement of any applicable insurance company or insurance rating organization (or other organization exercising similar functions in connection with the prevention of fire or the correction of hazardous conditions) that an increase is due to any such activity, equipment or other item shall be conclusive evidence thereof. Notwithstanding the foregoing, Landlord acknowledges that the use of the Premises as permitted under Section 6.1 above, in and of itself, shall not be deemed to cause such an increase or cancellation.

13.2 (a) Throughout the Lease Term, Tenant shall obtain and maintain: (1) commercial general liability insurance (Bodily Injury and Property Damage)(written on an occurrence basis) including contractual liability coverage insuring the obligations assumed by Tenant under this Lease (including those set forth in Sections 6.3 and 15.2), premises and operations coverage, independent contractors coverage, and personal and advertising injury coverage, an exception to any pollution exclusion which insures damage or injury arising out of heat, smoke or fumes from a hostile fire, and standard separation of insureds provision; (2) business interruption insurance; (3) all-risk property insurance; (4) comprehensive automobile liability insurance (covering automobiles owned, hired or used by Tenant in carrying on its business, if any); (5) statutory worker's compensation insurance (covering Tenant's employees); (6) employer's liability insurance (covering Tenant's employees); (7) umbrella and/or excess liability coverage on a true following form basis in excess of the primary commercial liability, business auto liability, and employer's liability coverages specified above and which insures against bodily injury, property damage, personal injury and advertising injury claims; (8) boiler and machinery insurance against loss or damage from an accident from equipment, including any Tenant Items; and (9) during the course of construction of any Alteration (other than Cosmetic Changes), and until completion thereof, builder's risk insurance (provided that such builder's risk insurance may be procured by Tenant or Tenant's contractor, at Tenant's election). Such commercial general liability insurance shall be in minimum amounts typically carried by prudent tenants engaged in similar operations, but in no event shall be in amounts less than One Million Dollars (\$1,000,000) combined single limit per occurrence, Two Million Dollar (\$2,000,000) annual general aggregate (on a per location basis), Two Million Dollars (\$2,000,000) products/completed operations aggregate, One Million Dollars (\$1,000,000) personal and advertising injury liability, One Hundred Thousand Dollars (\$100,000) fire damage legal liability, and Five Thousand Dollars (\$5,000) medical payments. Such business interruption insurance shall

be in minimum amounts typically carried by prudent tenants engaged in similar operations, but in no event shall be in an amount less than the annual Base Rent then in effect. Such property insurance shall be in an amount not less than that required to replace all tenant improvements installed in the Premises, all Alterations and all other contents of the Premises (including, without limitation, Tenant's trade fixtures, decorations, furnishings, inventory, equipment and personal property, as well as any Tenant Items). Such automobile liability insurance shall be in an amount not less than One Million Dollars (\$1,000,000) combined single limit for each accident. Such worker's compensation insurance shall be in minimum limits as defined by the law of the jurisdiction in which the Building is located (as the same may be amended from time to time). Such employer's liability insurance shall be in an amount not less than One Million Dollars (\$1,000,000) for each accident, One Million Dollars (\$1,000,000) disease-policy limit, and One Million Dollars (\$1,000,000) disease-each employee. Such umbrella excess liability insurance shall be in minimum amounts of Five Million Dollars (\$5,000,000) per occurrence and Five Million Dollars (\$5,000,000) annual aggregate, in addition to the limits stated above for the commercial general liability, business auto liability and employer's liability insurance. Such boiler and machinery coverage shall be in minimum amounts typically covered by prudent tenants engaged in similar operations. Such builder's risk insurance shall be on a form covering Landlord, Landlord's architects, Landlord's contractor or subcontractors, Tenant and Tenant's contractors, as their interest may appear, against loss or damage by fire, vandalism, and malicious mischief and other such risks as are customarily covered by the so-called "broad form extended coverage endorsement" upon all Alterations in place and all materials stored at the Premises, and all materials, equipment, supplies and temporary structures of all kinds incident to Alterations and builder's machinery, tools and equipment, all while forming a part of, or on the Premises, or when adjacent thereto, while on drives, sidewalks, streets or alleys, all on a completed value basis for the full insurable value at all times, which shall contain an express waiver of any right of subrogation by the insurer against Landlord, its agents, employees and contractors.

(b) All such insurance shall: (1) be issued by a company that is licensed to do business in the jurisdiction in which the Building is located, that has been approved in advance by Landlord and that has a rating equal to or exceeding A:X from the most current Best's Insurance Guide; (2) with the exception of worker's compensation and employer's liability and professional liability insurance, name Landlord, any and all applicable entities specific to the ownership of the Building, Landlord's advisors, the managing agent of the Building and the holder of any Mortgage, in each case of whom Landlord gives notice to Tenant, and any other parties that Landlord may designate from time to time (the "Landlord Insured Parties") as additional insureds and/or loss payees (as applicable and as their interests may appear); (3) contain no prohibition against the insured having waived its right of action against any party prior to the occurrence of a loss (Tenant hereby waiving its right of action and recovery against and releasing Landlord and Landlord's affiliates, shareholders, partners, directors, officers, employees, agents and representatives ("Landlord's Representatives") from any and all liabilities, claims and losses for which they may otherwise be liable to the extent Tenant is covered by insurance carried or required to be carried under this Lease); (4) provide that the insurer thereunder waives all right of recovery by way of subrogation against Landlord and Landlord's Representatives in connection with any loss or damage covered by such policy; (5) be reasonably acceptable in form and content to Landlord; (6) be primary and non-contributory; and (7) to the extent that such a provision is then available from Tenant's insurer, contain an endorsement prohibiting cancellation, failure to renew, reduction

of amount of insurance or material change in coverage without the insurer first giving Landlord thirty (30) days' prior written notice (by certified or registered mail, return receipt requested) of such proposed action (and if provision is not then available, Tenant agrees to five Landlord thirty (30) days' prior written notice of any such proposed action). No insurance policy shall contain any deductible provision or self-insured retention in excess of \$15,000 per claim except as otherwise approved in writing by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Landlord reserves the right from time to time to reasonably require higher minimum amounts or different types of insurance consistent with the insurance amounts and types required by reasonably prudent landlords in Washington, DC. Tenant shall deliver an Acor 25 certificate with respect to all liability insurance and an Acor 28 certificate with respect to all property insurance confirming that all insurance requirements in this Article XIII have been met. Tenant shall deliver receipts evidencing payment therefor to Landlord on or before the Lease Commencement Date and at least annually thereafter. If Tenant fails to provide evidence of insurance required to be provided by Tenant hereunder, prior to commencement of the Lease Term and thereafter within thirty (30) days following Landlord's request during the Lease Term (and in any event within thirty (30) days prior to the expiration date of any such coverage, any other cure or grace period provided in this Lease not being applicable hereto), Landlord shall be authorized (but not required) after ten (10) business days' prior notice to procure such coverage in the amount stated with all costs thereof to be chargeable to Tenant and payable as additional rent upon written invoice therefor.

13.3 Landlord agrees to carry and maintain all-risk property insurance (with replacement cost coverage) covering the Building and Landlord's property therein in an amount required by its insurance company to avoid the application of any coinsurance provision. Landlord hereby waives its right of recovery against Tenant and releases Tenant from any and all liabilities, claims and losses for which Tenant may otherwise be liable to the extent Landlord receives proceeds from its property insurance therefor (or would have received if Landlord had carried the insurance it is required hereunder to carry). Landlord shall secure a waiver of subrogation endorsement from its insurance carrier. Landlord also agrees to carry and maintain commercial general liability insurance in limits it reasonably deems appropriate (but in no event less than the limits required by Tenant pursuant to Section 13.2). Landlord may elect to carry such other additional insurance or higher limits as it reasonably deems appropriate. Tenant acknowledges that Landlord shall not carry insurance on, and shall not be responsible for damage to, Tenant's personal property or any Alterations, and that Landlord shall not carry insurance against, or be responsible for any loss suffered by Tenant due to, interruption of Tenant's business.

ARTICLE XIV SERVICES AND UTILITIES

14.1 Landlord shall manage and operate (or cause to be managed and operated) the Building in a manner consistent with comparable class office buildings in downtown Washington, D.C. (the "Comparable Standard"). From and after the Lease Commencement Date, Landlord will provide to the Premises: air-conditioning and heating during the seasons they are required in Landlord's reasonable judgment; janitorial service after 5:30 p.m. on Monday through Friday (or, at Landlord's option, Sunday through Thursday) only (excluding Holidays) substantially in accordance with Exhibit F, electric power from the utility provider sufficient for customary

lighting purposes and normal office use (but not less than 4.5 watts per rentable square foot of the Premises); standard hot and cold water in Building standard bathrooms and chilled water in Building standard drinking fountains; elevator service (with at least one (1) elevator in operation at all times, except in the event of an emergency); landscaping and snow removal during the seasons they are required; and exterior window-cleaning service. If Tenant requires air-conditioning or heat beyond the Building Hours, then Landlord will furnish the same, provided Tenant gives Landlord advance notice of such requirement (by 2:00 p.m. of the same day for extra service needed Monday through Friday, and by 2:00 p.m. on Friday for extra service needed on Saturday or Sunday). Tenant shall pay for such extra service in accordance with Landlord's then-current schedule, which shall reflect Landlord's cost of providing such service (including, without limitation, a reasonable activation fee, recovery of overhead, and accelerated depreciation of Building systems expected by such additional use of Building systems). Landlord's current charge for overtime HVAC is \$21.40 per hour per zone. To the extent Tenant provides or contracts for any services relating to any Building Structure or System or any service or utility being provided by Landlord (including, without limitation, extermination and janitorial services) to the Premises directly from the supplier (which Tenant shall not be permitted to do without Landlord's prior written consent, which consent shall not be unreasonably withheld conditioned or delayed), Tenant shall enter into and maintain a service contract therefor with a contractor licensed to do business in the jurisdiction in which the Building is located and otherwise reasonably approved by Landlord and consistent with Building standard operating procedures as adopted by Landlord from time to time. Tenant shall have access to the Building twenty-four (24) hours per day each day of the year (except in the event of an emergency). Landlord shall provide a card key (or similar type of) access system to provide access to the Building and the Parking Facility at times other than Building Hours. Landlord shall provide one (1) access card to each of Tenant's full-time employees whose employment requires their attendance in the Premises at least fifty percent (50%) of the time, but in no event more than five (5) access cards per each 1,000 square feet of rentable area in the Premises shall be provided to Tenant at no cost to Tenant (except that Landlord may charge Tenant for replacement cards). Such access cards shall be issued by Landlord to the specific individuals that are designated by Tenant in writing at least thirty (30) days in advance of Tenant's initial occupancy of the Premises. Landlord shall provide a lobby attendant twenty-four (24) hours a day, seven (7) days per week. All persons entering or exiting the Building at times other than the normal hours of operation of the Building shall, at Landlord's discretion, be required to sign in and out.

14.2 Landlord may install, at Landlord's expense, checkmeters to electrical circuits serving Tenant's equipment to verify that Tenant is not consuming excessive electricity (as defined below). If such checkmeters indicate that Tenant's electricity consumption is excessive, then Landlord may install at Tenant's expense submeters to ascertain Tenant's actual electricity consumption, and Tenant shall thereafter pay for such excess consumption at the then-current rates charged by the electric service provider selected and used by Landlord (or, at Landlord's sole option, Tenant shall thereafter pay for Tenant's entire consumption at such rates, with Landlord making an appropriate adjustment to Operating Charges on account thereof). Tenant's electricity consumption shall be deemed excessive if the electricity consumption in the Premises per square foot of rentable area (including, without limitation, electricity consumed in connection with outlets and lighting use) during any three (3) month billing period exceeds the average electricity consumption per square foot of rentable area during the same period for typical, similarly situated

tenants in the Building, as reasonably calculated by Landlord in good faith. Landlord shall use commercially reasonable efforts not to make determinations of excessive consumption of electricity in a manner which unreasonably discriminates among similarly situated tenants.

14.3 Tenant shall reimburse Landlord for the cost of any excess water, sewer and chiller usage in the Premises. Excess usage shall mean the excess of the estimated usage in the Premises (per square foot of rentable area) during any three (3) month billing period over the average usage (per square foot of rentable area) during the same period for the entire Building, as reasonably calculated by Landlord in good faith.

14.4 Landlord shall provide the following amenities to Tenant and its employees at no additional cost to Tenant or its employees (other than recovery of Operating Charges as set forth herein):

(a) Fitness Facility: Landlord shall maintain an unstaffed fitness facility in the Building (the "Fitness Facility") during the Fitness Facility's hours of operation. Tenant's employees who are assigned to work at the Premises shall have the non-exclusive right to utilize the Fitness Facility twenty-four (24) hours per day each day of the year (except in the event of an emergency or as reasonably required for maintenance or if Landlord finds it reasonably necessary for security or other reasons to modify the hours of the Fitness Facility). Use of the Fitness Facility will be limited to tenants (including any permitted assignees and subtenants) of the Building and their employees on a non-exclusive basis. Tenant and its employees shall use the Fitness Facility at its own risk and will provide any waiver of liability as Landlord may reasonably request from time to time. Without limiting the generality of the foregoing, each user of the Fitness Facility shall be required to execute and deliver a waiver of liability in the form attached hereto as Exhibit E (or in another similar form provided by and acceptable to Landlord). Notwithstanding anything in this Lease to the contrary, Landlord shall have the right at any time, in its sole and absolute discretion to cease the operation of all or any portion of the Fitness Facility and thereafter use the space and equipment for any purpose that Landlord determines, and to staff the Fitness Facility (or not) and contract or terminate any party hired in connection therewith. To the extent the Fitness Facility is operated by a third party, Landlord shall use commercially reasonable efforts to replace the operator should operations cease. Notwithstanding anything set forth herein to the contrary, in the event Landlord establishes a managed fitness center concept, Landlord may charge customary rates for the use of the Fitness Facility; provided, however, that to the extent any rent is recouped by Landlord or operating charge is paid to Landlord from the operator, then, notwithstanding anything in Article V to the contrary, Operating Charges shall be proportionately reduced by Landlord so that Tenant does not pay twice for the same expense.

(b) Conference Facility: Tenant shall have the non-exclusive right to use a tenant-only conference center located within the Building (the "Conference Facility"), which Conference Facility shall be available to Tenant free of direct rental charge, subject to clean up fees and through permitted Operating Charges. Tenant shall have the right to use in common with other tenants of the Building the Conference Facility on a first come, first-served basis. Tenant shall schedule Tenant's use of the Conference Facility with Landlord's property manager (or the third-party conference service provider, as applicable) a reasonable period of time, as determined by Landlord in its reasonable discretion, in advance of Tenant's use of the Conference Facility. In

the event of scheduling conflicts or high periods of usage, Landlord shall have the right to determine availability in its reasonable discretion. If Tenant requests set-up and cleaning with respect to its use of the Conference Facility, Tenant shall be billed on a reasonable basis for those services, which, to the extent applicable, shall be in accordance with Landlord's then-current established Building-standard prices.

Use of the Fitness Facility and Conference Center (the "Amenities") shall, in addition to the foregoing provisions of Section 14.4(a) and 14.4(b), be in accordance with all applicable provisions of this Lease (including, without limitation, the insurance and indemnity provisions) and subject to such reasonable rules and regulations as Landlord may reasonably promulgate with respect thereto from time to time. Landlord shall maintain the Amenities in accordance with the Comparable Standard. Landlord shall have the right, in its sole but reasonable discretion and consistent with the Comparable Standard, at any time to: (1) limit or modify the hours of operation of any of the foregoing Amenities; (2) modify the size, type, capacity or configuration of the foregoing Amenities; (3) relocate any of the foregoing Amenities to another portion of the Building; or (4) perform any other reasonable act with respect to the foregoing Amenities. In the event that Landlord makes any modification with respect to the foregoing amenities pursuant to the immediately preceding sentence, then costs of such modification shall be included within Operating Charges if and to the extent permitted by Article V.

ARTICLE XV LIABILITY OF LANDLORD

15.1 Landlord and Landlord's Representatives shall not be liable to Tenant, any Agent or any other person or entity for any damage, injury, loss or claim based on or arising out of any cause whatsoever (except as otherwise provided in this Section), including without limitation the following: repair to any portion of the Premises or the Building; interruption in the use of the Premises or the Building or any equipment therein; any accident or damage resulting from any use or operation (by Landlord, Tenant or any other person or entity) of elevators or heating, cooling, electrical, sewage or plumbing equipment or apparatus; termination of this Lease by reason of damage to the Premises or the Building; any fire, robbery, theft, vandalism, mysterious disappearance or any other casualty; actions of any other tenant of the Building or of any other person or entity; failure or inability to furnish any service specified in this Lease; and leakage in any part of the Premises or the Building from water, rain, ice or snow that may leak into, or flow from, any part of the Premises or the Building, or from drains, pipes or plumbing fixtures in the Premises or the Building. If any condition exists which may be the basis of a claim of constructive eviction, then Tenant shall give Landlord written notice thereof and a reasonable opportunity to correct such condition, and in the interim Tenant shall not claim that it has been constructively evicted or is entitled to a rent abatement. Any property placed by Tenant or any Agent in or about the Premises or the Building shall be at the sole risk of Tenant, and Landlord shall not in any manner be held responsible therefor. Any person receiving an article delivered for Tenant shall be acting as Tenant's agent for such purpose and not as Landlord's agent. For purposes of this Article, the term "Building" shall be deemed to include the Land. Notwithstanding the foregoing provisions of this Section, Landlord shall not be released from liability to Tenant for any physical injury to any natural person caused by the negligence or willful misconduct of Landlord or Landlord's Representatives to the extent such injury is not covered by insurance either carried by

Tenant (or such person) or required by this Lease to be carried by Tenant; provided, however, that neither Landlord nor any of Landlord's Representatives (nor any past, present or future board member, partner, trustee, director, member, officer, employee, agent, representative or advisor of any of them) shall under any circumstances be liable for any exemplary, punitive, consequential or indirect damages (or for any interruption of or loss to business) in connection with or relating to this Lease.

15.2 (a) Except to the extent caused by the negligence or willful misconduct of Landlord or its agents, Tenant shall reimburse Landlord, its employees and agents for (as additional rent), and shall indemnify, defend upon request and hold them harmless from and against all reasonable costs, damages, claims, liabilities, expenses (including reasonable attorneys' fees), losses, penalties and court costs (collectively, "Costs") suffered by or claimed against them, directly or indirectly, based on or arising out of, in whole or in part, from: (a) use and occupancy of the Premises or the business conducted therein, (b) any negligent or willful act or omission of Tenant or any Agent, (c) any breach of Tenant's obligations under this Lease, including failure to comply with Laws or surrender the Premises upon the expiration or earlier termination of the Lease Term, or (d) any entry by Tenant or any Agent upon the Land prior to the Lease Commencement Date.

(b) Except to the extent caused by the negligence or willful misconduct of Tenant or an Agent of Tenant, Landlord shall reimburse Tenant and shall indemnify and hold Tenant harmless from and against all Costs suffered or claimed against Tenant (i) as a result of Landlord's use or control of the common areas of the Building and the Building Structure and Systems, or (ii) by reason of the negligence or willful misconduct of Landlord and its management agent and their respective employees, agents and contractors. In no event, however, shall Landlord have any liability to Tenant for interruption or loss to Tenant's business or any indirect or consequential damages or for any liability covered by any insurance policy carried (or required by this Lease to be carried) by Tenant or such person.

15.3 No landlord hereunder shall be liable for any obligation or liability based on or arising out of any event or condition occurring during the period that such landlord was not the owner of the Building or a landlord's interest therein. Within ten (10) business days after request, Tenant shall attorn to any transferee landlord and execute, acknowledge and deliver any commercially reasonable document submitted to Tenant confirming such attornment provided such transferee assumes the obligations of Landlord hereunder which accrue from and after the date of the transfer.

15.4 Tenant shall not have the right to set off or deduct any amount allegedly owed to Tenant pursuant to any claim against Landlord from any rent or other sum payable to Landlord. Tenant's sole remedy for recovering upon such claim shall be to institute an independent action against Landlord, which action shall not be consolidated with any action of Landlord; provided, however, that the foregoing shall not prohibit Tenant from asserting a compulsory counterclaim in any proceeding instituted by Landlord against the Tenant that is required to be brought by applicable statute and will be deemed forever waived if not then asserted by Tenant.

15.5 If Tenant or any Agent is awarded a money judgment against Landlord, then recourse for satisfaction of such judgment shall be limited to execution against Landlord's estate and interest in the Building which shall be deemed to include proceeds actually received by Landlord from any sale of the Building (net of all expenses of sale), insurance or condemnation proceeds (subject to the rights of any Mortgagees), and rental income from the Building (net of all expenses) to the extent all of the foregoing are held in an account for Landlord and have not been applied or distributed by Landlord in the ordinary course of business (*i.e.*, not as a fraud against creditors). No other asset of Landlord, and no asset of any of Landlord's Representatives (or any past, present or future board member, partner, director, member, officer, trustee, employee, agent, representative or advisor of any of them (each, an "officer")) or any other person or entity, shall be available to satisfy or be subject to any such judgment. No such Landlord's Representative, officer or other person or entity shall be held to have personal liability for satisfaction of any claim or judgment whatsoever under this Lease.

ARTICLE XVI RULES

16.1 Tenant and Agents shall at all times abide by and observe the rules and regulations specified in Exhibit C. Tenant and Agents shall also abide by and observe any other rule that Landlord may reasonably promulgate from time to time for the operation and maintenance of the Building, provided that written notice thereof is given and such rule is not inconsistent with prudent management practices of first-class office buildings in the vicinity of the Building. All rules shall be binding upon Tenant and enforceable by Landlord as if they were contained herein. Nothing contained in this Lease shall be construed as imposing upon Landlord any duty or obligation to enforce such rules, or the terms, conditions or covenants contained in any other lease, as against any other tenant, and Landlord shall not be liable to Tenant for the violation of such rules by any other tenant or its employees, agents, assignees, subtenants, invitees or licensees. Landlord shall use reasonable efforts not to enforce any rule or regulation in a manner which unreasonably discriminates among similarly situated tenants.

ARTICLE XVII DAMAGE OR DESTRUCTION

17.1 If the Premises or the Building are totally or partially damaged or destroyed thereby rendering the Premises totally or partially inaccessible or unusable, then Landlord shall diligently repair and restore the Premises and the Building to substantially the same condition they were in prior to such damage or destruction; provided, however, that if in Landlord's reasonable judgment such repair and restoration cannot be completed within one hundred eighty (180) days after the occurrence of such damage or destruction (taking into account the time needed for effecting a satisfactory settlement with any insurance company involved, removal of debris, preparation of plans and issuance of all required governmental permits), then Landlord shall have the right to terminate this Lease by giving written notice of termination within forty-five (45) days after the occurrence of such damage or destruction. If this Lease is terminated pursuant to this Article, then rent shall be apportioned (based on the portion of the Premises which is usable or used after such damage or destruction) and paid to the earlier of the date of termination or the date Tenant completely vacates and abandons the Premises on account of such damage and Landlord shall be

entitled to any insurance proceeds received by Tenant that are attributable to improvements insured or required to be insured by Tenant that would remain in the Premises at the end of the Lease Term. If this Lease is not terminated as a result of such damage or destruction, then, until such repair and restoration of the Premises are substantially complete, Tenant shall be required to pay rent only for the portion of the Premises that is usable while such repair and restoration are being made; provided, however, that (x) if such damage or destruction was caused by the grossly negligent or willful act or omission of Tenant or any Agent, then Tenant shall not be entitled to any such rent reduction and (y) if Tenant fails to promptly pay over to Landlord insurance proceeds when received from Tenant's insurance any such rent abatement shall end on the date when Landlord would have been able to substantially complete repair and restoration of the Premises had Tenant timely paid Landlord such insurance proceeds. After receipt of all insurance proceeds (including proceeds of insurance maintained by Tenant), Landlord shall proceed with and bear the expenses of such repair and restoration of the Premises and the Building; provided, however, that (a) if such damage or destruction was caused by the act or omission of Tenant or any Agent, then Tenant shall pay Landlord's deductible and the amount by which such expenses exceed the insurance proceeds, if any, actually received by Landlord on account of such damage or destruction (or, if Landlord fails to maintain the insurance required by Section 13.3, that Landlord would have received to the extent Landlord maintained such insurance required by Section 13.3), (b) Tenant shall pay the amount by which the cost of restoring any item which Landlord is required to restore and Tenant is required to insure exceeds the insurance proceeds received with respect thereto, and (c) Landlord shall not be required to repair or restore any tenant improvements installed in the Premises (except to the extent Landlord receives proceeds therefor from Tenant's insurance), any Alterations or any other contents of the Premises (including, without limitation, Tenant's trade fixtures, decorations, furnishings, equipment or personal property). Notwithstanding anything herein to the contrary, Landlord shall have the right to terminate this Lease if (1) insurance proceeds plus deductibles are insufficient to pay the full cost of repair and restoration Landlord is required to perform hereunder (assuming that Landlord carried the insurance required by Section 13.3), (2) the holder of any Mortgage fails or refuses to make such insurance proceeds available for such repair and restoration, (3) zoning or other applicable Laws or regulations do not permit such repair and restoration, (4) the damage to the Building exceeds thirty-five percent (35%) of the replacement value of the Building, or (5) during the final twelve (12) months of the then-current Lease Term, (i) seventy-five percent (75%) or more of the rentable area of the Premises is damaged or destroyed, or (ii) the Premises or the Building are otherwise damaged or destroyed such that the Premises are totally inaccessible or unusable; provided, however, that Landlord shall not have the right to terminate this Lease under any such circumstances listed under subsections (1)-(5) above unless Landlord is similarly terminating all other similarly situated leases in the Building.

17.2 If, within forty-five (45) days after the occurrence of the damage or destruction described in Section 17.1, Landlord determines in its sole but reasonable judgment that the repairs and restoration cannot be substantially completed within one hundred eighty (180) days after the date of such damage or destruction, and provided Landlord does not elect to terminate this Lease pursuant to this Article, then Landlord shall promptly notify Tenant of such determination within sixty (60) days following the date of damage or destruction. For a period continuing through the later of the thirtieth (30th) day after the occurrence of the damage or destruction or the tenth (10th) day after receipt of such notice, Tenant shall have the right to terminate this Lease by providing

written notice to Landlord (which date of such termination shall be not more than thirty (30) days after the date of Tenant's notice to Landlord). If, during the final twelve (12) months of the then-current Lease Term, (i) seventy-five percent (75%) or more of the rentable area of the Premises is damaged or destroyed, or (ii) the Premises or the Building are otherwise damaged or destroyed such that the Premises are totally inaccessible or unusable, then Tenant shall have the right to terminate this Lease by providing written notice to Landlord not later than thirty (30) days after the occurrence of such damage or destruction. If Tenant fails to timely exercise such termination rights, then such rights shall immediately lapse and be of no further force or effect. Notwithstanding any of the foregoing to the contrary, Tenant shall not have the right to terminate this Lease if the willful misconduct of Tenant or any Agent shall have caused the damage or destruction.

17.3 If the Premises or the Building are damaged and Landlord does not timely elect to terminate as provided in Section 17.1 or Tenant does not elect to terminate as provided in Section 17.2, and if Landlord fails to substantially complete such repair and restoration such that Tenant has reasonable use of and access to the Premises within three hundred sixty-five (365) days after the occurrence of the damage or destruction described in Section 17.1 (subject to extension for any causes described in Section 25.21 not in excess of sixty (60) days in the aggregate, or any delay caused by Tenant or any of Tenant's Agents), then, for a period of ten (10) days thereafter, Tenant shall have the right to terminate this Lease by providing written notice of termination to Landlord (the effective date of such termination to be not more than thirty (30) days after the date of Tenant's termination notice to Landlord). Notwithstanding any of the foregoing to the contrary, Tenant shall not have the right to terminate this Lease if the grossly negligent or willful act or omission of Tenant or any of Tenant's Agents shall have caused the damage or destruction.

ARTICLE XVIII CONDEMNATION

18.1 If one-third or more of the Premises, or the use or occupancy thereof, shall be taken or condemned by any governmental or quasi-governmental authority for any public or quasi-public use or purpose or sold under threat of such a taking or condemnation (collectively, "condemned"), then this Lease shall terminate on the day prior to the date title thereto vests in such authority and rent shall be apportioned as of such date. If less than one-third of the Premises or occupancy thereof is condemned, then this Lease shall continue in full force and effect as to the part of the Premises not so condemned, except that as of the date title vests in such authority Tenant shall not be required to pay rent with respect to the part of the Premises so condemned. Landlord shall notify Tenant of any condemnation contemplated by this Section promptly after Landlord receives notice thereof. Within ten (10) days after receipt of such notice, Tenant shall have the right to terminate this Lease with respect to the remainder of the Premises not so condemned as of the date title vests in such authority if such condemnation renders said remainder of the Premises totally unusable for their intended purpose. Notwithstanding anything herein to the contrary, if twenty-five percent (25%) or more of the Land or the Building is condemned, then whether or not any portion of the Premises is condemned, Landlord shall have the right to terminate this Lease as of the date title vests in such authority; provided that such claim shall in no way diminish the award, damages or compensation payable to or recoverable by Landlord in connection with such condemnation.

18.2 All awards, damages and other compensation paid on account of such condemnation shall belong to Landlord, and Tenant assigns to Landlord all rights to such awards, damages and compensation. Tenant shall not make any claim against Landlord or such authority for any portion of such award, damages or compensation attributable to damage to the Premises, value of the unexpired portion of the Lease Term, loss of profits or goodwill, leasehold improvements or severance damages. Nothing contained herein, however, shall prevent Tenant from pursuing a separate claim against the authority for relocation expenses and for the value of furnishings, equipment and trade fixtures installed in the Premises at Tenant's expense and which Tenant is entitled pursuant to this Lease to remove at the expiration or earlier termination of the Lease Term, provided that such claim shall in no way diminish the award, damages or compensation payable to or recoverable by Landlord in connection with such condemnation.

ARTICLE XIX DEFAULT

19.1 Each of the following shall constitute an "Event of Default": (a) Tenant's failure to make when due any payment of the Base Rent, additional rent or other sum, which failure shall continue for a period of five (5) days after Landlord sends Tenant written notice thereof (except that Tenant shall not be entitled to any notice and cure period for the third and each subsequent such failure during any twelve month period during the Lease Term); (b) Tenant's failure to perform or observe any covenant or condition of this Lease not otherwise specifically described in this Section 19.1, which failure shall continue for a period of ten (10) days with respect to a material covenant or condition, or twenty (20) days with respect to non-material covenant or condition, after Landlord sends Tenant written notice thereof; provided, however, that if such cure cannot reasonably be effected within such ten (10) or twenty (20) day period and Tenant begins such cure promptly within such ten (10) or twenty (20) period and is pursuing such cure in good faith and with diligence and continuity during such ten (10) or twenty (20) day period, then, except in the event of an emergency, Tenant shall have such additional time (not to exceed ninety (90) days) as is reasonably necessary to effect such cure; (c) [reserved]; (d) an Event of Bankruptcy as specified in Article XX; (e) Tenant's dissolution or liquidation; (f) any Environmental Default as specified in Section 6.3; or (g) any sublease, assignment or mortgage not permitted by Article VII.

19.2 If there shall be an Event of Default (even if prior to the Lease Commencement Date), then the provisions of this Section shall apply. Landlord shall have the right, at its sole option, to terminate this Lease. In addition, with or without terminating this Lease, Landlord may re-enter, terminate Tenant's right of possession and take possession of the Premises. The provisions of this Article shall operate as a notice to quit, and Tenant hereby waives any other notice to quit or notice of Landlord's intention to re-enter the Premises or terminate this Lease. If necessary, Landlord may, in any lawful manner, proceed to recover possession of the Premises under applicable Laws, or by such other proceedings, including re-entry and possession, as may be applicable. If Landlord elects to terminate this Lease and/or elects to terminate Tenant's right of possession, everything contained in this Lease on the part of Landlord to be done and performed shall cease without prejudice, however, to Tenant's liability for all Base Rent, additional rent and other sums specified herein. Whether or not this Lease and/or Tenant's right of possession is terminated, Landlord shall have the right, at its sole option, to terminate any renewal or expansion right contained in this Lease and to grant or withhold any consent or approval pursuant to this

Lease in its sole and absolute discretion. If Tenant is in default under this Lease and has vacated the Premises, and if Landlord has terminated this Lease as a result of such default, then Landlord shall thereafter use reasonable efforts to relet the Premises; provided, however, that Tenant understands and agrees that Landlord's main priority will be the leasing of other space in the Building (not then leased by Landlord), and the reletting of the Premises will be of lower priority. In no event shall Landlord be required to relet the Premises: (i) before leasing similar vacant space in the Building; (ii) for a rental less than the then-current fair market rental value for office space in the Building; or (iii) to any proposed tenant that does not have, in Landlord's reasonable opinion, sufficient financial resources or operating experience to operate the Premises in a first-class manner. In the event Landlord relets the Premises together with other premises or for a term extending beyond the scheduled expiration of the Lease Term, it is understood that Tenant will not be entitled to apply any base rent, additional rent or other sums generated or projected to be generated by either such other premises or in the period extending beyond the scheduled expiration of the Lease Term against Landlord's damages, and Tenant shall be responsible only for the portion of the costs incurred in connection with such reletting that are reasonably allocable to the rentable area of the Premises and the period through and including the scheduled expiration of the Lease Term. Tenant hereby expressly waives, for itself and all persons claiming by, through or under it, any right of redemption, re-entry or restoration of the operation of this Lease under any present or future Law, including without limitation any such right which Tenant would otherwise have in case Tenant shall be dispossessed for any cause, or in case Landlord shall obtain possession of the Premises as herein provided. Landlord may relet the Premises or any part thereof, alone or together with other premises, for such term(s) (which may extend beyond the date on which the Lease Term would have expired but for Tenant's default) and on such terms and conditions (which may include any concessions or allowances granted by Landlord) as Landlord, in its sole but reasonable discretion, may determine, but Landlord shall not be liable for, nor shall Tenant's obligations hereunder be diminished by reason of, any failure by Landlord to relet all or any portion of the Premises or to collect any rent due upon such reletting. Whether or not this Lease is terminated or any suit is instituted, Tenant shall be liable for any Base Rent, additional rent, damages or other sum which may be due or sustained prior to such default, and for all costs, fees and expenses (including, but not limited to, attorneys' fees and costs, brokerage fees, expenses incurred in placing the Premises in first-class rentable condition, advertising expenses, and any concessions or allowances granted by Landlord) incurred by Landlord in pursuit of its remedies hereunder and/or in recovering possession of the Premises and renting the Premises to others from time to time. Tenant also shall be liable for additional damages which at Landlord's election shall be either: (a) an amount equal to the Base Rent and additional rent due or which would have become due from the date of Tenant's default through the remainder of the Lease Term, less the amount of rental, if any, which Landlord receives during such period from others to whom the Premises may be rented (other than any additional rent received by Landlord as a result of any failure of such other person to perform any of its obligations to Landlord), which amount shall be computed and payable in monthly installments, in advance, on the first day of each calendar month following Tenant's default and continuing until the date on which the Lease Term would have expired but for Tenant's default, it being understood that separate suits may be brought from time to time to collect any such damages for any month(s) (and any such separate suit shall not in any manner prejudice the right of Landlord to collect any damages for any subsequent month(s)), or Landlord may defer initiating any such suit until after the expiration of the Lease Term (in which event such

deferral shall not be construed as a waiver of Landlord's rights as set forth herein and Landlord's cause of action shall be deemed not to have accrued until the expiration of the Lease Term); or (b) an amount equal to the difference between (i) all Base Rent, additional rent and other sums due or which would be due and payable under this Lease as of the date of Tenant's default through the end of the scheduled Lease Term, and (ii) the fair market value rental of the Premises over the same period (net of all expenses (including reasonable attorneys' fees) and all vacancy periods reasonably projected by Landlord to be incurred in connection with the reletting of the Premises), as determined by Landlord in its sole and absolute discretion, which difference shall be discounted at a rate equal to one (1) whole percentage point above the discount rate in effect on the date of payment at the Federal Reserve Bank nearest the Building, and which resulting amount shall be payable to Landlord in a lump sum on demand, it being understood that upon payment of such liquidated and agreed final damages, Tenant shall be released from further liability under this Lease with respect to the period after the date of such payment, and that Landlord may bring suit to collect any such damages at any time after an Event of Default shall have occurred. Tenant shall pay all expenses (including reasonable attorneys' fees) incurred by Landlord in connection with or as a result of any Event of Default whether or not a suit is instituted. The provisions contained in this Section shall be in addition to, and shall not prevent the enforcement of, any claim Landlord may have against Tenant for anticipatory breach of this Lease (including, without limitation, the right of injunction and the right to invoke any remedy allowed at law or in equity as if reentry, summary proceedings and other remedies were not provided for herein). Nothing herein shall be construed to affect or prejudice Landlord's right to prove, and claim in full, unpaid rent accrued prior to termination of this Lease. If Landlord is entitled, or Tenant is required, pursuant to any provision hereof to take any action upon the termination of the Lease Term, then Landlord shall be entitled, and Tenant shall be required, to take such action also upon the termination of Tenant's right of possession.

19.3 All rights and remedies of each party set forth in this Lease are cumulative and in addition to all other rights and remedies available to such party at law or in equity, including those available as a result of any anticipatory breach of this Lease. The exercise by either party of any such right or remedy shall not prevent the concurrent or subsequent exercise of any other right or remedy. No delay or failure by Landlord or Tenant to exercise or enforce any of its respective rights or remedies or the other party's obligations (except to the extent a time period is specified in this Lease therefor) shall constitute a waiver of any such or subsequent rights, remedies or obligations. Neither party shall be deemed to have waived any default by the other party unless such waiver expressly is set forth in a written instrument signed by the party against whom such waiver is asserted. If Landlord waives in writing any default by Tenant, such waiver shall not be construed as a waiver of any covenant, condition or agreement set forth in this Lease except as to the specific circumstances described in such written waiver.

19.4 If Landlord shall institute proceedings against Tenant and a compromise or settlement thereof shall be made, then the same shall not constitute a waiver of the same or of any other covenant, condition or agreement set forth herein, nor of any of Landlord's rights hereunder. Neither the payment by Tenant of a lesser amount than the monthly installment of Base Rent, additional rent or of any sums due hereunder nor any endorsement or statement on any check or letter accompanying a check for payment of rent or other sums payable hereunder shall be deemed an accord and satisfaction. Landlord may accept the same without prejudice to Landlord's right to

recover the balance of such rent or other sums or to pursue any other remedy. Notwithstanding any request or designation by Tenant, Landlord may apply any payment received from Tenant to any payment then due. No re-entry by Landlord, and no acceptance by Landlord of keys from Tenant, shall be considered an acceptance of a surrender of this Lease.

19.5 If Tenant fails to make any payment to any third party or to do any act herein required to be made or done by Tenant, then Landlord may, after five (5) business days' prior written notice to Tenant (except in the event of an emergency, in which event only such notice, if any, as is practicable under the circumstances shall be provided), but shall not be required to, make such payment or do such act. The taking of such action by Landlord shall not be considered a cure of such default by Tenant or prevent Landlord from pursuing any remedy it is otherwise entitled to in connection with such default. If Landlord elects to make such payment or do such act, then all expenses incurred by Landlord, plus interest thereon at a rate (the "Default Rate") equal to the greater of eight percent (8%) per annum or the rate per annum which is five (5) whole percentage points higher than the prime rate published in the Money Rates section of The Wall Street Journal (the "Prime Rate"), from the date incurred by Landlord to the date of payment thereof by Tenant, shall constitute additional rent due hereunder; provided, however, that nothing contained herein shall be construed as permitting Landlord to charge or receive interest in excess of the maximum rate then allowed by law.

19.6 If Tenant fails to make any payment of Base Rent, additional rent or any other sum on or before the date such payment is due and payable (without regard to any grace period that may be specified in Section 19.1), then Landlord shall have the right to impose upon Tenant in writing a late charge of five percent (5%) of the amount of such payment. In addition, such payment and such late fee shall bear interest at the Default Rate from the date such payment or late fee, respectively, became due to the date of payment thereof by Tenant; provided, however, that nothing contained herein shall be construed as permitting Landlord to charge or receive interest in excess of the maximum rate then allowed by law. Such late charge and interest shall constitute additional rent due hereunder without any notice or demand. Notwithstanding any of the foregoing to the contrary, Landlord shall waive such late fee (but not the interest payable pursuant to the preceding sentence) the first two (2) times during the Term that Tenant fails to make a payment when due, provided such payment is made before the expiration of the grace period specified in Section 19.1(a).

19.7 [Reserved].

19.8 If more than one natural person or entity shall constitute Tenant, then the liability of each such person or entity shall be joint and several. If Tenant is a general partnership or other entity the partners or members of which are subject to personal liability, then the liability of each such partner or member shall be joint and several. No waiver, release or modification of the obligations of any such person or entity shall affect the obligations of any other such person or entity.

ARTICLE XX
BANKRUPTCY

20.1 An "Event of Bankruptcy" is the occurrence with respect to any of Tenant, a Guarantor or any other person liable for Tenant's obligations hereunder (including, without limitation, any general partner of Tenant (a "General Partner")) of any of the following: (a) such person becoming insolvent, as that term is defined in Title 11 of the United States Code (the "Bankruptcy Code") or under the insolvency laws of any state (the "Insolvency Laws"); (b) appointment of a receiver or custodian for any property of such person, or the institution of a foreclosure or attachment action upon any property of such person; (c) filing by such person of a voluntary petition under the provisions of the Bankruptcy Code or Insolvency Laws; (d) filing of an involuntary petition against such person as the subject debtor under the Bankruptcy Code or Insolvency Laws, which either (1) is not dismissed within sixty (60) days after filing, or (2) results in the issuance of an order for relief against the debtor; (e) such person making or consenting to an assignment for the benefit of creditors or a composition of creditors; (f) such person knowingly submitting (either before or after execution hereof) to Landlord any financial statement containing any material inaccuracy or omission; or (g) an admission by Tenant or Guarantor of its inability to pay debts as they become due. At any time upon not less than ten (10) business days' prior written notice, Tenant shall submit such information concerning the financial condition of Tenant as Landlord may request. Tenant warrants that all such information heretofore and hereafter submitted is and shall be correct and complete.

20.2 Upon occurrence of an Event of Bankruptcy, Landlord shall have all rights and remedies available pursuant to Article XIX; provided, however, that while a case (the "Case") in which Tenant is the subject debtor under the Bankruptcy Code is pending, Landlord's right to terminate this Lease shall be subject, to the extent required by the Bankruptcy Code, to any rights of Tenant or its trustee in bankruptcy (collectively, "Trustee") to assume or assume and assign this Lease pursuant to the Bankruptcy Code. After the commencement of a Case: (i) Trustee shall perform all post-petition obligations of Tenant under this Lease; and (ii) if Landlord is entitled to damages (including, without limitation, unpaid rent) pursuant to the terms of this Lease, then all such damages shall be entitled to administrative expense priority pursuant to the Bankruptcy Code. Any person or entity to which this Lease is assigned pursuant to the Bankruptcy Code shall be deemed without further act or deed to have assumed all of the obligations arising under this Lease on and after the date of assignment, and any such assignee shall upon request execute and deliver to Landlord an instrument confirming such assumption. Trustee shall not have the right to assume or assume and assign this Lease unless Trustee promptly (a) cures all defaults under this Lease, (b) compensates Landlord for damages incurred as a result of such defaults, (c) provides adequate assurance of future performance on the part of Trustee as debtor in possession or Trustee's assignee, and (d) complies with all other requirements of the Bankruptcy Code. If Trustee desires to assume and assign this Lease to any person who shall have made a bona fide offer, then Trustee shall give Landlord written notice of such proposed assignment (which notice shall set forth the name and address of such person, all of the terms and conditions of such offer, and the adequate assurance to be provided Landlord to assure such person's future performance under this Lease) no later than fifteen (15) days after receipt by Trustee of such offer, but in no event later than thirty (30) days prior to the date Trustee shall make application to the appropriate court for authority and approval to enter into such assignment and assumption, and Landlord shall thereupon have the

prior right and option, to be exercised by notice to Trustee given at any time prior to the effective date of such proposed assignment, to accept (or to cause Landlord's designee to accept) an assignment of this Lease upon the same terms and conditions and for the same consideration, if any, as the bona fide offer made by such person, less any brokerage commissions which may be payable out of the consideration to be paid by such person for the assignment of this Lease. If Trustee fails to assume or assume and assign this Lease in accordance with the requirements of the Bankruptcy Code within sixty (60) days after the initiation of the Case (or such other period as may be provided by the Bankruptcy Code or allowed by the United States Bankruptcy Court for same), then Trustee shall be deemed to have rejected this Lease. If this Lease is rejected or deemed rejected, then Landlord shall have all rights and remedies available to it pursuant to Article XIX.

ARTICLE XXI SUBORDINATION

21.1 This Lease is subject and subordinate to the lien, provisions, operation and effect of all mortgages, deeds of trust, ground leases or other security instruments which may now or hereafter encumber any portion of the Building or the Land (collectively, "Mortgages"), to all funds and indebtedness intended to be secured thereby, and to all renewals, extensions, modifications, recastings or refinancings thereof. Said subordination and the provisions of this Section shall be self-operative and no further instrument of subordination shall be required to effect such subordination. The holder of any Mortgage to which this Lease is subordinate shall have the right (subject to any required approval of the holders of any superior Mortgage) at any time to declare this Lease to be superior to the lien, provisions, operation and effect of such Mortgage.

21.2 Tenant shall, within ten (10) business days after Landlord's written request, execute and deliver any requisite or appropriate document confirming such subordination. Tenant waives the provisions of any statute or rule of law now or hereafter in effect which may give or purport to give Tenant any right to terminate or otherwise adversely affect this Lease and Tenant's obligations hereunder in the event any foreclosure proceeding is prosecuted or completed or in the event the Building, the Land or Landlord's interest therein is transferred by foreclosure, by deed in lieu of foreclosure or otherwise. If this Lease is not extinguished upon any such transfer or by the transferee following such transfer, then, at the request of such transferee and assumption of Landlord's obligations as required hereby, Tenant shall attorn to such transferee and shall recognize such transferee as the landlord under this Lease. Tenant agrees that upon any such attornment, such transferee shall not be (a) bound by or required to credit Tenant with any prepayment of the Base Rent or additional rent more than thirty (30) days in advance or any deposit, rental security or any other sums deposited with any prior landlord under this Lease (including Landlord) unless said sum is actually received by such transferee, (b) bound by any amendment, modification or termination of this Lease made without the consent of the holder of each Mortgage existing as of the date of such amendment, to the extent such consent is required by the applicable loan documents (c) liable for any breach, act or omission of any prior landlord under this Lease (including Landlord) or any damages arising therefrom; (d) subject to any offsets or defenses which Tenant might have against any prior landlord (including Landlord), (e) bound by any obligation which may appear in this Lease to maintain the Fitness Facility, (f) liable for any late completion of any construction of the Premises or tenant improvement work to the Premises commenced or agreed to by any prior landlord under this Lease (including Landlord),

(g) liable for payment of any damages, fees or penalties payable by any landlord under this Lease (including Landlord) to Tenant including but not limited to fees or penalties for failure to deliver the Premises in a timely fashion, or (h) bound by any obligation which may appear in this Lease to pay any sum of money to Tenant; provided, however, that after succeeding to Landlord's interest under this Lease, such transferee shall agree to perform in accordance with the terms of this Lease all obligations of Landlord arising after the date of transfer. Within ten (10) business days after the request of such transferee, Tenant shall execute, acknowledge and deliver any requisite or appropriate document submitted to Tenant confirming such attornment.

ARTICLE XXII HOLDING OVER

22.1 Tenant acknowledges that it is extremely important that Landlord have substantial advance notice of the date on which Tenant will vacate the Premises, and acknowledges that if Tenant fails to surrender the Premises or any portion thereof at the expiration or earlier termination of the Lease Term, then it will be conclusively presumed that the value to Tenant of remaining in possession, and the loss that will be suffered by Landlord as a result thereof, far exceed the Base Rent and additional rent that would have been payable had the Lease Term continued during such holdover period. Therefore, if Tenant (or anyone claiming through Tenant) does not immediately surrender the Premises or any portion thereof upon the expiration or earlier termination of the Lease Term, then the holdover fee payable by Tenant hereunder shall be equal to one hundred fifty percent (150%) of the Base Rent for each of the first (1st) and second (2nd) months of such holdover, and two hundred percent (200%) of the Base Rent for each month thereafter, plus one hundred percent (100%) of the additional rent and other sums that would have been payable pursuant to the provisions of this Lease if the Lease Term had continued during such holdover period. Such holdover fee shall be computed by Landlord and paid by Tenant on a monthly basis and shall be payable on the first day of such holdover period and the first day of each calendar month thereafter during such holdover period until the Premises has been vacated. Notwithstanding any other provision of this Lease, Landlord's acceptance of such holdover fee shall not in any manner adversely affect Landlord's other rights and remedies, including Landlord's right to evict Tenant and to recover all damages. Any such holdover shall be deemed to be a tenancy-at-sufferance and not a tenancy-at-will or tenancy from month-to-month. In no event shall any holdover be deemed a permitted extension or renewal of the Lease Term, and nothing contained herein shall be construed to constitute Landlord's consent to any holdover or to give Tenant any right with respect thereto.

ARTICLE XXIII COVENANTS OF LANDLORD

23.1 Landlord covenants that it has the right to enter into this Lease, and provided an Event of Default does not exist under this Lease, then, subject to the provisions of this Lease, Tenant shall during the Lease Term peaceably and quietly occupy and enjoy the full possession of the Premises (i.e., quiet enjoyment) without interference or hindrance by Landlord, its employees or agents, or any other party claiming through or under Landlord.

23.2 Subject to other applicable terms and provisions expressly provided in this Lease, Landlord reserves the following rights, provided that: (i) all such changes or replacements are, in Landlord's reasonable judgement, consistent with the Comparable Standard and (ii) Tenant is not deprived of reasonable access to the Premises: (a) to change the street address and name of the Building provided that Tenant's access to the Premises is not permanently, materially and adversely affected (provided that, except when such change was required by any governmental authority, Landlord agrees to reimburse Tenant for the reasonable costs of changing Tenant's stationery then on hand to accommodate such address or name change up to a maximum reimbursement of \$750.00 in the aggregate); (b) to change the arrangement and location of entrances, passageways, doors, doorways, corridors, elevators, stairs, toilets or other public parts of, and make additions to, the Building provided that Tenant's access to the Premises is not permanently, materially and adversely affected; (c) to erect, use and maintain pipes, wires, structural supports, ducts and conduits in and through the plenum areas of the Premises, provided that the same do not materially reduce the floor area or materially adversely affect the appearance of the Premises; (d) to grant to anyone the exclusive right to conduct any particular business in the Building not inconsistent with Tenant's permitted use of the Premises; (e) to exclusively use and/or lease the roof areas, the sidewalks and other exterior areas; (f) to re-subdivide the Land or to combine the Land with other lands; (g) to relocate any parking areas designated for Tenant's use, provided the same are on the Land; (h) if Tenant abandons the Premises prior to the expiration of the Lease Term, to make Alterations to or otherwise prepare the Premises for re-occupancy without relieving Tenant of its obligation to pay all Base Rent, additional rent and other sums due under this Lease through such expiration; (i) to construct improvements (including kiosks) on the Land and in the public and common areas of the Building; (j) to prohibit smoking (including the use of e-cigarettes and vapor pens) in certain perimeters surrounding the Building entrances and exits (including the Parking Facility); and (k) if any excavation or other substructure work shall be made or authorized to be made upon land adjacent to the Building or the Land, to enter the Premises for the purpose of doing such work as is required to preserve the walls of the Building and to preserve the land from injury or damage and to support such walls and land by proper foundations. Subject to the other applicable terms and provisions expressly provided in this Lease, Landlord may exercise any or all of the foregoing rights without being deemed to be guilty of an eviction, actual or constructive, or a disturbance of Tenant's business or use or occupancy of the Premises and Tenant shall have no claim against Landlord in connection therewith. With respect to (b), (c), (e), (g), (i) and (k) above, Landlord shall use reasonable efforts to minimize interference with Tenant's normal business operations in the Premises, recognizing that work that would likely unreasonably disrupt or interfere with Tenant's business operations shall be performed outside of Building Hours (subject, however, in all cases to governmental requirements, emergencies and/or temporary maintenance and repair activities), and in no event, other than as set forth above, shall Landlord have any obligation to employ contractors or labor at overtime or other premium pay rates or incur any other overtime costs).

23.3 Notwithstanding anything contained in this Lease to the contrary, Landlord may at any time elect to alter, rehabilitate, renovate or otherwise improve all or any portion of the Building, the Premises or property of which the Premises are a part so long as such construction does not substantially and unreasonably interfere with Tenant's access to and use of the Premises. Without limiting the generality of the foregoing, Tenant acknowledges that Landlord may undertake major renovations (including work with respect to the exterior façade, elevators,

windows and columns and the construction of additional floors). In connection with any such work, Landlord may erect scaffoldings, sidewalk bridges, and other appurtenances. Tenant agrees not to interfere with such work, and that such alterations shall not constitute an actual or constructive eviction, in whole or in part, and rent shall not abate while such work is being undertaken, nor shall Tenant have any claims against Landlord by reason of such work.

ARTICLE XXIV PARKING

24.1 During the Lease Term, Landlord agrees to make available (or cause the Parking Facility operator to make available) to Tenant and its employees monthly parking permits for the unreserved parking of standard-sized passenger automobiles in the garage on the lower levels of the Building (the "Parking Facility") in an amount equal to the Parking Allotment. The permits shall be for non-exclusive, unassigned, unreserved parking spaces on a self-park basis, and the charge for such permits shall be the prevailing market rate charged from time to time by Landlord or the operator of the Parking Facility. Such charges shall be paid monthly in advance to the Parking Facility operator. Except as otherwise provided herein, contracts for parking permits shall be with the Parking Facility operator and shall contain the same terms as are usually contained in contracts with other customers of the Parking Facility operator. Notwithstanding the foregoing, Landlord does not guarantee the availability of any such monthly parking permits to Tenant during the fourth (4th) or any subsequent month of the Lease Term if and to the extent that Tenant does not purchase any such monthly parking permits during the third (3rd) and each subsequent month of the Lease Term. Notwithstanding the foregoing, if and to the extent Tenant does not purchase such monthly parking permits during the first (1st) three (3) months and each subsequent month of the Lease Term, then Tenant may provide Landlord with not less than sixty (60) days' prior written notice of Tenant's need for such monthly parking permits in an amount up to the Parking Allotment, and Landlord shall use commercially reasonable efforts, subject to availability, to make such monthly parking permits available to Tenant for purchase, it being acknowledged in such case that Tenant shall have priority over any non-tenant permit holders. Tenant shall not use the Parking Facility for the servicing or extended storage of vehicles. Tenant shall not assign, sublet or transfer any of its rights hereunder, except in connection with any assignment or sublease permitted pursuant to Article VII hereof where parking is provided for in the sublease or assignment. Landlord reserves the right to institute a valet parking system or to otherwise change the parking system. Tenant and its employees shall observe reasonable safety precautions in the use of the Parking Facility and shall at all times abide by all rules and regulations governing the use of the Parking Facility. If Landlord, in its sole and absolute discretion, grants to any other tenant of the Building the exclusive right to use any particular parking spaces, then neither Tenant nor its employees or visitors shall use such spaces. The Parking Facility will remain open on Monday through Friday (excluding legal holidays) during normal business hours; however, automobiles may enter and exit the Parking Facility at any time subject to certain access requirements. Landlord reserves the right to close the Parking Facility during periods of unusually inclement weather or for alterations, improvements or repairs. At all times when the Parking Facility is closed, monthly permit holders shall be afforded access by means of a magnetic card or other procedure provided by Landlord or the Parking Facility operator. If all or any portion of the Parking Facility shall be damaged or rendered unusable by fire or other casualty or any taking pursuant to eminent domain proceeding (or deed in lieu thereof), and as a result thereof Landlord

or the Parking Facility operator is unable to make available to Tenant the parking provided for herein, then the number of cars which Tenant shall be entitled to park hereunder (i.e., the Parking Allotment) shall be proportionately reduced so that the number of cars which Tenant may park in the Parking Facility after the casualty or condemnation in question shall bear the same ratio to the total number of cars which can be parked in the Parking Facility at such time as the number of cars Tenant had the right to park in the Parking Facility prior to such casualty or condemnation bore to the aggregate number of cars which could be parked therein at that time. Landlord does not assume any responsibility, and shall not be held liable, for any damage or loss to any automobile or personal property in or about the Parking Facility, or for any injury sustained by any person in or about the Parking Facility, except to the extent caused by the gross negligence or willful misconduct of Landlord or its agents, employees or contractors and not covered by any of Tenant's, the automobile owners' or such other person's insurance, as applicable. Landlord shall not be liable to Tenant and this Lease shall not be affected if any parking rights hereunder are impaired by any Law imposed after the Lease Commencement Date. Landlord reserves the right to determine whether the Parking Facility is becoming crowded and to allocate and assign parking spaces among Tenant and the other tenants provided that the Parking Allotment will not be reduced thereby.

ARTICLE XXV GENERAL PROVISIONS

25.1 Tenant acknowledges that neither Landlord nor any broker, agent or employee of Landlord has made any representation or promise with respect to the Premises or any portion of the Building except as herein expressly set forth, and no right, privilege, easement or license is being acquired by Tenant except as herein expressly set forth.

25.2 Nothing contained in this Lease shall be construed as creating any relationship between Landlord and Tenant other than that of landlord and tenant, and no estate shall pass out of Landlord. Tenant shall not use the name of the Building for any purpose other than as the address of the business to be conducted by Tenant in the Premises, use the name of the Building as Tenant's business address after Tenant vacates the Premises, or do or permit to be done anything in connection with Tenant's business or advertising which in the reasonable judgment of Landlord may reflect unfavorably on Landlord or the Building or confuse or mislead the public as to any apparent connection or relationship between Landlord, the Building and Tenant.

25.3 Landlord and Tenant each warrants to the other that in connection with this Lease it has not employed or dealt with any broker, agent or finder, other than the Brokers. Landlord acknowledges that, provided the Brokers are each licensed in the jurisdiction in which the Building is to be located, Landlord shall pay the Brokers pursuant to separate agreements between Landlord and such Brokers. Tenant shall indemnify and hold Landlord harmless from and against any claim for brokerage or other commissions, or for a lien under any applicable broker's lien law, asserted by any broker, agent or finder employed by Tenant or with whom Tenant has dealt, other than the Brokers. Landlord shall indemnify and hold Tenant harmless from and against any claim for brokerage or other commissions asserted by the Brokers and any other broker, agent or finder employed by Landlord or with whom Landlord has dealt. Tenant's and Landlord's indemnities set forth in this Section shall survive the expiration or earlier termination of the Lease Term.

25.4 At any time and from time to time, but not more than two (2) time in any calendar year except in connection with a sale, financing or refinancing of the Building or the Land, upon not less than ten (10) business days' prior written notice, Tenant and each subtenant, assignee, licensee or concessionaire or occupant of Tenant shall execute, acknowledge and deliver to Landlord and/or any other person or entity designated by Landlord, a written statement certifying: (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and stating the modifications); (b) the dates to which the rent and any other charges have been paid; (c) to Tenant's knowledge, whether or not Landlord is in default in the performance of any obligation, and if so, specifying the nature of such default; (d) the address to which notices to Tenant are to be sent; (e) that this Lease is subject and subordinate to all Mortgages encumbering the Building or the Land; (f) that Tenant has accepted the Premises and that all work thereto has been completed (or if such work has not been completed, specifying the incomplete work); and (g) such other matters relating to this Lease or the Premises as Landlord may reasonably request. Any such statement may be relied upon by any owner of the Building or the Land, any prospective purchaser of the Building or the Land, any holder or prospective holder of a Mortgage or any other person or entity. Tenant acknowledges that time is of the essence to the delivery of such statements and that Tenant's failure to deliver timely such statements may cause substantial damages resulting from, for example, delays in obtaining financing.

25.5 LANDLORD, TENANT, ALL GUARANTORS AND ALL GENERAL PARTNERS EACH WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT IN CONNECTION WITH ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT HEREUNDER, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM OF INJURY OR DAMAGE. TENANT CONSENTS TO SERVICE OF PROCESS AND ANY PLEADING RELATING TO ANY SUCH ACTION AT THE PREMISES; PROVIDED, HOWEVER, THAT NOTHING HEREIN SHALL BE CONSTRUED AS REQUIRING SUCH SERVICE AT THE PREMISES. TENANT WAIVES ANY RIGHT TO RAISE ANY NON-COMPULSORY COUNTERCLAIM IN ANY SUMMARY OR EXPEDITED ACTION OR PROCEEDING INSTITUTED BY LANDLORD. LANDLORD, TENANT, ALL GUARANTORS AND ALL GENERAL PARTNERS EACH WAIVES ANY OBJECTION TO THE VENUE OF ANY ACTION FILED IN ANY COURT SITUATED IN THE JURISDICTION IN WHICH THE BUILDING IS LOCATED, AND WAIVES ANY RIGHT, CLAIM OR POWER, UNDER THE DOCTRINE OF FORUM NON CONVENIENS OR OTHERWISE, TO TRANSFER ANY SUCH ACTION TO ANY OTHER COURT.

25.6 All notices or other communications required under this Lease shall be in writing and shall be deemed duly given and received when delivered in person (with receipt therefor), on the next business day after deposit with a recognized overnight delivery service, or on the second day after being sent by certified or registered mail, return receipt requested, postage prepaid, to the following addresses: (a) if to Landlord, at the Landlord Notice Address specified in Article I, with a copy to Stroock & Stroock & Lavan LLP, 1875 K Street, N.W., Suite 800, Washington, D.C. 20006, Attention: Jeffrey R. Keitelman, Esq.; and (b) if to Tenant, at the Tenant Notice Address specified in Article I. Either party may change its address for the giving of notices by written notice given in accordance with this Section. If Landlord or the holder of any Mortgage notifies

Tenant in writing that a copy of any notice to Landlord shall be sent to such holder at a specified address, then Tenant shall send (in the manner specified in this Section and at the same time such notice is sent to Landlord) a copy of each such notice to such holder, and no such notice shall be considered duly sent unless such copy is so sent to such holder. Any such holder shall have thirty (30) days after receipt of such notice to cure any Landlord default before Tenant may exercise any remedy (provided that in the case of a Landlord default arising from an act or omission which cannot be reasonably remedied within said thirty (30) day period, then the holder of any Mortgage shall have as long as reasonably necessary to remedy such act or omission provided that (i) such holder commences such remedy and notifies Tenant within said thirty (30) day period of holder's desire to remedy, and (ii) holder pursues completion of such remedy with due diligence following such giving of notice and following the time when holder should have become entitled under the Mortgage to remedy the same). Any cure of Landlord's default by such holder shall be treated as performance by Landlord.

25.7 Each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law. If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, then such provision shall be deemed to be replaced by the valid and enforceable provision most substantively similar to such invalid or unenforceable provision, and the remainder of this Lease and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby. Nothing contained in this Lease shall be construed as permitting Landlord to charge or receive interest in excess of the maximum rate allowed by law.

25.8 Feminine, masculine or neuter pronouns shall be substituted for those of another form, and the plural or singular shall be substituted for the other number, in any place in which the context may require such substitution.

25.9 The provisions of this Lease shall be binding upon and inure to the benefit of the parties and each of their respective representatives, successors and assigns, subject to the provisions herein restricting assignment or subletting by Tenant.

25.10 This Lease contains and embodies the entire agreement of the parties hereto and supersedes all prior agreements, negotiations, letters of intent, proposals, representations, warranties, understandings, suggestions and discussions, whether written or oral, between the parties hereto. Any representation, inducement, warranty, understanding or agreement that is not expressly set forth in this Lease shall be of no force or effect. This Lease may be modified or changed in any manner only by an instrument signed by both parties. This Lease includes and incorporates all Exhibits attached hereto. Tenant shall, at Landlord's request, promptly execute any requisite document, certificate or instrument that is reasonably necessary or desirable to clarify or carry out the force and effect of any terms or conditions of, or obligations of Tenant under, this Lease.

25.11 This Lease shall be governed by the Laws of the jurisdiction in which the Building is located, without regard to the application of choice of law principles. There shall be no presumption that this Lease be construed more strictly against the party who itself or through its agent prepared it (it being agreed that all parties hereto have participated in the preparation of this

Lease and that each party had the opportunity to consult legal counsel before the execution of this Lease). No custom or practice which may evolve between the parties in the administration of the terms of this Lease shall be construed to waive Landlord's right to insist on Tenant's strict performance of the terms of this Lease.

25.12 Headings are used for convenience and shall not be considered when construing this Lease.

25.13 The submission of an unsigned copy of this document to Tenant shall not constitute an offer or option to lease the Premises. This Lease shall become effective and binding only upon execution and delivery by both Landlord and Tenant.

25.14 Time is of the essence with respect to each of Tenant's and Landlord's obligations hereunder.

25.15 This Lease may be executed in multiple counterparts, each of which shall be deemed an original and all of which together constitute one and the same document. Faxed signatures shall have the same binding effect as original signatures.

25.16 Neither this Lease nor a memorandum thereof shall be recorded.

25.17 Landlord reserves the right to make reasonable changes and modifications to the plans and specifications for Building without Tenant's consent, provided such changes or modifications do not materially and adversely change the character of same.

25.18 The rentable area in the Building and the Premises shall be determined from time to time by the Building's architect and as of the date hereof is in accordance with the 2010 BOMA (ANSI Z65.1-2010) calculation methodology. In addition, the rentable area of the Building and the Premises (and, accordingly, any other item in this Lease varying with square footage) is subject to adjustment by Landlord due to changes in the measurement, layout, configuration or building amenities of the Building.

25.19 Except as otherwise provided in this Lease, any additional rent or other sum owed by Tenant to Landlord, and any cost, expense, damage or liability incurred by Landlord for which Tenant is liable, shall be considered additional rent payable pursuant to this Lease to be paid by Tenant no later than thirty (30) days after the date Landlord notifies Tenant of the amount thereof.

25.20 Tenant's liabilities and obligations with respect to the period prior to the expiration or earlier termination of the Lease Term shall survive such expiration or earlier termination. Landlord's liabilities and obligations with respect to payments, credits, refunds and other financial obligations to Tenant, if and to the extent required by the provisions of this Lease, shall survive the expiration or earlier termination of this Lease.

25.21 If Landlord or Tenant is in any way delayed or prevented from performing any obligation (except, with respect to Tenant, its obligations to pay rent and other sums due under this Lease, any obligation set forth in Exhibit B, any obligation with respect to insurance pursuant to Article XIII, any obligation to give notice with respect to any extensions, expansions or otherwise,

and any holdover) due to fire, act of God, governmental act or failure to act, strike, labor dispute, inability to procure materials, or any cause beyond Landlord's or Tenant's (as applicable) reasonable control (whether similar or dissimilar to the foregoing events), then the time for performance of such obligation shall be excused for the period of such delay or prevention and extended for a period equal to the period of such delay or prevention. Except as otherwise provided in Section 3.2 of this Lease, no force majeure event shall delay the Lease Commencement Date or excuse the timely payment of all items of rent by Tenant. Financial disability or hardship shall never constitute a force majeure event.

25.22 Landlord's review, approval and consent powers (including the right to review plans and specifications) are for its benefit only. Such review, approval or consent (or conditions imposed in connection therewith) shall be deemed not to constitute a representation concerning legality, safety or any other matter and in no way confers adequacy of design to satisfy Tenant's performance, technical or legal objectives as stipulated by code or other regulatory obligation.

25.23 The deletion of any printed, typed or other portion of this Lease shall not evidence the parties' intention to contradict such deleted portion. Such deleted portion shall be deemed not to have been inserted in this Lease.

25.24 At the expiration or earlier termination of the Lease Term, Tenant shall deliver to Landlord all keys and security cards to the Building and the Premises, whether such keys were furnished by Landlord or otherwise procured by Tenant, and shall inform Landlord of the combination of each lock, safe and vault, if any, in the Premises.

25.25 Tenant and the person executing and delivering this Lease on Tenant's behalf each represents and warrants that such person is duly authorized to so act; that Tenant is duly organized, is qualified to do business in the jurisdiction in which the Building is located, is in good standing under the Laws of the state of its organization and the Laws of the jurisdiction in which the Building is located, and has the power and authority to enter into this Lease; that is not, and the entities or individuals constituting Tenant or which may own or control Tenant or which may be owned or controlled by Tenant are not, among the individuals or entities identified on any list compiled by the U.S. Government for the purpose of identifying suspected terrorists, and Tenant is not engaging in the transaction on behalf of any such individual or entity; that Tenant is not in violation of any anti-money laundering Law; and that all action required to authorize Tenant and such person to enter into this Lease has been duly taken.

25.26 Any elimination or shutting off of light, air, or view, or any noise in connection with any construction or related activities permitted by this Lease, shall in no way effect this Lease or impose any liability on Landlord; provided, however that Landlord shall not voluntarily cause any unreasonable permanent blockage of any light or view from the Premises.

25.27 In the event Landlord or Tenant is required or elects to take legal action against the other party to enforce the provisions of this Lease, then the prevailing party in such action shall be entitled to collect from the other party its costs and expenses incurred in connection with the legal action (including, without limitation, reasonable attorneys' fees and court costs). Notwithstanding the foregoing, if Landlord shall take any legal action for collection of rent or file any eviction

proceedings (whether summary or otherwise) for the non-payment of rent, and Tenant shall make payment of such rent prior to the rendering of any judgment, the Landlord shall be entitled to collect and Tenant shall pay as additional rent all filing fees and other costs in connection therewith (including reasonable attorneys' fees). In addition, whenever any default, request or other action or inaction by Tenant causes Landlord to engage an attorney, architect, engineer or other professional and/or incur any other costs or expenses, Tenant agrees that it shall pay and/or reimburse Landlord for such reasonable costs or expenses within ten (10) days after being billed therefor as additional rent. Tenant hereby acknowledges and agrees that Landlord may as a condition to the effectiveness of its approval or consent to any request by Tenant require that Tenant reimburse Landlord for the amount of any reasonable attorneys', architects' and/or engineers' fees and other reasonable costs and expenses incurred by or on behalf of Landlord in acting upon or in any manner relating to such request, but that Tenant shall be and remain obligated to reimburse Landlord as aforesaid whether or not Landlord requires such reimbursement from Tenant as a condition to the effectiveness of any approval or consent and whether or not Landlord shall have granted or thereafter grant such approval or consent.

25.28 This Lease (including all exhibits hereto) is for the sole benefit of Landlord and Tenant and their permitted assignees, and no third party shall be deemed a third party beneficiary of this Lease (including all exhibits hereto) or any covenants or conditions contained herein without the express written consent of Landlord and Tenant.


[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease under seal as of the day and year first above written.

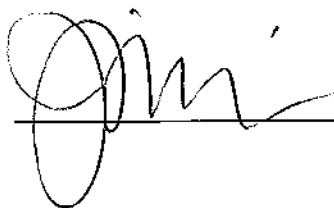
LANDLORD:

1090 VERMONT AVENUE, N.W.
ASSOCIATES LIMITED PARTNERSHIP, a
District of Columbia limited partnership

By: 1090 Vermont Avenue GP, LLC, a
Delaware limited liability company, its
general partner

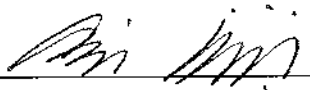
By:  [SEAL]
Name: Jacob N. Elghanayan
Title: Senior Vice President

WITNESS/ATTEST:



TENANT:

INSCAPE INC., a Delaware
corporation

By:  [SEAL]
Name: Aziz Hirji
Title: CFO

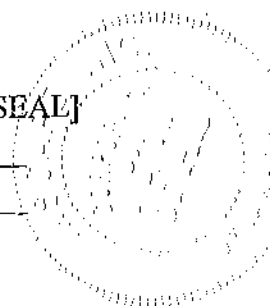
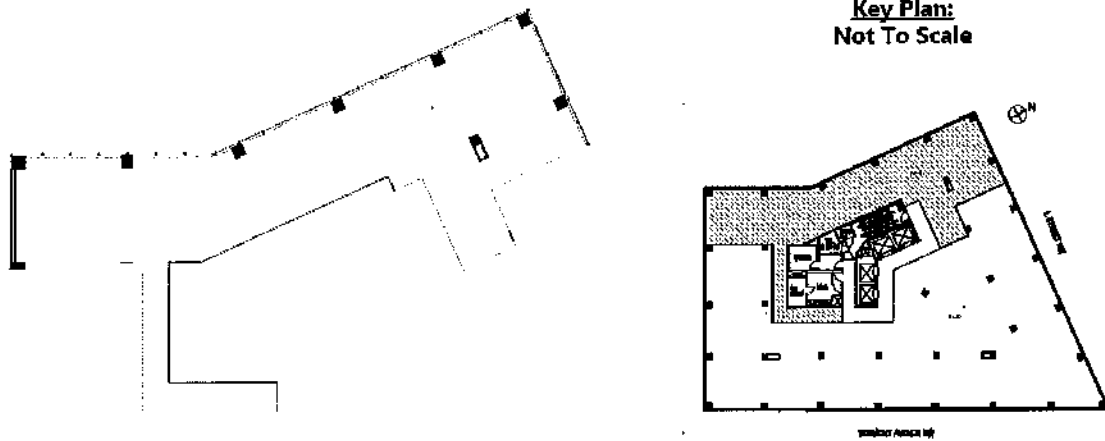


EXHIBIT A
PLAN SHOWING PREMISES



1090 Vermont Avenue
SUITE 1101

EXHIBIT B
RULES AND PROCEDURES FOR CONTRACTORS
FOR
TENANT BUILDOUT AND/OR RENOVATION

PART I – Proper Conduct of Construction Employees and Sub-Contractors

All Construction workers should conduct themselves in a manner appropriate to business surroundings to including the following:

- Refrain from using vulgar language or shouting so as not to disturb working tenants.
- Use of alcohol or drugs on the job site is not allowed. Any violators shall be immediately dismissed from the building and are subject to notification of law enforcement and prosecution as allowed under law.
- No radios/music will be played that can be heard in the common areas of the building.
- No smoking is permitted in the building.
- All food trash will be disposed of daily.
- Breaks for eating will be within the work area, not in any common areas of the building.
- Entry to the building for construction personnel and deliveries shall be through the rear loading area of the building.
- Construction personnel will not be allowed to use the building phones.

PART II – General Building Regulations

Construction supervisors shall ensure that the following regulations are followed:

- Construction materials may **not** be left in any portion of a common area that is utilized by tenants of the building, including hallways and lobby areas.
- Construction materials may **not** be placed in such a manner that egress to a fire doors or to stairwells are obstructed.
- Contractors will remove their trash and debris daily. The contractor must provide construction dumpster(s). Building trash containers are not to be used for construction debris. Failure to properly clean up debris will result in a cleaning charge to the contractor. (Minimum charge is \$50.00).
- Dumpsters shall be placed in the Landlord designated area.

- During construction, contractor shall raise blinds and protect them with plastic so as not to damage them. If the interior of the suite can be seen from the exterior of the building, Landlord may require screening from public view.
- Masonite boards will be placed on all carpeted areas and walls of the building and the freight elevator, when used during trash removal and delivery of supplies.
- Common areas of the building affected by construction will be vacuumed at the end of the workday.
- Prior to demolition, if carpet is to remain in the suite, it should be protected by heavy plastic cover or removed, stored and re-laid. Failure to protect carpet or lobby floors will result in a cleaning charge.
- All doors from the common lobbies and corridors to the construction suite are to be kept closed at all times.
- The building is secured after normal business hours. Arrangements for after-hours entry must be made in advance of need.
- All work must be performed in compliance with OSHA safety standards.
- Before any drilling, core boring or other structural work is performed, the contractors will verify the locations of the building's utility lines or other obstructions so as not to damage them. Contractors are urged to take all possible precautions to protect utility lines. **X-ray prior to any core drilling will be required.**
- No utilities or services to tenants are to be cut off or interrupted without first having requested in writing, and secured, in writing, the permission of the Landlord's representative.
- Landlord shall be notified of all exterior work 24 hours prior to commencement.
- Wherever it is deemed necessary to temporarily issue a key to the contractor, the contractor shall be responsible for controlling possession and use of the same until returned to the issuing party.

PART III – Elevator Use and Cleaning

- All construction personnel shall travel through the building via freight elevators and loading dock entrances.
- All construction materials and tools are to be hauled on the designated freight elevator **only**; any violations of this regulation may result in immediate removal of the contractor from the project.
- Elevator handrails may not be used as chairs or supply holders.

- Use of freight elevator is restricted during the following hours: 8:30 am - 9:30 am, 11:30 am – 1:00 pm, and 4:30 pm – 6:00 pm. The designated freight elevator is the only elevator to be used for moving materials and shall be properly protected with temporary Masonite floor and wall protection. The contractor shall be responsible for the installation and removal of elevator protection on a daily basis. Contractor is responsible for any damage to the elevator cab that may occur.
- Contractor must implement a *dust and debris policy* to prevent dust from being tracked or conveyed to any portion of the building.
- Arrangement must be made with the Building Engineer to place the elevator on independent service for the hauling of materials. Elevator doors should never be propped open by any method other than use of the elevator lock-off key.
- The contractor will remove all protective materials at the end of the contractor's workday.
- Damage must be reported to the management office immediately
- Any damage to the elevator, mechanical or aesthetic, will be billed to the tenant.

PART IV – Deliveries

- The loading dock located at the rear of the property is for deliveries only.
- Deliveries must be coordinated with the Building Engineer or the Management Office during regular business, 7:00 A.M. – 3:00 P.M. Monday -Friday.
- Deliveries scheduled at times other than regular business hours must be arranged at least ten (10) hours in advance of such delivery and will require the presence of the Building Engineer. Tenant shall be responsible for cost of such services at the rate of \$75.00 an hour with a minimum charge for four (4) hours.

PART V – Parking

- Landlord's representative shall designate a general construction parking area. Violators will be towed.

PART VI – Restrooms

- The Building Engineer will designate a restroom for contractor use.
- Restrooms on occupied floors, other than the designated restroom, are *not* to be used.
- Restrooms may not be used to clean tools, paintbrushes, etc. A slop sink is located in the janitor's closet on each floor. Contractors will clean up after themselves daily if slop sinks are used.

PART VII – Work Involving Excessive Noise

- All work involving excessive noise such as drilling, noisy demolition or any work which may disturb other tenants in the building will be permitted during non-business hours only, before 8:00 am or after 6:00 pm, Monday through Friday, or before 8:00 am or after 1:00 pm Saturdays. Manager should be notified of all work involving excessive noise at least 24 hours in advance.

PART VIII – Mechanical, Electrical and Plumbing Safety

- All work to be performed on mechanical, electrical or plumbing systems must be scheduled with the Building Engineer or the Management Office.
- Lock-out/Tag-out must be used for all electrical work.
- If any mechanical, electrical, or plumbing system is already *off* prior to the commencement of work, **Tenant shall Coordinate with the Building Engineer and Determine Why the System is off prior to Commencing Work.**
- The Building Engineer must be present if a condenser water system needs to be drained.
- All work involving condenser or domestic water risers, the shutdown of electrical panels or any other disruptive activity must be scheduled after regular business hours, and will require the presence of the Building Engineer.
- During construction, any exposed HVAC unit should be kept free of all construction materials, food and drinks. Nothing should be placed on top of or in front of any units. Contractor will not operate any HVAC equipment without approval of the Building Engineer. Contractor will be responsible for cost of filter replacements at job completion. A thorough cleaning of all units will be performed after construction work is completed.

PART IX – Fire Annunciation System

- All fire alarm and sprinkler work must be coordinated with the engineer's office at least 24 hours in advance.
- Contractor shall take all necessary precautions to prevent accidental alarm of the fire system devices. Before any such device is temporarily incapacitated, Landlord's representative shall be advised and contractor will be responsible for any necessary notification of the Fire Department. **ANY CONTRACTOR WHO ACCIDENTALLY SETS OFF A BUILDING FIRE ALARM WILL BE ASSESSED \$500.00 PER INCIDENT.**
- Any modifications to the building fire alarm system must be coordinated with the Building Engineer, the Management Office, and the Building Fire Alarm Contractor.

PART X – Use of Materials that Emit Volatile Organic Compounds (VOCS)

- Any work involving the use of materials, which emit VOCS, must be scheduled in advance with the Building Engineer and the Management office.
- Electrostatic painting, Polymix painting, staining, varnishing, or the use of oil base paints **must be scheduled for evening hours after 8:00 p.m. and completed prior to 1:00 a.m. or on weekends beginning at 2:00 p.m. on Saturday and ending prior to 1:00 a.m. Monday morning in occupied buildings.**

Materials likely to emit VOCS are:

Adhesives
Paints, varnishes, lacquers
Wood preservatives, stains or other wood finishing products
Waterproofing products
Caulking
Glazing compounds
Joint fillers
Duct sealants
Carpet seam sealants

- These materials shall be applied according to the manufacturers specifications.
- When using products that may emit VOCS the General Contractor is responsible for the following:
 - Performing the work during non business hours
 - Properly scheduling the work
 - Properly ventilating the affected area during and after application
 - Proper disposal of the materials and materials associated with clean-up
- A copy of the construction schedule is to be provided to the management office prior to the commencement of work.
- A copy of the approved Building Permit and inspection approvals will be provided to the Landlord prior to the commencement of work, and as construction progresses.
- Contractor will provide a written list of phone and emergency contact numbers.
- Prior to the commencement of work, contractor will provide Material Safety Data Sheets (MSDS) for all materials to be used during the course of construction.
- An approved Certificate of Insurance will be provided to the Landlord prior to the commencement of work.
- Contractor will be responsible for any damage to the common areas caused by construction.
- Contractor is responsible for labeling all electrical panels affected by the work.

Building Hours: (Mon.-Fri.) 8:00 am -
6:00 pm (Sat.) 8:00 am -
1:00 pm
(Sun.) Closed

Signage – Contractor or subcontractor signage may *not* be displayed in the building common areas or any of the window glass.

Posting of rules and regulations – A copy of these rules and regulations, acknowledged and accepted by the General Contractor, must be posted on the job site in a manner allowing easy access by all workers. It is the General Contractor's responsibility to instruct all workers, including subcontractors, to familiarize themselves with these rules.

Engineering overtime – Should the Contractor perform any work which, in the sole estimation of Building Manager, requires the building engineer to be on duty during non-standard working hours, Tenant shall be responsible for cost of such services at the rate of \$75.00 an hour with a minimum charge for four (4) hours.

Safety – Contractors shall be extremely cognizant of all life safety issues and shall provide a list of emergency contacts in the event that a representative of the contractor's organization must be contacted after hours. In addition to this contact list, contractors shall provide fire extinguishers at a ratio of one (1) for each 1,000 square feet of construction area and such fire extinguishers shall be mounted in a visible area marked properly. Contractors shall comply with all OSHA regulations as well as all federal, state and district codes relating to workers safety. The contractor shall review the job site and the job organization for total compliance to these rules and regulations on a weekly basis and provide a report to the owner that such review has been performed and any infractions that were observed during this review. *After construction, the contractor will provide Material Safety Data Sheets for all materials used on-site by the contractor.*

Acknowledged By:

Date: _____

EXHIBIT C

RULES AND REGULATIONS

This Exhibit is attached to and made a part of that certain Lease Agreement dated as of _____, 2018 (the "Lease"), by and between 1090 VERMONT AVENUE, N.W. ASSOCIATES LIMITED PARTNERSHIP, a District of Columbia limited partnership ("Landlord"), and INScape INC., a Delaware corporation ("Tenant").

The following rules and regulations have been formulated for the safety and well-being of all tenants of the Building. Strict adherence to these rules and regulations is necessary to guarantee that every tenant will enjoy a safe and undisturbed occupancy of its premises. Any violation of these rules and regulations by Tenant shall constitute a default by Tenant under the Lease.

A. ALL TENANTS.

The following rules shall be applicable to all tenants of the Building:

1. Tenant shall not obstruct or encumber or use for any purpose other than ingress and egress to and from the Premises any sidewalk, entrance, passage, court, elevator, vestibule, stairway, corridor, hall or other part of the Building not exclusively occupied by Tenant. No bottles, parcels or other articles shall be placed, kept or displayed on window ledges, in windows or in corridors, stairways or other public parts of the Building. Tenant shall not place any showcase, mat or other article outside the Premises. Tenant shall keep all portions of the Premises which are visible from public parts of the Building in a tasteful, neat and orderly condition characteristic of first-class professional offices, so as not to be offensive to other tenants of the Building. No desks, bookcases, file cabinets and other furniture shall be placed against exterior windows.

2. Landlord shall have the right to control and operate the public portions of the Building and the facilities furnished for common use of the tenants, in such manner as Landlord deems best for the benefit of the tenants generally. Tenant shall not permit the visit to the Premises of persons in such numbers or under such conditions as to interfere with the use and enjoyment of the entrances, corridors, elevators and other public portions or facilities of the Building by other tenants. Tenant shall coordinate in advance with Landlord's property management department all deliveries to the Building so that arrangements can be made to minimize such interference. Tenant shall not permit its employees and invitees to congregate in the elevator lobbies or corridors of the Building. Canvassing, soliciting and peddling in the Building are prohibited, and Tenant shall cooperate to prevent the same. Public corridor doors, when not in use, shall be kept closed. Nothing, including mats and trash, shall be placed, swept or thrown into the corridors, halls, elevator shafts, stairways or other public or common areas.

3. Tenant shall not attach, hang or use in connection with any window or door of the Premises any drape, blind, shade or screen, without Landlord's prior written consent. All awnings, drapes projections, curtains, blinds, shades, screens and other fixtures shall be of a quality, type, design and color, and shall be attached in a manner, approved in writing by Landlord. Any Tenant-supplied window treatments shall be installed behind Landlord's standard window

treatments so that Landlord's standard window treatments will be what is visible to persons outside the Building. Drapes (whether installed by Landlord or Tenant) which are visible from the exterior of the Building shall be cleaned by Tenant at least once a year, without notice from Landlord, at Tenant's own expense.

4. Tenant shall not use the water fountains, water and wash closets, and plumbing and other fixtures for any purpose other than those for which they were constructed, and Tenant shall not place any debris, rubbish, rag or other substance therein (including, without limitation, coffee grounds). All damages from misuse of fixtures shall be borne by the tenant causing same.

5. Tenant shall not construct, maintain, use or operate within the Premises any electrical device, wiring or apparatus in connection with a loudspeaker system (other than an ordinary telephone and paging system) or other sound system, in connection with any excessively bright, changing, flashing, flickering or moving light or lighting device, or in connection with any similar device or system, without Landlord's prior written consent. Tenant shall not construct, maintain, use or operate any such device or system outside of its Premises or within such Premises so that the same can be heard or seen from outside the Premises. No flashing, neon or search lights shall be used which can be seen outside the Premises. Only warm white lamps may be used in any fixture that may be visible from outside the Building or Premises. Tenant shall not maintain, use or operate within the Premises any space heater.

6. Tenant shall not bring any bicycle, vehicle, animal, bird or pet of any kind into the Building, except for bona fide service animals for handicapped persons visiting or employed at the Premises. Except while loading and unloading vehicles, there shall be no parking of vehicles or other obstructions placed in the loading dock area.

7. Except as specifically provided to the contrary in the Lease, Tenant shall not cook or permit any cooking on the Premises, except for microwave cooking and use of coffee machines by Tenant's employees for their own consumption. Tenant shall not cause or permit any unusual or objectionable odor to be produced upon or emanate from the Premises.

8. Tenant shall not make any unseemly or disturbing noise or disturb or interfere with occupants of the Building, whether by the use of any musical instrument, radio, talking machine or in any other way.

9. Tenant shall not place on any floor a load exceeding the floor load per square foot which such floor was designed to carry. Landlord shall have the right to prescribe the weight, position and manner of installation of safes and other heavy equipment and fixtures. Landlord shall have the right to repair at Tenant's expense any damage to the Premises or the Building caused by Tenant's moving property into or out of the Premises or due to the same being in or upon the Premises or to require Tenant to do the same. Tenant shall not receive into the Building or carry in the elevators any safes, freight, furniture, equipment or bulky item except as approved by Landlord, and any such furniture, equipment and bulky item shall be delivered only through the designated delivery entrance of the Building and the designated freight elevator at designated times. Tenant shall remove promptly from any sidewalk adjacent to the Building any furniture, furnishing, equipment or other material there delivered or deposited for Tenant. Landlord reserves

the right to inspect all freight to be brought into the Building, except for government classified and confidential client materials, and to exclude from the Building all freight which violates any of these rules or the Lease.

10. Tenant shall not place additional locks or bolts of any kind on any of the doors or windows, and shall not make any change in any existing lock or locking mechanism therein, without Landlord's prior written approval. At all times Tenant shall provide Landlord with a "master" key for all locks on all doors and windows. Tenant shall keep doors leading to a corridor or main hall closed at all times except as such doors may be used for ingress or egress and shall lock such doors during all times the Premises are unattended. Tenant shall, upon the termination of its tenancy: (a) restore to Landlord all keys and security cards to stores, offices, storage rooms, toilet rooms, the Building and the Premises which were either furnished to, or otherwise procured by, Tenant, and in the event of the loss of any keys so furnished, Tenant shall pay the replacement cost thereof; and (b) inform Landlord of the combination of any lock, safe and vault in the Premises. At Landlord's request, Landlord's then customary charge per key shall be paid for all keys in excess of two (2) of each type. Tenant's key system shall be consistent with that for the rest of the Building.

11. Tenant shall not install or operate in the Premises any electrically operated equipment or machinery (other than standard servers, desk-top office equipment, including, without limitation, desk-top computers and copiers, typewriters, facsimile machines, printers or other similar equipment used in connection with standard office operations) without obtaining the prior written consent of Landlord. Landlord may condition such consent upon Tenant's payment of additional rent in compensation for the excess consumption of electricity or other utilities and for the cost of any additional wiring or apparatus that may be occasioned by the operation of such equipment or machinery. Landlord shall have the right at any time and from time to time to designate the electric service providers for the Building. Tenant shall cooperate with Landlord and such service providers and shall allow, as reasonably necessary, access to the Building's electric lines, feeders, risers, wiring and any other Building machinery. Tenant shall not install any equipment of any type or nature that will or may necessitate any changes, replacements or additions to, or changes in the use of, the water system, heating system, plumbing system, air-conditioning system or electrical system of the Premises or the Building, without obtaining Landlord's prior written consent, which consent may be granted or withheld in Landlord's sole and absolute discretion. If any machine or equipment of Tenant causes noise or vibration that may be transmitted to such a degree as to be objectionable to Landlord or any tenant in the Building, then Landlord shall have the right to install at Tenant's expense vibration eliminators or other devices sufficient to reduce such noise and vibration to a level satisfactory to Landlord or to require Tenant to do the same.

12. All telephone and telecommunications services desired by Tenant shall be ordered by and utilized at the sole expense of Tenant. Unless Landlord otherwise requests or consents in writing, all of Tenant's telecommunications equipment shall be and remain solely in the Premises and the telephone closet(s) designated by Landlord. Landlord shall have no responsibility for the maintenance of Tenant's telecommunications equipment (including wiring) nor for any wiring or other infrastructure to which Tenant's telecommunications equipment may be connected. Landlord shall have the right, upon reasonable prior notice to Tenant (except in the event of an emergency),

to interrupt telecommunications facilities as necessary in connection with any repairs or with installation of other telecommunications equipment. Subject to the provisions of the Lease, Tenant shall not utilize any wireless communications equipment (other than usual and customary cellular telephones), including antennae and satellite receiver dishes, at the Premises or the Building, without Landlord's prior written consent, which may be granted or withheld in Landlord's sole and absolute discretion.

13. No telephone, telecommunications or other similar provider whose equipment is not then servicing the Building shall be permitted to install its lines or other equipment within or about the Building without first securing the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Landlord's approval shall not be deemed any kind of warranty or representation by Landlord, including, without limitation, any warranty or representation as to the suitability, competence, or financial strength of the provider. Without limitation of the foregoing standards, as specific conditions of any consent: (i) Landlord shall incur no expense whatsoever with respect to any aspect of the provider's provision of its services (including, without limitation, the costs of installation, materials and services); (ii) prior to commencement of any work in or about the Building by the provider, the provider shall supply Landlord with such written indemnities, insurance, financial statements, and such other items as Landlord reasonably determines and Landlord shall have reasonably determined that there is sufficient space in the Building for the placement of the necessary equipment and materials; (iii) the provider agrees to abide by such rules and regulations, building and other codes, job site rules and such other requirements as are reasonably determined by Landlord to be necessary; (iv) the provider shall agree to use existing building conduits and pipes or use building contractors (or other contractors approved by Landlord); (v) the provider shall pay Landlord such compensation as is reasonably determined by Landlord to compensate it for space used in the building for the storage and maintenance of the provider's equipment, the fair market value of a provider's access to the Building, and the costs which may reasonably be expected to be incurred by Landlord; (vi) the provider shall agree to deliver to Landlord detailed "as built" plans immediately after the installation of the provider's equipment is complete; and (vii) all of the foregoing matters shall be documented in a written agreement between Landlord and the provider on Landlord's standard form and otherwise reasonably satisfactory to Landlord.

14. Landlord reserves the right to exclude from the Building at all times any person who does not properly identify himself to the Building management or attendant on duty. Landlord shall have the right to exclude any undesirable or disorderly persons from the Building at any time. Landlord may require all persons admitted to or leaving the Building to show satisfactory identification and to sign a register. Tenant shall be responsible for all persons for whom it authorizes entry into the Building and shall be liable to Landlord for all acts of such persons. Landlord has the right to evacuate the Building in the event of emergency or catastrophe or for the purpose of holding a reasonable number of fire drills.

15. Tenant shall not permit or encourage any loitering in or about the Premises and shall not use or permit the use of the Premises for lodging, dwelling or sleeping.

16. Tenant, before closing and leaving the Premises at the end of each business day, shall see that all lights and equipment are turned off, including, without limitation, coffee machines.

17. Tenant shall not request Landlord's employees to perform any work or do anything outside of such employees' regular duties without Landlord's prior written consent. Tenant's special requirements will be attended to only upon application to Landlord, and any such special requirements shall be billed to Tenant in accordance with the schedule of charges maintained by Landlord from time to time or as is agreed upon in writing in advance by Landlord and Tenant. Tenant shall not employ any of Landlord's employees for any purpose whatsoever without Landlord's prior written consent. Tenant shall notify Landlord or the Building manager of any person employed by it to do janitorial work within the Premises, except for full-time employees of Tenant, prior to such person's commencing work, and such person shall, while in the Building and outside of the Premises, comply with all instructions issued by Landlord or its representatives.

18. There shall not be used in any space, or in the public halls of the Building, either by any tenant or by jobbers or others in the delivery or receipt of merchandise, any hand trucks, except those equipped with rubber tires and side guards. Tenant shall be responsible for any loss or damage resulting from any deliveries made by or for Tenant.

19. Tenant shall not install or permit the installation of any wiring for any purpose on the exterior of the Premises. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires or stringing of wires will be allowed without written consent of Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord. All such work shall be effected pursuant to permits issued by all applicable governmental authorities having jurisdiction. Tenant shall not do anything, or permit anything to be done, in or about the Building, or bring or keep anything therein, that will in any way increase the possibility of fire or other casualty or obstruct or interfere with the rights of, or otherwise injure or annoy, other tenants, or do anything in conflict with the valid pertinent laws, rules, or regulations of any governmental authority.

20. Tenant acknowledges that it is Landlord's intention that the Building be operated in a manner which is consistent with the highest standards of cleanliness, decency and morals in the community which it serves. Toward that end, Tenant shall not sell, distribute, display or offer for sale any item which, in Landlord's judgment, is inconsistent with the quality of operation of the Building or may tend to impose or detract from the moral character or image of the Building. Tenant shall not use the Premises for any immoral or illegal purpose. Tenant shall cooperate with Building employees in keeping the Premises neat and clean.

21. Unless otherwise expressly provided in the Lease, Tenant shall not use, occupy or permit any portion of the Premises to be used or occupied for the storage, manufacture, or sale of liquor.

22. Tenant shall purchase or contract for waxing, rug shampooing, venetian blind washing, interior glass washing, furniture polishing, janitorial work, removal of any garbage from

any dining or eating facility or for towel service in the Premises, only from contractors, companies or persons approved by Landlord.

23. Tenant shall not remove, alter or replace the ceiling light diffusers, ceiling tiles or air diffusers in any portion of the Premises without the prior written consent of Landlord

24. Tenant shall not purchase water, ice, coffee, soft drinks, towels, or other merchandise or services from any company or person whose repeated violation of Building regulations has caused, in Landlord's opinion, a hazard or nuisance to the Building and/or its occupants.

25. Tenant shall not pay any employee on the Premises except those actually employed therein; nor shall Tenant use the Premises as headquarters for large scale employment of workers for other locations.

26. Landlord shall have the right, upon written notice to Tenant, to require Tenant to refrain from or discontinue any advertising by Tenant which, in Landlord's opinion, tends to impair the reputation of the Building or its desirability for offices.

27. Tenant shall not in any manner deface any part of the Premises or the Building. Other than ordinary office decorations, no stringing of wires, boring or cutting shall be permitted except with Landlord's prior written consent. Any floor covering installed by Tenant shall have an under layer of felt rubber, or similar sounddeadening substance, which shall not be affixed to the floor by cement or any other non-soluble adhesive materials.

28. Should Tenant's use and occupancy of the Premises require the installation of supplemental cooling, and should the Building contain a closed loop, Tenant agrees that its supplemental cooling requirements will be serviced by tapping into the Building's closed loop. Tenant shall be responsible for the cost of connecting into the loop and agrees to pay to Landlord as additional rent the monthly tap fee in accordance with Landlord's then-current rate schedule. Should the Building not contain a closed loop, Tenant agrees to be responsible for fees associated with placing equipment on the roof of the Building.

29. Tenant shall handle its newspapers, "office paper," garbage, trash and other waste products in the manner required by applicable law (as the same may be amended from time to time) whether required of Landlord or otherwise and shall conform with any recycling plan instituted by Landlord. Landlord shall have no obligation to accept any waste that is not prepared for collection in accordance with any such requirements. Landlord reserves the right to require Tenant to arrange for waste collection, at Tenant's sole cost and expense, utilizing a contractor reasonably satisfactory to Landlord, and to require Tenant to pay all costs, expenses, fines, penalties, or damages that may be imposed on Landlord or Tenant by reason of Tenant's failure to comply with any such requirements. If Tenant is unable to comply with Landlord's standard procedures regarding the internal collection, sorting, separation and recycling of waste, then, upon reasonable advance notice to Landlord, Landlord shall use reasonable efforts to arrange for alternative procedures for Tenant, provided Tenant shall pay Landlord all additional costs incurred by Landlord with respect thereto.

30. Tenant shall not bring or keep, or permit to be brought or kept, in the Building any weapon or flammable, combustible or explosive fluid, chemical or substance, except as otherwise expressly permitted in the Lease.

31. Tenant shall comply with all workplace smoking Laws. There shall be no smoking in bathrooms, elevator lobbies, elevators, terraces, loading docks, plaza areas, and other common areas.

32. All wiring and cabling installed by Tenant shall be marked and coded, in a manner reasonably acceptable to Landlord, to identify such facilities as belonging to Tenant and the point of commencement and termination of such facilities.

33. Landlord may, upon request of Tenant, waive Tenant's compliance with any of the rules, provided that (a) no waiver shall be effective unless signed by Landlord, (b) no waiver shall relieve Tenant from the obligation to comply with such rule in the future unless otherwise agreed in writing by Landlord, (c) no waiver granted to any tenant shall relieve any other tenant from the obligation of complying with these rules and regulations, and (d) no waiver shall relieve Tenant from any liability for any loss or damage resulting from Tenant's failure to comply with any rule. Landlord reserves the right to rescind any of these rules and make such other and further rules as in the judgment of Landlord shall from time to time be needed for the safety, protection, care, and cleanliness of the Building, the operation thereof, the preservation of good order therein, and the protection and comfort of its tenants, their agents, employees, and invitees, which rules when made and notice thereof given to a tenant shall be binding upon it in like manner as if originally herein prescribed. In the event of any conflict or inconsistency between the terms and provisions of these rules, as now or hereafter in effect, and the terms and provision of the Lease, the terms and provision of the Lease shall prevail.

B. RETAIL TENANTS ONLY.

The following rules shall be applicable to retail tenants only:

1. Tenant shall replace promptly any cracked or broken glass in the Premises (including without limitation all windows, display cases, countertops and doors) with glass of like color, kind and quality.

2. Tenant shall not operate its business in a manner which is commonly known as a "discount house", "wholesale house", "cut-rate store", or "outlet store". The Premises shall not be used for conducting any barter, trade, or exchange of goods, or sale through promotional give-away gimmicks, or any business involving the sale of second-hand goods, insurance salvage stock or fire sale stock, and shall not be used for any auction or pawnshop business, any fire sale, bankruptcy sale, going-out-of-business sale, moving sale, bulk sale or any other business which, because of merchandising methods or otherwise, would tend to lower the first-class character of the Building.

3. Tenant shall not receive or ship articles of any kind outside the designated loading area for the Premises or other than during the designated loading times.

4. Tenant shall keep any garbage, trash, rubbish or other refuse in rat-proof containers within the interior of the Premises; deposit daily such garbage, trash, rubbish and refuse in receptacles designated by Landlord; and enclose and/or shield such receptacles in a manner approved by Landlord.

5. Tenant shall not sell, display or offer for sale any roach clip, water pipe, bong, coke spoon, cigarette papers, hypodermic syringe or other paraphernalia which in Landlord's opinion are commonly used in connection with illegal drugs, or any pornographic, lewd, suggestive or "adult" newspaper, book, magazine, film, picture or merchandise of any kind.

6. Tenant shall not install burglar bars in or to the Premises without Landlord's prior approval and if requested to do so by Landlord, install a locking system compatible with the locking system being used by Landlord at the Building.

EXHIBIT DCERTIFICATE AFFIRMING THE LEASE COMMENCEMENT DATE

This Certificate is being provided pursuant to that certain Office Lease Agreement dated as of _____, 2018 (the "Lease"), by and between 1090 VERMONT AVENUE, N.W. ASSOCIATES LIMITED PARTNERSHIP, a District of Columbia limited partnership ("Landlord"), and INSCAPE INC., a Delaware corporation ("Tenant"). The parties to the Lease desire to confirm the following:

1. The Lease Commencement Date is _____, 2018.
2. The initial Lease Term shall expire on _____, ____.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Certificate under seal on _____, 2018.

:

LANDLORD:

1090 VERMONT AVENUE, N.W.
ASSOCIATES LIMITED PARTNERSHIP, a
District of Columbia limited partnership

By: 1090 Vermont Avenue GP, LLC,
a Delaware limited liability company,
its general partner

By: _____ [SEAL]
Name: _____
Title: _____

TENANT:

INSCAPE INC.
a Delaware corporation

By: _____ [SEAL]
Name: _____
Title: _____

EXHIBIT EEXERCISE FACILITY CONSENT AND WAIVER OF LIABILITY

1090 Vermont Avenue N.W.
Washington, D.C. 20005

In order to use the fitness facilities and equipment located at 1090 Vermont Avenue, N.W., Washington, D.C. 20005 (the "Building") (including, without limitation, the outside basketball court and outside tennis court constructed on the Land and/or the land adjacent to the Building pursuant to agreements between Landlord and the owners of the land adjacent to the Building), I hereby certify, covenant, and agree as follows:

1. I am in good physical condition and able to use the facilities and equipment and to participate in any and all exercise and fitness activities available or to be available. I have a reasonable basis for this opinion due to examination and/or consultation with my physician. I fully recognize that I am responsible for knowledge of my own state of health at all times.

2. I will do all exercise and participate in all activities at my own pace and at my own risk. I will use good judgment while exercising, will not overexert, and will follow any instructions concerning exercise procedures. If I have any questions regarding my workout, I will consult a trained professional.

3. I acknowledge that the fitness facility is unstaffed. I understand and acknowledge that neither the owner of the Building ("Owner"), nor the property management company ("Manager"), nor any of their agents, advisors or employees, represents that its employees, personnel or agents have expertise in diagnosing, examining or treating medical conditions of any kind of in determining the effect of any specific exercise on such medical condition.

4. I understand that in participating in one or more exercises or fitness activities at the facility, or in use of the equipment or the facility in any way, there is a possibility of accidental or other physical injury or loss of my personal property. I agree to assume that risk of any such accident or injury or loss of property. I hereby release and discharge Owner and Manager, their respective officers, agents, employees, personnel, partners, directors, shareholders, affiliates and other representatives, and their successors and assigns (collectively, the "Released Parties"), from any and all liability, harm and damage, and waive any and all claims whatsoever, for any injury, accident or loss in connection with my use of or entry into the facility. In addition, I hereby agree to defend, indemnify and hold harmless the Released Parties from any and all costs, claims, liability, harm, damage or expenses resulting from my use of or entry into the facility or the equipment.

5. I acknowledge that I have received and read a copy of the current Rules and Regulations governing the use of the fitness center (a copy of which is attached hereto). I agree that I will fully comply with all rules and regulations as they are amended from time to time.

USER:

Employer Name:

Employee Name (Please Print):

Suite Number

Signature

Telephone

Date

Access Key Number: _____

FITNESS FACILITY RULES AND REGULATIONS

The following Rules and Regulations are intended to make the Fitness Facility ("Facility") at 1090 Vermont Avenue, N.W., Washington, D.C. 20005, as safe, enjoyable and pleasant as possible for all users of the Facility ("Users"). These Rules are applicable to all Users and may be changed from time to time by 1090 Vermont Avenue, N.W. Associates Limited Partnership, a District of Columbia limited partnership ("Landlord"), or its managing agent ("Building Manager"), in order to provide for the safe, orderly and enjoyable use of the Facility's facilities and equipment.

1. Use. Users shall use the Fitness Facility and related equipment solely for weight and cardiovascular training on the equipment provided. Users shall not misuse or use the facilities and related equipment in any manner which will damage the same. Users shall not install, nor tamper with or remove, any equipment in the Facility. No person may use the Facility unless he or she has signed a Waiver of Liability. This Facility is open to tenants only. Guests are not authorized to use the Facility and users shall not grant access to the Facility, nor permit the Facility to be used, by any unauthorized persons. Any User that provides an unauthorized person with access to the Facility will be prohibited from using the Facility. Each User acknowledges that he or she shall exercise caution when using the Facility, that the Facility is unstaffed, and that no security is provided by Landlord. Any suspicious activity should be reported to the Building Manager.

2. Hours of Operation. The Facility is open twenty-four hours per day, seven days per week, except for legal holidays. However, in order to accommodate thorough cleaning of the Facility, access to certain areas of the Facility may be limited during cleaning hours, which are currently from 6 p.m. to 9 p.m., Monday through Friday. The Facility will not be open for use on legal public holidays. The Facility may be closed, and its hours of operation modified from time-to-time, at Landlord's sole discretion. Tenants will be notified at least 24 hours in advance of any closing, unless such closing is due to emergency.

3. Clothing. The minimum attire at the facility shall be gym shorts, tee shirts, socks and tennis shoes. Any conventional exercise attire is permissible, including leotards and tights, warm-up suits, etc. Sneakers, tennis shoes, or similar footwear must be worn at all times. Users of the Facility must wear clean and appropriate attire when in transit to and from the Facility, which may include, but not be limited to, warm-up suits and sweatsuits.

4. Conduct. Any conduct which unreasonably interferes with the use or enjoyment of Facility or the equipment by others, or disrupts or interferes with the normal, safe, orderly and efficient operation of the Facility or the equipment, is strictly prohibited. Radios, tape recorders or other similar personal audio equipment may not be used without headphones. No Tenant shall make, or permit to be made, any disturbing noises or disturb or interfere with the occupants of the Building or neighboring buildings or premises or those having business with them, whether by the use of any musical instrument, radio, tape recorder, loud speaker or other sound system. After a User completes its use of a piece of equipment within the Facility, such User shall wipe that piece of equipment with disinfectant solution provided by the Building Manager. Those in violation of these rules will be subject to immediate expulsion.

5. Smoking. Smoking of any kind or any other consumption of tobacco products is strictly prohibited in the Facility.

6. Solicitations and Petitions. Solicitation for the sale of any product or service, or for charitable contributions, and petitions of any kind, are strictly prohibited.

7. Identification. Upon request by Landlord's employee or personnel, users must present their key for identification purposes. Neither Landlord or the Building Manager assumes responsibility for lost or stolen keys.

8. Food and Beverages Prohibited. No food or beverages (other than water or sports drinks in containers with lids) shall be brought to the Facility. All food and other beverages are strictly prohibited.

9. Notices, Complaints or Suggestions. Users must immediately notify Landlord or Building Manager in the event that they discover any unsafe or hazardous defect or condition relating to the Facility or the equipment, or any more than de minimis breakage, fire, or disorder at the Facility. Complaints or suggestions as to the operation, maintenance, services, or equipment at the Facility should be directed to Building Manager.

10. Other Facilities. Landlord or Building Manager may prohibit the use of or close the Facility if misused in any way. Landlord and Building Manager take no responsibility for personal possessions left in the Facility. Locks or lockers are permissible, but all articles and locks must be removed when the user leaves the Facility. Landlord and Building Manager reserve the right to remove and dispose of any locks and personal possessions remaining in the Facility when it closes each day. Landlord and Building Manager make no representation or warranty that the use of any locker will protect User's personal property from damage, loss or theft.

11. Violation of Rules. Repeated failure or refusal to comply with these Rules and Regulations may result in the loss of privileges.

12. Maintenance. No member shall leave any litter, trash, debris, or articles of clothing at the Facility. The entry door(s) to the Facility shall be kept closed and locked at all times.

13. No Representations. User hereby acknowledges that the installation of equipment, devices and/or facilities in or serving the Facility shall in no way be deemed a representation or warranty by Operator regarding the efficacy or safety of the same, nor as an agreement or undertaking by, or obligation of, Operator to protect, indemnify or hold User harmless from any harm of any type or to ensure User's safety. It is expressly understood and agreed that use of the Facility by User shall be at User's sole risk.

14. Card Keys. User hereby agrees to keep any card key and/or locker key provided to User in User's possession and control at all times until required or requested to surrender the same, and in no event shall User lend or otherwise transfer its card key or locker key to any other person. In the event User shall lose or misplace its card key or locker key, or in the event User's card key or locker key shall be stolen, User shall immediately notify Landlord and Operator in writing. User further agrees that, in the event either (i) User's employment with Tenant is terminated for

any reason, or (ii) Tenant shall be in default under its lease with Landlord, Operator may immediately de-activate User's key card and User shall immediately surrender its card key and locker key to Operator. User hereby acknowledges that the card key and locker key are and shall remain the property of Operator, and User agrees to return the same to Operator upon the expiration (or sooner termination) of Tenant's lease or any earlier date on which Operator is entitled to de-activate said card key. Inoperative (but not de-activated) cards keys will be replaced at no charge, but lost and de-activated card keys will be replaced (or reactivated, as the case may be) at a cost established by the Operator from time to time. Lost locker keys shall be replaced, and the appropriate locker re-keyed, at a cost established by the Operator from time to time.

15. Consent. As a condition to the use of the Facility, all Users must sign a Consent and Waiver on Landlord's current form.

EXHIBIT F
JANITORIAL SPECIFICATIONS

[To be attached]

**This is Exhibit “M” referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 11th day of January, 2023**

DocuSigned by:

Monica Fabeim

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A COMMISSIONER FOR TAKING AFFIDAVITS

Consolidated Financial Statements

INSCAPE CORPORATION

For the Years Ended

April 30, 2022 and 2021

inscape

Independent Auditor's Report

To the Shareholders and the Board of Directors of
Inscape Corporation

Opinion

We have audited the consolidated financial statements of Inscape Corporation (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2022 and 2021, and the consolidated statements of operations, comprehensive income (loss), changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended April 30, 2022. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Impairment of long-lived financial assets – Refer to Note 2 to the consolidated financial statements

Key Audit Matter Description

At the end of each reporting period, the Company reviews the carrying amounts of its long-lived assets to determine whether there are any indicators that those assets might be impaired. If such indicators exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount is estimated based on the cash-generating unit ("CGU") to which the asset belongs. Indicators of impairment were identified for the Furniture CGU. The recoverable amount was determined using the present value of the estimated future cash flows associated with the Furniture CGU. This required management to make significant judgments and assumptions related to the forecasted revenues and the discount rate. The recoverable amount of the Furniture CGU exceeded its carrying value and no impairment loss was recognized.

Given the significant judgments made by management to estimate the recoverable amount of the Furniture CGU, performing audit procedures to evaluate the reasonableness of the estimates and assumptions related to the forecasted revenues and the discount rate required a high degree of auditor judgment and an increased extent of audit effort, including the involvement of fair value specialists.

How the Key Audit Matter was Addressed in the Audit

Our audit procedures related to the forecasted revenues and the discount rate used by management to estimate the recoverable amount of the Furniture CGU included the following, among others:

- Evaluated management's ability to accurately forecast revenues by comparing actual results to management's historical forecasts.
- Evaluated the reasonableness of management's forecasted revenues by comparing the forecast to:
 - Historical revenue levels and growth rates previously achieved by the Company
 - Internal communications to management and the Board of Directors
 - Forecasted information included in industry reports for the Company and certain of its peer companies.
- With the assistance of our fair value specialists, evaluated the reasonableness of the discount rate by testing the source information underlying the determination of the discount rate and developing a range of independent estimates and comparing those to the discount rate selected by management.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Kristi Gilder.



Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
July 14, 2022

INSCAPE CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

For the years ended April 30,
(in thousands of Canadian dollars)

	Note	2022	2021
SALES	21.1	\$ 38,741	\$ 38,203
COST OF GOODS SOLD	21	32,734	31,269
GROSS PROFIT		6,007	6,934
EXPENSES			
Selling, general and administrative	21	20,857	20,536
Gain on foreign exchange		(20)	(377)
Other income	23	(1,979)	(5,308)
Loss (gain) on derivatives	10.2	713	(3,997)
Gain on disposal of property, plant and equipment	6.1	(14,609)	(209)
Interest expense		1,811	6
		6,773	10,651
Loss before taxes		(766)	(3,717)
Income tax expense (recovery)	15.1	73	(2,826)
NET LOSS		\$ (839)	\$ (891)
Net Loss per share available to shareholders			
Basic	19	\$ (0.06)	\$ (0.06)
Diluted		\$ (0.06)	\$ (0.06)

The accompanying notes are an integral part of these consolidated financial statements

INSCAPE CORPORATION**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

For the years ended April 30,

(in thousands of Canadian dollars)

	Note	2022	2021
NET LOSS		\$ (839)	\$ (891)
OTHER COMPREHENSIVE INCOME			
Items that may not be reclassified to earnings			
Remeasurement of defined benefit pension liabilities	14.2	1,539	6,466
Tax relating to remeasurement of retirement benefit obligations	15.2	(446)	(275)
Items that may be reclassified to earnings			
Exchange gain (loss) on translating foreign operations		86	(141)
Other comprehensive income		1,179	6,050
TOTAL COMPREHENSIVE INCOME		\$ 340	\$ 5,159

The accompanying notes are an integral part of these consolidated financial statements

INSCAPE CORPORATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at April 30,

(in thousands of Canadian dollars)

	Note	2022	2021
ASSETS			
Current assets			
Cash and cash equivalents	2	\$ 8,284	\$ 3,736
Restricted cash	2	3,200	2,764
Trade and other receivables	4	11,778	5,887
Inventories	5	4,926	3,497
Note receivable	11	40	36
Assets held for sale	6	-	5,241
Prepaid expenses and other assets		469	543
Derivative financial assets	10.2	-	587
		28,697	22,291
Non-current assets			
Property, plant and equipment	6	5,660	5,479
Intangible assets	7	826	1,287
Right-of-use assets	8.1	13,579	10,050
Other assets	9	2,700	-
Derivative financial assets	10.2	-	19
Note receivable	11	237	266
Retirement benefit assets	14.2	1,350	-
Deferred tax assets	15.2	2,581	2,580
		26,933	19,681
TOTAL ASSETS		\$ 55,630	\$ 41,972
LIABILITIES			
Current liabilities			
Trade and other payables	12	\$ 10,794	\$ 8,044
Lease liabilities	8.2	2,158	717
Derivative financial liabilities	10.2	107	-
Revolving credit facility	22	-	7,858
Forgivable government loan	23	-	219
Income taxes payable		521	-
Provisions	13	80	226
		13,660	17,064
Non-current liabilities			
Retirement benefit obligation	14.2	654	1,083
Lease liabilities	8.2	26,653	9,342
Provisions	13	322	483
Other long-term obligations	16	165	164
		27,794	11,072
TOTAL LIABILITIES		41,454	28,136
SHAREHOLDERS' EQUITY			
Shareholders' capital	17	52,868	52,868
Contributed surplus		2,675	2,675
Accumulated other comprehensive income (loss)		3,641	2,462
Deficit		(45,008)	(44,169)
TOTAL SHAREHOLDERS' EQUITY		14,176	13,836
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 55,630	\$ 41,972

Approved by the Board of Directors,
(signed)

(signed)

Bartley Bull
Chair

Eric Ehgoetz
Director & Chief Executive Officer

The accompanying notes are an integral part of these consolidated financial statements

INSCAPE CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(in thousands of Canadian dollars)

	Shareholders' Capital	Contributed Surplus	Cumulative Remeasurement of Retirement Benefit Obligation	Cumulative Translation Gain (loss)	Deficit	Total Shareholders' Equity
Balance, April 30, 2020	\$ 52,868	\$ 2,675	\$ (4,984)	\$ 1,396	\$ (43,278)	\$ 8,677
Net loss	-	-	-	-	(891)	(891)
Other comprehensive income (loss)	-	-	6,191	(141)	-	6,050
Balance, April 30, 2021	\$ 52,868	\$ 2,675	\$ 1,207	\$ 1,255	\$ (44,169)	\$ 13,836
Net loss	-	-	-	-	(839)	(839)
Other comprehensive income	-	-	1,093	86	-	1,179
Balance, April 30, 2022	\$ 52,868	\$ 2,675	\$ 2,300	\$ 1,341	\$ (45,008)	\$ 14,176

The accompanying notes are an integral part of these consolidated financial statements

INSCAPE CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended April 30,
(in thousands of Canadian dollars)

	Note	2022	2021
Net inflow (outflow) of cash related to the following activities:			
OPERATING			
Net loss		\$ (839)	\$ (891)
Items not affecting cash			
Amortization and depreciation	6,7 & 8.1	2,863	3,935
Deferred income tax recovery	15.2	(1)	(2,580)
Interest expense		1,967	293
Unrealized loss (gain) on derivatives	10.2	713	(3,997)
Share-based compensation		28	76
Gain on foreign exchange		(20)	(322)
Non-cash portion of other income	23	(256)	(2,688)
Gain on disposal of property, plant and equipment	6 & 7	(14,609)	(268)
Retirement benefit obligation expense net of employer contributions		(261)	223
Cash used in operating activities before non-cash working capital		(10,415)	(6,219)
Movements in non-cash working capital			
Trade and other receivables		(5,755)	3,930
Inventories		(1,374)	2,103
Prepaid expenses and other assets		(2,613)	106
Assets held for sale		(10)	-
Trade and other payables		2,727	(3,604)
Provisions		(321)	(463)
Income tax receivables and payables		519	-
Changes in non-cash operating items		(6,827)	2,072
Interest payment on lease liabilities and loan	8.2	(1,529)	(293)
Restricted shares and stock options settled		(26)	(36)
Cash used in operating activities		(18,797)	(4,476)
INVESTING			
Note receivable – issued	11	-	(302)
Additions to property, plant and equipment	6	(1,186)	(2,540)
Additions to intangible assets	7	(25)	-
Proceeds from disposal of property, plant and equipment	6.1	33,836	253
Proceeds from note receivable	9	36	-
Cash generated from (used in) investing activities		32,661	(2,589)
FINANCING			
Proceeds from revolving credit facility	22	6,925	8,005
Payment on revolving credit facility	22	(15,031)	-
Proceeds from forgivable government loan	23	(27)	1,708
Principal portion of lease liabilities	8.2	(729)	(1,615)
Financing fees	22	-	(131)
Cash (used in) generated from financing activities		(8,862)	7,967
Unrealized foreign exchange gain on cash		(18)	(287)
Net cash inflow (outflow)		4,984	615
Cash, cash equivalents and restricted cash, beginning of year		6,500	5,885
Cash, cash equivalents and restricted cash, end of year		\$ 11,484	\$ 6,500

The accompanying notes are an integral part of these consolidated financial statements

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

1. GENERAL INFORMATION

Inscape Corporation (the “Company”) is a limited company incorporated in Ontario, Canada, with Class B common shares listed on the Toronto Stock Exchange (TMX). The Company’s registered office is at 67 Toll Road, Holland Landing, Ontario, Canada.

The Company is an office furniture manufacturer with production at two facilities, an approximately 313,000 square feet plant in Holland Landing, and a 30,000 square feet plant in Jamestown, New York, USA. The Company serves its clients through a network of dealers and representatives supported by showrooms across North America.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance with IFRS including comparatives

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standard (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) effective for the year ended April 30, 2022.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements. These consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on July 14, 2022.

The consolidated financial statements are presented in Canadian dollars, the functional currency of the Company, and all values are rounded to the nearest thousands, except where indicated. Our US operation, Walls, uses the US dollar as its functional currency.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its two wholly owned US subsidiaries, Inscape Inc. and Inscape (New York) Inc. Subsidiaries are consolidated from the date of acquisition and control and continue to be consolidated until the date that such control ceases. The Company controls an entity when the Company is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect these returns through the Company’s power over the investee. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following significant items:

- derivative instruments are measured at fair value;
- defined benefit plan assets and liabilities are recognized at the present value of the defined benefit obligation, less the fair value of plan assets.

Revenue recognition

Sale of manufactured goods

The Company’s revenue is generated from sales and installation of manufactured goods to customers through a dealer network. For manufactured goods, revenue is recognized at a point in time when the goods are shipped. Revenue is recognized at a point in time when control of the assets passes to the customer; the Company’s terms and condition state that control of the assets transfers at shipping point. This is where the customer gains control of the asset.

Revenue from installation is recognized over time on a percentage of completion based on physical stage of completion of the contract. This output method is the best measure of progress as the nature of the products installed enable

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

measurement to be reliably observed.

The Company invoices the customer as the installation occurs. The payments are received as per normal payment terms established with the customer.

Revenue from the sale of manufactured goods and installation is measured at fair value of the consideration received less applicable sales taxes, discounts, rebates and dealer incentives. Sales-related warranties associated with the sales and installation of manufactured goods cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. These assurance warranties are not distinct and does not represent a separate performance obligation for IFRS 15 purposes. Hence, the Company accounts for warranties in accordance with IAS 37 (see Note 13).

Dealer incentives

The Company offers a variety of incentives to its dealer base to support sales initiatives. An obligation arises from the incentives when the Company sells manufactured goods and/or installations through the dealer network. The obligation is measured at fair value of the incentive earned. The dealer incentives are recorded as a reduction to revenue in the Consolidated Statement of Operations.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and short-term GIC investments, available on demand. As at April 30, 2022, the Company had bank balances of \$3,273 and short-term investments, available on demand, of \$5,011.

Restricted cash

Restricted cash is cash where specific restrictions exist on the Company's ability to use this cash.

Restricted cash consists of cash held by the Company on deposit with its bank, as collateral security for certain derivative financial instruments and supporting letter of credit issued in relation to certain lease contracts.

Assets classified as held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets are available for immediate sale in their present condition. Management must also be committed to a plan to sell the assets within one year from the date of classification. Assets classified as held for sale are measured at the lower of the carrying amount or fair value less costs to sell and are not depreciated from the date of classification.

Sale and Leaseback

For sale and leaseback transactions, the Company applies the requirements of IFRS 15 Revenue to determine whether the transfer of the asset should be accounted for as a sale and is generally considered as such if there is no repurchase option on the asset at the end of the lease term. If the transfer of the asset is a sale, the Corporation de-recognizes the underlying asset and recognizes a right-of-use asset arising from the leaseback equal to the retained portion of the previous carrying amount of the sold asset. The residual is recognized through the statement of operations as a gain on disposal of property, plant and equipment & intangibles assets.

Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentives received. They are subsequently measured at cost less accumulated depreciation and impairment losses.

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

The ROU asset is depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of outstanding lease payments at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The Company's incremental borrowing rate for a lease is the rate that the Company would pay to borrow an amount necessary to obtain an asset of a similar value to the right-of-use asset on a collateralized basis over a similar term. The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured if there is a change in future lease payments arising from a change in an index or rate

Lease payments include fixed payments less any lease incentives and any variable lease payments where variability depends on an index or rate. Management exercises judgment in the process of applying IFRS 16 and determining the appropriate lease term on a lease by lease basis. Management considers many factors including any events that create an economic incentive to exercise a renewal option including performance, expected future performance and past business practice. Renewal options are only included if Management is reasonably certain that the option will be renewed. Variable lease payments that do not depend on an index or rate are not included in the measurement of the ROU asset and lease liability. The related payments are recognized as an expense in the period in which the triggering event occurs and are included in the consolidated statements of operations and comprehensive income (loss).

Foreign currencies

Transactions in foreign currencies are recognized at the average exchange rate for the month in which the transactions occurred, unless exchange rates fluctuated significantly during that period or for non-recurring transactions of material amounts, in which case the exchange rates at the dates of the transactions are used. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in the statement of operations in the period in which they arise.

For the Company's foreign operation where the Canadian dollar is its functional currency, the same policy described above is applied to the translation of its assets and liabilities for the purpose of presenting consolidated financial statements.

For the Company's foreign operation where the US dollar is its functional currency, the assets and liabilities of the foreign operation for the purpose of presenting consolidated financial statements are expressed in Canadian dollars using exchange rates prevailing at the end of the reporting period. Revenues and expenses are translated into Canadian dollars at the average exchange rate for the month in which the transactions occurred, unless exchange rates fluctuated significantly during that period or for non-recurring transactions of material amounts, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income or loss and accumulated in equity until the disposal of the foreign operation, when all of the accumulated exchange differences in respect of that operation are reclassified to profit or loss.

Employee future benefits

Contributions to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method. Actuarial gains or losses arise from the difference between the effective yield of plan assets for a period and the expected yield on plan assets for the period, from changes in actuarial assumptions used to determine defined benefit obligations and from emerging experience that differs from the selected assumptions. Actuarial gains and losses and related taxes are recognized in other comprehensive income or loss as remeasurement of defined benefit liabilities in the period in which they occur.

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

The retirement benefit obligation recognized in the statements of financial position represents the present value of the defined benefit obligation as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan. The determination of a benefit expense requires assumptions such as the discount rate to measure obligations and the expected return on asset, the expected mortality rate and the expected rate of future compensation increases.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds and that have terms to maturity approximating the terms of the related pension liability.

For the purposes of calculating the estimated rate of return on plan assets, assets are measured at fair value.

Actuarial gains or losses arise from the difference between the effective yield of plan assets for a period and the expected yield on plan assets for the period, from changes in actuarial assumptions used to determine defined benefit obligations and from emerging experience that differs from the selected assumptions. Actuarial gains or losses are recognized under other comprehensive income (loss) in the period in which they occur.

Net interest is recognized in consolidated statements of loss and comprehensive loss calculated using the discount rate by reference to market yields at the valuation date and when plan assets and obligations are measured.

Net defined benefit liability is determined based on the excess of plan obligations over plan assets.

Share-based compensation

For share-based compensation arrangements in which the term of the arrangement provides the employees and others providing similar services with the choice of settlement by equity instruments or in cash, the transaction is accounted for as a cash-settled share-based payment transaction.

For cash-settled share-based compensation, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability. The liability is subsequently measured at fair value using mark to market accounting. Under the stock option plan, the fair value is determined by using the Black-Scholes-Merton Option Pricing Model, which factors in the Company's estimate of the number of options that will eventually vest. Under the executives' cash settled long-term incentive plan and the cash settled deferred share unit plan, the fair value is based on the share price at the end of the reporting period as well as the Company's estimate of the number of shares that will eventually vest.

At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss for the year.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statements of operations due to items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statements of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate in accordance with IFRIC 23 Uncertainty over Income Tax Treatments.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Government grants

Government grants are recognized when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in other income on a systematic basis over the periods in which the Company incurs expenses for the related costs for which the grants are intended to compensate.

When a government loan is issued to the Company at a below-market rate of interest, the loan is initially recorded at its net present value and accreted to its face value over the period of the loan. The benefit of the below-market rate of interest is accounted for as a government grant. It is measured as the difference between the initial carrying value of the loan and the cash proceeds received.

Research and development costs

Research costs, including costs for new patents and patent applications, are expensed in the period in which they are incurred. Development costs are expensed in the period in which they are incurred unless certain criteria in IAS 38, including technical feasibility, commercial feasibility, intent and ability to develop and use the technology, are met for deferral and amortization.

Loss per share ("LPS")

Basic loss per common share is calculated using the weighted daily average number of common shares outstanding. Diluted loss per share is calculated using the treasury stock method.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognized when property, plant and equipment is available for use so as to write off the cost less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation ceases at the earlier of when the asset or component is derecognized, or when it is held for sale or included in a group that is classified as held for sale.

Each component of an item of property, plant and equipment with a cost which is significant in relation to the total cost of the item and has a significantly different estimated useful life than the parent asset is depreciated separately. Component accounting is used for the Company's buildings.

Depreciation is calculated over the estimated useful life of the assets, at the following rates and methods:

Asset category	Useful lives	Depreciation method
Land	Nil	Nil
Building / Roof	25 – 40 years	Straight line
Leasehold improvements	The lower of the estimated useful life and the term of the lease	Straight line
Machinery and equipment	5 – 20 years	Straight line
Tools, dies and jigs	3 years	Straight line
Office furniture and equipment	2 – 10 years	Straight line

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

Intangible assets

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each year-end, with the effect of any changes in estimate being accounted for on a prospective basis. Expenditure on research activities is recognized as an expense in the period in which it is incurred.

Amortization is calculated over the estimated useful life of the assets, at the following rates and methods:

Asset category	Useful lives	Amortization method
Licensed products	3 – 5 years	Straight line
Computer software	3 – 5 years	Straight line
Intellectual property	10 years	Straight line

Impairment of long-lived non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its long-lived non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. A CGU is the smallest identifiable group of assets that generates cash flows that are largely independent of the cash flows from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use, which is the present value of the estimated future cash flows from the use of the asset (or cash-generating unit).

The discount rates used in the present value calculation are the pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount is estimated to be less than the carrying amount of the asset (or cash-generating unit), the carrying amount is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss. At the end of each reporting period, the Company reviews whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill (or cash-generating unit) may no longer exist or may have decreased. If any such indication exists, the recoverable amount of the asset (or cash-generating unit) is estimated in order to determine whether the impairment loss should be reversed. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Inventories

Raw materials are measured at the lower of cost and net realizable value, determined on a first-in, first-out basis. Recoverable costs of raw materials that have no consumption over a period of eighteen months may be written down based on the Company's assessment of their future usage. When circumstances that previously caused inventories to be written down below cost no longer exist, the amount of the write-down previously recorded is reversed. Work-in-progress and finished goods are measured at the lower of cost and net realizable value, determined on a first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. The cost of work-in-progress and finished goods includes the cost of raw materials, and the applicable share of the cost of labour, fixed and variable production overheads.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Financial assets

Financial assets consist of cash and cash equivalents, restricted cash, trade and other receivables, note receivable and derivative financial assets. These financial assets are initially measured at fair value plus transaction costs. They are subsequently measured at amortized cost, except derivatives financial assets, as discussed below.

Amortized cost is determined using the effective interest rate method, factoring in acquisition costs paid to third parties, and loss allowance. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the carrying amount. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument.

The Company does not have any financial assets that are subsequently measured at fair value except for the derivative financial instrument which may be in an asset or liability position depending on the prevailing foreign exchange rates at such time. These derivatives have been classified as fair value through profit or loss.

Financial assets are derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from an asset.

Impairment of financial assets

The Company recognizes an allowance for expected credit loss on accounts receivable that are measured at amortized cost. The amount of expected credit loss ("ECL") is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company recognizes lifetime ECL for its trade and other receivables. The expected credit losses on these financial assets are estimated using the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Financial liabilities

Financial liabilities are recognized initially at fair value and subsequently measured at either fair value or amortized cost. The Company's financial liabilities are classified as 'financial liabilities at amortized cost' and include any borrowings and trade and other payables and are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

Classification of financial assets and liabilities

The following is the classification of the Company's financial assets and liabilities based on their characteristics and management's choices and intentions related to them:

Asset/Liability	Classification under IFRS 9
Cash and cash equivalents	Amortized cost
Restricted cash	Amortized cost
Trade and other receivables	Amortized cost
Note receivable	Amortized cost
Trade and other payables	Amortized cost
Revolving credit facility	Amortized cost
Derivative assets and liabilities	FVTPL

Derivative financial instruments

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risk.

Derivatives are initially recognized at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately since the derivatives are not designated as hedging instruments for hedge accounting.

A derivative with a positive fair value is recognized as a financial asset; a derivative with a negative fair value is recognized as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Non-performance risk, including the Company's own credit risk, is considered when determining the fair value of financial instruments.

Share capital

Common shares issued by the Company are recorded in the amount of the proceeds received, net of direct issue costs.

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The application of the Company's accounting policies requires management to use estimates and judgments that can have a significant effect on the revenues, expenses, comprehensive income, assets and liabilities recognized and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates materially.

Significant estimates and judgments in applying accounting policies

The following are estimates and judgments that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Significant judgments

The Company assesses on a forward-looking basis the expected credit losses ("ECL") associated with its assets carried at amortized costs, including other receivables. For trade and other receivables only, the Company applies the simplified approach permitted by IFRS 9, which requires the expected lifetime losses (based on management's judgement and review of known exposures, credit worthiness, and collection experience) to be recognized from initial recognition of the receivables.

Provision for inventories is based on the aging of inventories and management's judgement of product life cycles in identifying obsolete items.

Provision for warranty is based on management's judgment and review of any known exposures and historical claim experience.

Percentage of completion percentages are based on the Company's onsite project management estimate of job progress, an output method. The project manager enables the Company to track the progress toward completion of the contract by measuring outputs to date relative to total estimated outputs needed to satisfy the performance obligation.

Identification of cash generating units for the purposes of performing impairment test of assets is based on management's judgment of what constitutes the lowest group of assets that can generate cash flows largely independent of other assets.

Determination to not recognize deferred tax assets is based on management's judgment of the ability of the Company to achieve sufficient taxable income to use the deferred tax assets.

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

COVID-19 Pandemic

The COVID-19 pandemic has continued to disrupt global health and the economy in 2022 and has created an indeterminate period of volatility in the markets in which the Company operates. The Company continues to monitor developments and mitigate risks related to the COVID-19 pandemic and the impact on the business operations, supply chain, and most importantly the health and safety of its employees.

As an evolving risk, the duration and full financial effect of the COVID-19 pandemic is unknown at this time. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly affect the Company's operations, financial results and condition in future periods. Therefore, the amounts recorded in these consolidated financial statements are based on the latest reliable information available to management at the time the consolidated financial statements were prepared, reflecting the information and conditions to date. However, given the level of uncertainty caused by COVID-19, these assumptions and estimates could result in outcomes that could require a material adjustment to revenue and expenses, and the carrying amount of the affected asset or liability in the future.

Asset held for sale

The Company's accounting policies relating to assets held for sale are described above. In applying this policy, judgment is required in determining whether sale of certain assets is highly probable, which is a necessary condition for being presented within assets held for sale.

Government assistance

Government assistance, including the Canada Emergency Wage Subsidy ("CEWS") and the Canada Emergency Rent Subsidy ("CERS"), are recorded in the consolidated financial statements as described above, significant accounting policies. In applying this policy, judgment is required in determining whether government grants will be received and that the Company will comply with conditions attached.

Going concern

Significant judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include the assessment of the Company's ability to continue as a going concern.

The Company uses a forecasted cash flow to assess the Company's ability to continue as a going concern. Significant judgment is required to forecast the amount of new sales orders and total revenue and the timing of the related cash flows.

Significant estimates

Estimated useful lives and residual values of intangible assets, property, plant and equipment are based on management's experience, the intended usage of the assets and the expected technological advancement that may affect the life cycle and residual values of the assets.

Defined benefit pension obligations are based on management's best estimates on the long-term investment return on pension fund assets, the discount rate of obligations, mortality and the future rate of salary increase.

Liability for the Company's performance and restricted share units is based on management's best estimate of the Company's financial performance during the vesting period of the performance and restricted share units.

Determination of the company's fair value of the principal assets of each CGU less the costs to sell the assets is used to perform an impairment test of the assets.

The calculation of recoverable amounts used in impairment testing require significant estimates, which are reviewed in detail as part of the budget and strategic plan process during the fourth quarter of 2022. For purposes of impairment testing, management exercises judgment to identify independent cash inflows for the Walls and Furniture CGUs. Management also make significant judgment on the outcome of strategic decisions to improve the profitability of the Company. Examples of events or circumstances that could result in changes to the underlying key assumptions and judgments used in the impairment tests, and therefore impact the recoverable amounts may included but are not limited to: the length, duration and impact of COVID-19 on the economy, including measures adopted by governmental or public authorities in response to the pandemic; adverse macro economic conditions; volatility in the equity and debt markets which could result in higher

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

discount rates; and current and future competitive conditions and the Company's position in the competitive environment. The outcome of these judgments may vary significantly and affects the profitability of the CGUs.

The recoverable amounts of CGUs are based on fair value less costs of disposal, which was determined using present value of forecasted future cash flows. The fair value measurements are categorized within Level 3 of the fair value hierarchy since the inputs used in the discounted cash flow model are Level 3 inputs (inputs that are not based on observable market data). The estimated future cash flows for the first five years are based on the budget and strategic plan. After the initial five years, long-range forecasts prepared by management are used using the projected inflation rates in United States. Terminal growth rate is determined at year 6.

Forecast future cash flows are based on management's best estimate of the expected annual sales, which are based on management's market forecasts and the Company's pre-pandemic sales levels. Other key estimates used to determine the recoverable amount include future sales under existing firm orders, expected future orders, timing of payments based on expected delivery schedules, procurement costs based on existing contracts with suppliers, future labor costs, general market conditions, foreign exchange rates, costs to complete the re-engineering and right-sizing of the Holland Landing plant and applicable long-range forecast income tax rates, terminal growth rate and post-tax discount rate of 13.5% based on a weighted average cost of capital calculated using market-based inputs.

The application of IFRS 16 requires the use of estimates that affect the measurement of right-of-use-assets and lease liabilities, including the appropriate discount rate used to measure lease liabilities. The Company discounts lease payments at its incremental borrowing rate, which is based on estimates of the risk-free interest rate, credit spreads and lease terms. In addition, it assesses the duration of the lease based on the terms of the contract and the renewal options it has reasonable certainty to exercise. A change in these assumptions could affect the amounts recorded.

3. NEW ACCOUNTING STANDARDS ADOPTED

(a) New standards, interpretations and amendments adopted by the Company

There were no new standards, interpretations or amendments that had a material impact to the Company's consolidated financial statements. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(b) Standards issued but not yet effective

There are no new standards issued but not yet effective as at January 1, 2022 that are expected to have a material impact to the Company's consolidated financial statements.

4. TRADE AND OTHER RECEIVABLES

	As at April 30, 2022	As at April 30, 2021
Trade account receivables, gross	\$ 9,256	\$ 5,323
Allowance for expected credit losses	(9)	(45)
	9,247	5,278
Other receivables	2,531	609
	\$ 11,778	\$ 5,887

Included in other receivables was \$1,624 related to the sale of surplus land at 70 Toll Road, Holland Landing, Ontario, which was subsequently collected on May 2, 2022.

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

An aging analysis of trade receivables:

	As at April 30, 2022	As at April 30, 2021
Current	\$ 3,611	\$ 2,394
1-30 days	2,645	1,189
31-60 days	624	230
61-90 days	595	257
> 90 days	1,781	1,253
	\$ 9,256	\$ 5,323

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

5. INVENTORIES

	As at April 30, 2022	As at April 30, 2021
Raw materials	\$ 3,946	\$ 3,153
Work-in-progress	288	174
Finished goods	692	170
	\$ 4,926	\$ 3,497

The cost of inventories recognized as cost of goods sold was \$31,073 (2021 - \$30,186). During the year, there was an inventory write-down to net realizable value of \$378 (2021 - \$1,513).

6. PROPERTY, PLANT AND EQUIPMENT

As at April 30, 2022	Lease- hold Improve- ments	Machinery and Equipment	Tools, Dies and Jigs	Office Furniture and Equipment	Capital Projects in Progress (CIP)	Total
Cost:						
Opening balance, May 1, 2021	\$ 3,079	\$ 40,274	\$ 20,422	\$ 9,173	\$ 376	\$ 73,324
Additions	29	742	117	52	246	1,186
Disposals	-	(25)	-	(5,745)	-	(5,770)
Transfers	-	123	22	-	(145)	-
Impact of financial currency translation	12	29	6	15	1	63
Ending balance, April 30, 2022	3,120	41,143	20,567	3,495	478	68,803
Accumulated depreciation:						
Opening balance, May 1, 2021	1,886	36,834	20,319	8,806	-	67,845
Depreciation charge for the year	218	545	74	189	-	1,026
Disposals	-	(25)	-	(5,744)	-	(5,769)
Transfers	-	-	-	-	-	-
Impact of financial currency translation	-	26	6	9	-	41
Ending balance, April 30, 2022	2,104	37,380	20,399	3,260	-	63,143
Net book value, April 30, 2022	\$ 1,016	\$ 3,763	\$ 168	\$ 235	\$ 478	\$ 5,660

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

As at April 30, 2021	Land	Buildings/ Roof	Lease- hold Improve- ments	Machinery and Equipment	Tools, Dies and Jigs	Office Furniture and Equipment	Capital Projects in Progress (CIP)	Total
Cost:								
Opening balance, May 1, 2020	\$ 300	\$ 15,237	\$ 6,318	\$ 39,979	\$ 21,009	\$ 11,965	\$ 117	\$ 94,925
Additions	-	63	311	1,675	64	137	290	2,540
Disposals	-	-	(3,542)	(1,255)	(581)	(2,849)	(28)	(8,255)
Transferred to assets held for sale ¹	(300)	(15,300)	-	-	-	-	-	(15,600)
Impact of financial currency translation	-	-	(8)	(125)	(70)	(80)	(3)	(286)
Ending balance, April 30, 2021	-	-	3,079	40,274	20,422	9,173	376	73,324
Accumulated depreciation:								
Opening balance, May 1, 2020	-	10,070	4,961	37,722	20,864	11,393	-	85,010
Depreciation charge for the year	-	289	467	454	106	310	-	1,626
Disposals	-	-	(3,542)	(1,234)	(580)	(2,823)	-	(8,179)
Transferred to assets held for sale ¹	-	(10,359)	-	-	-	-	-	(10,359)
Impact of financial currency translation	-	-	-	(108)	(71)	(74)	-	(253)
Ending balance, April 30, 2021	-	-	1,886	36,834	20,319	8,806	-	67,845
Net book value, April 30, 2021	\$ -	\$ -	\$ 1,193	\$ 3,440	\$ 103	\$ 367	\$ 376	\$ 5,479

¹As of March 24, 2021, the Company intends to enter into an agreement to sell and leaseback the land and building at the Holland Landing property within the next twelve months. As at April 30, 2021, the non-current assets has been reclassified as assets held for sale on the statement of financial position (Note 2). This property is part of the Furniture reportable segment.

6.1 HOLLAND LANDING SALE TRANSACTIONS

Sale and Leaseback

On January 25, 2022, the Company completed a sale and leaseback of the land and buildings (“the property”) at 67 Toll Road in Holland Landing, Ontario to a third-party purchaser. The property, which was included in assets held for sale immediately prior to sale, had a carrying value of \$5,237 (2021 - \$5,229), during the current fiscal year incremental building improvements of \$8 were added. The transaction qualifies for sales recognition under IFRS 15 and the Company recorded a gain of \$12,985. The lease liability reflects the net present value of future lease payments. The gross sale proceeds of \$32,750 were primarily used to repay in-full borrowings under the Revolving Credit Facility and provided working capital for continued business operations.

The lease related to this transaction has an initial term of 10 years as well as two 5-years extension terms, at the option of the Company. At the commencement of the lease, the Company recorded a lease liability of \$16,699 and a right-of-use assets of \$2,715. The incremental borrowing rate of the lease was 6.5%. Management’s valuation of the sale and leaseback was completed over the first 10-year horizon only, given high probability of changes in our industry.

Sale of Surplus Property and motor vehicle

On April 29, 2022, the Company completed a sale of surplus property at 70 Toll Road in Holland Landing, Ontario to a third-party purchaser. The property, which was included in assets held for sale immediately prior to sale, had a carrying value of \$12. The sale generated cash proceeds of \$1,700 and resulted in a net gain of \$1,605.

During the year, the Company disposed of a fully depreciated vehicle at the Walls plant for proceeds of \$11.

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

7. INTANGIBLE ASSETS

As at April 30, 2022		Licensed Products	Computer Software	Intellectual Property	Total
Cost:					
Opening balance, May 1, 2021	\$	74	\$ 10,426	\$ 421	\$ 10,921
Additions		-	25	-	25
Disposals		(74)	(4,450)	-	(4,524)
Impact of financial currency translation		-	1	-	1
Ending balance, April 30, 2022	\$	-	\$ 6,002	\$ 421	\$ 6,423
Accumulated Amortization:					
Opening balance, May 1, 2021	\$	74	\$ 9,139	\$ 421	\$ 9,634
Amortization		-	486	-	486
Disposals		(74)	(4,450)	-	(4,524)
Impact of financial currency translation		-	1	-	1
Ending balance, April 30, 2022	\$	-	\$ 5,176	\$ 421	\$ 5,597
Net book value, April 30, 2022	\$	-	\$ 826	\$ -	\$ 826

As at April 30, 2021		Licensed Products	Computer Software	Intellectual Property	Total
Cost:					
Opening balance, May 1, 2020	\$	122	\$ 11,021	\$ 524	\$ 11,667
Disposals		(48)	(556)	(103)	(707)
Impact of financial currency translation		-	(39)	-	(39)
Ending balance, April 30, 2021	\$	74	\$ 10,426	\$ 421	\$ 10,921

Accumulated Amortization:					
Opening balance, May 1, 2020	\$	122	\$ 9,384	\$ 524	\$ 10,030
Amortization		-	345	-	345
Disposals		(48)	(556)	(103)	(707)
Impact of financial currency translation		-	(34)	-	(34)
Ending balance, April 30, 2021	\$	74	\$ 9,139	\$ 421	\$ 9,634
Net book value, April 30, 2021	\$	-	\$ 1,287	\$ -	\$ 1,287

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

8. LEASES

8.1 Right-of-use assets

As at April 30, 2022

	Showrooms		Facilities		Other		Total
Cost:							
Opening balance, May 1, 2021	\$	10,554	\$	1,180	\$	231	\$ 11,965
Additions		2,024		2,778		29	4,831
Disposals		-		-		-	-
Impact of financial currency translation		-		50		6	56
Ending balance, April 30, 2022	\$	12,578	\$	4,008	\$	266	\$ 16,852
Accumulated Depreciation:							
Opening balance, May 1, 2021	\$	1,830	\$	37	\$	48	\$ 1,915
Amortization		1,046		234		70	1,350
Disposals		-		-		-	-
Impact of financial currency translation		-		5		3	8
Ending balance, April 30, 2022	\$	2,876	\$	276	\$	121	\$ 3,273
Net book value, April 30, 2022	\$	9,702	\$	3,732	\$	145	\$ 13,579

There were no expenses related to short-term or low-value leases during the year.

As at April 30, 2021

	Showrooms		Facilities		Other		Total
Cost:							
Opening balance, May 1, 2020	\$	4,050	\$	905	\$	124	\$ 5,079
Additions		7,139		1,220		137	8,496
Disposals		(635)		(832)		(17)	(1,484)
Impact of financial currency translation		-		(113)		(13)	(126)
Ending balance, April 30, 2021	\$	10,554	\$	1,180	\$	231	\$ 11,965
Accumulated Depreciation:							
Opening balance, May 1, 2020	\$	1,244	\$	173	\$	25	\$ 1,442
Amortization		1,221		711		32	1,964
Disposals		(635)		(810)		(5)	(1,450)
Impact of financial currency translation		-		(37)		(4)	(41)
Ending balance, April 30, 2021	\$	1,830	\$	37	\$	48	\$ 1,915
Net book value, April 30, 2021	\$	8,724	\$	1,143	\$	183	\$ 10,050

There were no expenses related to short-term, low-value nor variable leases during the year.

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

8.2 Lease liabilities

As at April 30, 2022

	Showrooms		Facilities		Other		Total
Opening balance, May 1, 2021	\$	8,735	\$	1,137	\$	187	\$ 10,059
Additions		2,082		17,012		28	19,122
Principal payments		(541)		(122)		(66)	(729)
Disposals		-		-		-	-
Impact of financial currency translation		312		45		2	359
Ending balance, April 30, 2022	\$	10,588	\$	18,072	\$	151	\$ 28,811
Current lease liabilities		881		1,199		78	2,158
Non-current lease liabilities		9,707		16,873		73	26,653
Ending balance, April 30, 2022	\$	10,588	\$	18,072	\$	151	\$ 28,811

Lease term:

Not later than 1 year
Later than 1 year and not later than 5 years
Later than 5 years

As at
April 30,
2022

\$	2,158
	10,051
	16,602
\$	28,811

As at April 30, 2021

	Showrooms		Facilities		Other		Total
Opening balance, May 1, 2020	\$	3,277	\$	512	\$	102	\$ 3,891
Additions		7,139		1,220		137	8,496
Principal payments		(1,069)		(517)		(29)	(1,615)
Disposals		-		(15)		(14)	(29)
Exchange differences		(612)		(63)		(9)	(684)
Ending balance, April 30, 2021	\$	8,735	\$	1,137	\$	187	\$ 10,059
Current lease liabilities		531		120		66	717
Non-current lease liabilities		8,204		1,017		121	9,342
Ending balance, April 30, 2021	\$	8,735	\$	1,137	\$	187	\$ 10,059

Lease term:

Not later than 1 year
Later than 1 year and not later than 5 years
Later than 5 years

As at
April 30,
2021

\$	717
	3,811
	5,531
\$	10,059

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

9. OTHER ASSETS

Other assets consist of:

	As at April 30, 2022	As at April 30, 2021
Current	\$ -	\$ -
Non-current	2,700	-
	\$ 2,700	\$ -

Other assets relate primarily to deposits paid to lessor for three leased properties, namely Holland Landing Ontario (\$2,500), the Toronto Showroom (\$33), the New York Showroom (\$147) and the Washington Showroom (\$20), in the U.S. The contracts generally provide for scheduled reduction of the security deposits over the lease term. There are no reductions within the next twelve-month period.

10. FINANCIAL INSTRUMENTS

10.1 Capital risk management

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders through growth in earnings.

Management defines capital as the Company's total capital, debt and reserves excluding accumulated other comprehensive income as summarized in the following table:

	As at April 30, 2022	As at April 30, 2021
Issued capital	\$ 52,868	\$ 52,868
Contributed surplus	2,675	2,675
Debt	-	(8,005)
Deficit	(45,008)	(44,169)
Total	\$ 10,535	\$ 3,369

The Company manages its capital structure and makes modifications in response to changes in economic conditions and the risks associated with the underlying strategic initiatives. In order to maintain or adjust the capital structure, the Company may return capital to shareholders. As at April 30, 2022, the Company closed out previous revolving credit facility and have not entered into any new facility.

See Credit Facility for a description of the Company's externally imposed covenants – Note 22.

10.2 Foreign currency risk management

The Company's activities expose it primarily to the financial risks of changes in the US dollar exchange rates. The Company enters into a variety of derivative financial instruments to hedge the exchange rate risk arising on the anticipated sales to the US. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors. Compliance with policies and exposure limits is reviewed by the Board on a regular basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

As at April 30, 2022, the Company had outstanding US dollar hedge contracts with settlement dates from May 2022 to December 2022. The total notional amounts under the contracts are US\$8,500 to US\$13,600 (2020 - US\$14,000 to US\$22,050). Dependent on the spot CAD/US rate on each settlement date, the Company can sell US dollars at rates ranging from \$1.22 CAD/US to \$1.34 CAD/US (2021 - \$1.27 CAD/US to \$1.35 CAD/US). These contracts had a mark-to-market unrealized loss of \$107 (US\$84) as at April 30, 2022 (2021 – unrealized gain of \$606 or US\$493), which was recognized on the consolidated statement of financial position as derivative liability. Any changes in the net gain or loss

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

from the prior reporting period due to addition of forward contracts, movements in the US currency exchange rate, gain or losses on derivatives are recognized on the consolidated statement of operations as unrealized gain or loss on derivatives of the year. There were realized gains of \$272 on the settlement of contracts during fiscal year 2022 (2021 – gains \$135).

The following reconciles the changes in the fair value of the derivatives at the beginning and the end of the year:

	As at April 30, 2022	As at April 30, 2021
Fair value of derivative assets (liabilities), beginning of year	\$ 606	\$ (3,391)
Changes in fair value during the year:		
(Decrease) increase in fair value of new contracts added	(107)	535
Realization of derivative assets (liabilities) of contracts settled	(74)	2,271
(Decrease) increase in fair values of outstanding contracts	(532)	1,191
Net (increase) decrease in fair value of derivative contracts recognized during the year	(713)	3,997
Fair value of derivative (liabilities) assets, end of year	\$ (107)	\$ 606
Current	\$ (107)	\$ 587
Long-term	-	19
	(107)	606

10.3 Foreign currency sensitivity analysis

Based on the existing average US currency hedge contract rates and the mix of US dollar denominated sales and expenses for the year ended April 30, 2022, a 1% change in the Canadian dollar against the US dollar would have an impact of approximately \$44 on the Company's pre-tax earnings (2021 – \$42).

Based on the US dollar denominated assets and liabilities as at April 30, 2022, a 1% change in the Canadian dollar against the US dollar would have an impact of \$437 on the unrealized exchange gain or loss reported in the Consolidated Statements of Operations (2021 - \$315) and an impact of \$194 on the Consolidated Statements of Comprehensive Income (Loss) (2021 - \$162).

10.4 Credit risk management

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss to the Company. The credit risk of counterparty non-performance continues to be relatively low, notwithstanding the impact of COVID-19. The Company's cash, restricted cash, trade accounts receivable, loan receivable and derivative assets are subject to the risk that the counterparties may fail to discharge their obligation to pay the Company. As at April 30, 2022, the Company's maximum direct exposure to credit risk is \$26,320 (2021 – \$13,153).

The Company is in regular contact with its customers, suppliers and logistics providers, and to date have not experienced significant counterparty non-performance. However, if a key supplier (or any company within such supplier's supply chain) or customer experiences financial difficulties or fails to comply with their contractual obligations, which may occur as the pandemic continues, this could result in a significant financial loss. The Company would also suffer a significant financial loss if an institution from which the Company purchased foreign exchange contracts and/or annuities for its pension plans defaults on their contractual obligations. With respect to its financial market activities, the Company has adopted a policy of dealing only with credit-worthy counterparties. In light of COVID-19, the Company assessed the financial stability and liquidity of its customers at the reporting date. No significant adjustments were made to the allowance for expected credit loss in connection with this assessment.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are estimated by assessing new customers' credit history, reviewing credit limits, monitoring aging of accounts receivable, assessing specific customer information and reviewing general historical trends. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. As at April 30, 2022, the allowance for expected credit losses was \$9 (2021 - \$45).

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

The Company's allowance for expected credit losses consist of sales allowances released during the year of \$26 (2021 – \$126) mainly from adjustments to expected lifetime credit losses. The amount written-off of \$11 (2021 - \$38) was from one customer where the Company could not collect. Below is a breakdown of the Company's ECL:

	As at April 30, 2022	As at April 30, 2021
Movement in the allowance for ECL		
Balance, beginning of year	\$ 45	\$ 216
Sales allowances adjustments	(26)	(126)
Amount written-off	(11)	(38)
Currency exchange	1	(7)
Balance, end of year	\$ 9	\$ 45

10.5 Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities as they fall due. The Company is exposed to liquidity risk primarily as a result of its lease liabilities and trade and other payables. The Company continuously reviews both actual and forecasted cash flows to ensure that the Company has appropriate capital capacity.

The primary source of liquidity is funds generated by operating activities and financial assets held; the Company is debt-free.

The following table summarizes the amount of contractual undiscounted future cash flow requirements as at April 30, 2022:

	2022	2023	2024	2025	2026	Thereafter	Total
Trade and other payables	\$ 10,794	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,794
Lease liabilities	\$ 3,696	\$ 4,013	\$ 3,766	\$ 3,805	\$ 3,895	\$ 19,288	\$ 38,463
Total contractual obligations	\$ 14,490	\$ 4,013	\$ 3,766	\$ 3,805	\$ 3,895	\$ 19,288	\$ 49,257

10.6 Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

The following table illustrates the classification of financial assets (liabilities) in the fair value hierarchy as at April 30, 2022:

	Level 1	Level 2	Level 3
Financial assets			
Cash equivalents	\$ -	\$ 5,011	\$ -
Financial liabilities			
Derivative financial liabilities	\$ -	\$ 107	\$ -
Total net financial assets	\$ -	\$ 4,904	\$ -

The following table illustrates the classification of financial assets in the fair value hierarchy as at April 30, 2021:

	Level 1	Level 2	Level 3
Derivative financial assets	\$ -	\$ 606	\$ -
Total net financial assets	\$ -	\$ 606	\$ -

There were no transfers between Level 1, 2 and 3 in the periods.

11. NOTE RECEIVABLE

On January 19, 2021, the Company entered into a lease agreement with a third party for the plant in Jamestown, New York. Subsequent to entering into the lease, the Company issued a note receivable to the lessor, an unrelated party, in the amount of \$250 USD, at prevailing market rates.

The principal outstanding under this note receivable as at April 30, 2022 is \$277 (2021 - \$302) and is repayable in 84 monthly payments of \$4 until it is fully paid off in February 2028, at a seven percent (7%) annual interest rate.

Interest income for the year ended April 30, 2022 was \$20 (2021 - \$4).

12. TRADE AND OTHER PAYABLES

	As at April 30, 2022	As at April 30, 2021
Trade accounts payable	\$ 4,845	\$ 2,661
Accrued liabilities	5,271	5,160
Sales tax payable	137	132
Other payables	541	91
	\$ 10,794	\$ 8,044

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

13. PROVISIONS

	As at April 30, 2022	As at April 30, 2021
Provision due to warranty		
Balance, beginning of year	\$ 709	\$ 1,260
Provisions made during the year	256	336
Provisions reversed and used during the year	(580)	(791)
Impact of financial currency translation	17	(96)
Balance, end of year	\$ 402	\$ 709
Current	80	226
Non-Current	\$ 322	\$ 483

The Company provides a warranty on all products sold to its customers. Warranties are not sold separately to customers. The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic resources that will be required to meet the Company's obligations for warranties upon the sale of goods, which may include repair or replacement of previously sold products. The estimate has been made on the basis of historical warranty trends.

14. RETIREMENT BENEFIT OBLIGATION

14.1 Defined contribution plans

The Company operates a defined contribution retirement benefit plan for all qualifying employees. The assets of the plans are held separately from those of the Company in funds under the control of trustees.

The total expense recognized in the consolidated statements of operations of \$194 (2021 - \$121) represents contributions made to the plan by the Company. The total employer's expected contribution to the plan for the upcoming fiscal year is anticipated to be approximately \$234.

14.2 Defined benefit pension plans

The Company operates one defined benefit pension plan for qualifying employees in Canada and one defined benefit pension plan for qualifying employees in the US. No other post-retirement benefits are provided to these employees.

The Canadian defined benefit pension plan is contributory in nature. The US defined benefit plan is non-contributory, and the accrued benefits were frozen in August 2013. The Canadian plan is registered under the Ontario Pension Benefits Act, RSO 1990 and the Income Tax Act. The US plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Both plans are legally separate from the Company and are monitored by a pension committee. The pension committee is responsible for policy setting. The pension plans expose the Company to actuarial risk, currency risk, credit risk, interest rate risk and market risk.

Actuarial valuations are prepared at least every three years for the Canadian plan and every year for the US plan. The most recent actuarial valuations were as of December 31, 2020, for the Canadian plan and July 1, 2020 for the US plan. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. Actuarial gains and losses are recognized immediately in other comprehensive income as a part of remeasurement. The total employer's expected contribution to the Canadian defined benefit plan for the upcoming fiscal year is anticipated to be approximately \$40. The expected contribution to the US plan for the upcoming fiscal year are approximately \$29.

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

14.2a Changes to the Canadian defined benefit pension plan

Effective April 2, 2022, accruals under the defined benefit component of the Plan ceased, and effective April 3, 2022, the Plan provides benefits on a defined contribution basis only.

In addition, the Company offered a Special Early Retirement Window (SERW) program to all active members of the defined benefit component of the plan, who is not a Maintenance Employee and has attained age 62 years and 17 years of continuous service on or before April 3, 2022.

These changes resulted in a curtailment gain of \$641 and SERW past service cost of \$195, which were recognized in pension expense for fiscal 2022 in accordance with IAS 19.

As part of the closure of the DB component, Members have been provided with the option to convert their DB entitlements and transfer a lump sum equivalent value to their DC account balance. These transfers are not expected to occur until the end of Fiscal 2023 or during Fiscal 2024.

Amounts recognized in the cost of goods sold and other comprehensive income in respect of these defined benefit plans are as follows:

	As at April 30, 2022	As at April 30, 2021
Defined benefit plans		
Benefits earned during the year	\$ 536	\$ 701
Participant contribution	(76)	(87)
Net interest cost	61	204
Pension expense recognized	\$ 521	\$ 818

	As at April 30, 2022	As at April 30, 2021
Remeasurements of the net defined benefit liabilities		
Actuarial (loss) gain due to actuarial experience	\$ (589)	\$ 886
Actuarial gain due to financial assumption changes	4,320	815
Actuarial (loss) gain due to demographic assumption changes	(15)	61
Return on plan assets (less) greater than discount rate	(2,177)	4,704
Remeasurements effects recognized in other comprehensive income	\$ 1,539	\$ 6,466

	As at April 30, 2022	As at April 30, 2021
Cumulative actuarial losses relating to net defined benefit liabilities		
Balance, beginning of year	\$ 1,482	\$ (4,984)
Remeasurements recognized in the year	1,539	6,466
Balance, end of year	\$ 3,021	\$ 1,482

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

The significant actuarial assumptions used in measuring the accrued defined benefit pension plans obligations are as follows:

	2022	2021
Discount rate at year end	4.06% to 4.60%	2.69% to 3.40%
Rate of increase in future compensation	0.0%	2.0%

Mortality Tables	2022	2021
Canadian Plan	2014 CPM Private Sector Table with mortality improvements projected using Scale MI-2017	2014 CPM Private Sector Table
US Plan	RP – 2014 / MP-2021 (Society of Actuaries)	RP – 2014 / MP-2020 (Society of Actuaries)

A 1% increase in the discount rate would reduce the Canadian defined benefit obligation by approximately \$2,155 (2021 - \$2,890) and a 1% decrease in the discount rate would increase the Canadian defined benefit obligation by approximately \$2,512 (2021 - \$3,602).

A 1% increase in the discount rate would reduce the US defined benefit obligation by approximately US\$432 (2021 – US\$564) and a 1% decrease in the discount rate would increase the US defined benefit obligation by approximately US\$515 (2021 – US\$684).

The discount rates are based on a review of current market interest rates of AA corporate bond yields with a similar duration as the expected future cash outflows for the pension payments.

The amount included in the consolidated statements of financial position arising from the Company's obligation in respect of its defined benefit plans is as follows:

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

	As at April 30, 2022	Canadian Plan	US Plan	As at April 30, 2021
Defined benefit obligation, beginning of year	\$ 27,571	\$ 21,641	\$ 5,980	\$ 30,241
True-up	50	-	-	-
Current service cost	536	515	21	701
Past service cost adjustments	(446)	(446)	-	-
Interest cost	909	737	172	876
Benefits and expenses paid	(1,213)	(908)	(305)	(1,510)
Actuarial (gain)	(3,717)	(3,398)	(319)	(1,763)
Foreign exchange rate changes	237	-	237	(974)
Defined benefit obligation, end of year	\$ 23,927	\$ 18,141	\$ 5,786	\$ 27,571

	As at April 30, 2022	Canadian Plan	US Plan	As at April 30, 2021
Fair value of plan assets, beginning of year	\$ 26,488	\$ 20,955	\$ 5,582	\$ 22,901
True-up	49	-	-	-
Interest income	848	703	145	672
Employers' contributions	337	306	31	297
Employees' contributions	76	76	-	87
Benefits and expenses paid	(1,213)	(908)	(305)	(1,510)
Return on plan assets greater than discount rate	(2,179)	(1,641)	(538)	4,704
Foreign exchange rate changes	217	-	217	(663)
Fair value of plan assets, end of year	\$ 24,623	\$ 19,491	\$ 5,132	\$ 26,488
Defined benefit obligation (assets), end of year	\$ (696)	\$ (1,350)	\$ 654	\$ 1,083

The fair value of the investments in the DB Plan for 2022 are categorized as a Level 1, 2 and 3 investments under fair value hierarchy measurement, as outlined below:

Fund	Level 1	Level 2	Level 3	Total
Canadian Plan	5,049	13,725	717	\$ 19,491
US Plan	-	5,132	-	5,132
Total	5,049	18,857	717	\$ 24,623

During the year the Canadian Defined Benefit Plan, which had a liability position of \$686 at April 30, 2021, experienced a remeasurement of the actuarial liability and plan assets, which resulted in a reclassification from liability to net asset position of \$1,350 at April 30, 2022. It must be noted that, subsequent to the year-end, as of the date of this report, the plan assets valuation declined due to market volatility which reversed the favourable asset position to a net liability position.

During the year the US Defined Benefit Plan, which had a liability position of \$397 at April 30, 2021, experienced a remeasurement of the actuarial liability and plan assets, which resulted in a net liability position of \$654 at April 30, 2022.

Given that the plans are legally separate these plans are recognized separately on the statement of financial position.

INSCAPE CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021
(in thousands of Canadian dollars, except where indicated and per share amounts)

Major categories of plan assets at the end of the year are as follows:

	As at April 30, 2022	As at April 30, 2021
Equity securities	25%	62%
Debt securities	65%	23%
Cash and cash equivalents	10%	15%
Total	100%	100%

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

15. INCOME TAXES

15.1 Income tax recognized in profit or loss

The Company's income tax expense (recovery) comprises:

	For the year ended April 30, 2022	For the year ended April 30, 2021
Current	\$ 519	\$ 29
Deferred	(446)	(2,855)
	<u>\$ 73</u>	<u>\$ (2,826)</u>

The income tax provision for the years can be reconciled to the accounting income (loss) as follows:

	For the year ended April 30, 2022	For the year ended April 30, 2021
Loss before income taxes	\$ (766)	\$ (3,717)
Basic statutory income tax rate	25.34%	25.34%
	(194)	(942)
Reconciling items:		
Tax effect of non-taxable items relating to sale of the Holland Landing property	(2,244)	-
Permanent differences	352	1,639
True-up	(344)	(71)
Impact of tax rate differences	110	(94)
Non-recognition (recognition) of deferred tax assets	1,689	(3,319)
Tax rate changes	583	(15)
Prior year reassessment	130	-
Other	(9)	(24)
Income tax expense (recovery)	<u>\$ 73</u>	<u>\$ (2,826)</u>

The Company's basic Canadian statutory income tax rate is the aggregate of the federal income tax rate of 15% (2021 -15%) and the blended provincial tax rate of 10.34% (2021 - 10.34%). The basic US statutory income tax rate is the aggregate of the federal income tax rate of 21% (2021 - 21%) and the average rate for various states of 3.3% (2021 - 4.2%).

As of April 30, 2022, the Company recorded a tax liability of \$130 (2021 - \$0) for prior year reassessment resulting from a tax authority audit.

15.2 Net deferred income tax assets and liabilities

Deferred income tax assets and liabilities arising from the effect of temporary differences are as follows:

	April 30, 2021	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences and other	April 30, 2022
Property, plant and equipment	\$ (3,492)	\$ (616)	\$ -	\$ (93)	\$ (4,201)
Retirement benefit obligation	(276)	-	(446)	-	(722)
Derivative assets (liabilities)	(154)	181	-	-	27
Reserves	956	4,071	-	-	5,027
	<u>(2,966)</u>	<u>3,636</u>	<u>(446)</u>	<u>(93)</u>	<u>131</u>
Capital loss carryforwards	30	(30)	-	-	-
Non-capital loss carryforwards	5,516	(3,159)	-	93	2,450
	<u>\$ 2,580</u>	<u>\$ 447</u>	<u>\$ (446)</u>	<u>\$ -</u>	<u>\$ 2,581</u>

15.3 Loss carry forwards

As of April 30, 2022, the Company has unused net operating US losses of \$41,747 - US\$33,273 (2021 - \$32,349 - US\$24,716) which may be carried forward and used to reduce future years' taxable income.

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

US non-capital losses of \$41,747, of which \$27,559 are limited to 80% of taxable income (determined without regard to the deduction), have an indefinite life and no expiry period.

16. OTHER LONG-TERM OBLIGATIONS

Other long-term obligations are comprised of the fair value of the Company's stock-based compensation liabilities.

	As at April 30, 2022	As at April 30, 2021
Deferred Share Units	\$ 25	\$ 27
Stock Options	98	72
Restricted Share Units	42	65
	\$ 165	\$ 164

17. ISSUED CAPITAL

Authorized

Unlimited Class B subordinated voting shares, 1 vote per share

	As at April 30, 2022	As at April 30, 2021
Issued and outstanding		
Class B subordinated voting	14,380,701	14,380,701
	14,380,701	14,380,701

18. SHARE-BASED COMPENSATION

18.1 Stock option plan

The Company has allotted and reserved 1,500,000 Class B subordinated voting shares under its Stock Option Plan. At the end of the year, the reserves available for grant are 979,855 (2021 – 1,078,161).

Under the plan, options may be granted to purchase Class B subordinated voting shares at the market price determined at the time of grant. The plan also allows for the issuance of stock options with tandem share appreciation rights, which give the holder the right to elect to either receive cash in an amount equal to the excess of the quoted market price over the option price or to receive a Class B subordinated voting share by making a cash payment equal to the option.

During the year, stock options with share appreciation rights for 270,000 Class B subordinated voting shares to expire in five years were granted (2021 – 45,000) and 50,000 stock options were exercised.

520,145 stock options were outstanding as at April 30, 2022 (2021 – 421,839). Fair values of these stock options based on the Black-Scholes-Merton Option Pricing Model are accounted for as liabilities and amortized over the vesting periods. Fair values of the amortized liabilities as at April 30, 2022 totaled \$98 (2021 - \$72). Fair values of the stock options were estimated using the Black-Scholes-Merton option pricing model.

The intrinsic value of the vested stock options outstanding as at April 30, 2022 was \$nil (2021 - \$2).

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

The assumptions used to compute the fair values and compensation expense under the model are as follows:

Inputs to the Black-Scholes-Merton Model	2022 Values	2021 Values	Basis
Expected remaining life of the options	0.2 to 4.6 years	0.2 to 4.6 years	Expiry dates of the options, history of forfeiture rates and early exercise
Risk-free interest rates	0.42% to 2.95%	0.01% to 1.19%	Market yield on US Treasury securities at terms commensurate with the expected remaining life of the options
Expected volatility	37% to 84%	62% to 113%	The Company's daily share price over a period of time commensurate with the expected remaining life of the options
Expected dividend yield	0%	0%	The Company's current dividend yield

18.2 Movements in share options during the year

The following reconciles the share options outstanding at the beginning and the end of the year:

	As at April 30, 2022		As at April 30, 2021	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning of year	421,839	\$ 1.75	1,143,415	\$ 1.95
Granted	270,000	1.07	45,000	0.99
Exercised	(50,000)	0.78	-	-
Expired	(39,378)	3.59	(53,734)	3.10
Forfeited	(82,316)	1.89	(712,842)	1.92
Outstanding, end of year	520,145	\$ 1.33	421,839	\$ 1.75

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

18.3 Share options outstanding at the end of the year

The following summarizes the share options outstanding at the end of the year:

April 30, 2022		Options outstanding		Options exercisable	
Range of exercise price	Number of outstanding options	Weighted average remaining life in years	Weighted average exercise price	Number exercisable at year end	Weighted average exercise price
\$0.78 to \$2.55	480,179	2.95	\$ 1.14	333,008	\$ 1.14
\$2.98 to \$3.41	22,500	0.62	3.41	22,500	3.41
\$3.65 to \$4.02	17,466	0.18	3.70	17,466	3.70
\$0.78 to \$4.02	520,145	2.75	\$ 1.33	372,974	\$ 1.39

April 30, 2021		Options outstanding		Options exercisable	
Range of exercise price	Number of outstanding options	Weighted average remaining life in years	Weighted average exercise price	Number exercisable at year end	Weighted average exercise price
\$0.78 to \$2.55	330,042	2.87	\$ 1.24	177,500	\$ 0.96
\$2.98 to \$3.41	39,378	1.01	3.24	39,378	1.29
\$3.65 to \$4.02	52,419	0.94	3.84	52,419	2.11
\$0.78 to \$4.02	421,839	2.46	\$ 1.75	269,297	\$ 1.35

18.4 Deferred share unit plan

The Company has a Deferred Share Unit Plan for the members of the Board of Directors and the executives. Under the plan, each director receiving Director's fees may elect to receive all or a percentage of the fees in the form of notional Class B subordinated voting shares of the Company called deferred share units ("DSU"). The issue price of each DSU is equal to the weighted average share price at which Class B subordinate voting shares of the Company were traded on the TMX during the last five-day period of the quarter prior to the DSU issue. Upon retirement from the Board, a director's DSU is redeemed for cash based on the market price of the shares at the time of redemption. The intrinsic value of vested deferred share units outstanding as at April 30, 2022 were \$nil (2021 - \$nil).

As at April 30, 2022, 33,596 DSUs were outstanding with a total fair value of \$25 measured at the closing price of the shares at year end (2021 – 33,596 units, fair value \$27).

18.5 Movements in deferred share units during the year

The following reconciles the deferred share units at the beginning and the end of the year:

	As at April 30, 2022	As at April 30, 2021
Outstanding, beginning of year	33,596	57,799
Forfeited/Exercised	-	(24,203)
Outstanding, end of year	33,596	33,596

18.6 Executives long-term incentive plan

The Company has a long-term incentive plan for eligible executives. Under the plan, annual grants of stock options and restricted share units ("RSU") are issued to eligible executives based on each executive's responsibilities and base salaries. The value of RSU redeemable at the end of a three-year vesting period is dependent upon the market price of the Class B subordinated voting shares of the Company and the amount of RSU held. During the year the Company issued 95,332 RSU (2021 – 458,321). As at April 30, 2022, 224,268 RSU were outstanding (2021 – 206,757).

The intrinsic value of the Company's vested RSUs outstanding as at April 30, 2022 was \$35 (2021 - \$56).

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

18.7 Movements in restricted share units during the year

The following summarizes the movements in RSU during the year:

	As at April 30, 2022	As at April 30, 2021
Outstanding, beginning of year	206,757	225,279
Granted	95,332	458,321
Forfeited	(55,605)	(429,673)
Maturities	(22,216)	(47,170)
Outstanding, end of year	224,268	206,757

19. LOSS PER SHARE

The net loss and weighted average number of shares used in the calculation of basic and diluted loss per share are as follows:

	For the year ended April 30, 2022	For the year ended April 30, 2021
Net Loss	\$ (839)	\$ (891)
Weighted average number of shares outstanding basic	14,380,701	14,380,701
Dilution impact of stock options	-	-
Weighted average number of shares outstanding diluted	14,380,701	14,380,701
Basic and diluted loss per share	\$ (0.06)	\$ (0.06)

Stock options are anti-dilutive and are therefore, not included in the computation of basic and diluted loss per share for the years ended April 30, 2022 and April 30, 2021.

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

20. SEGMENTED REPORTING

The Company's reportable segments include Furniture and Walls. In determining reportable segments, the Company looks at the shared economic characteristics. The chief decision maker, the CEO, monitors the operating results of the segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. Additionally, the product offerings, process and production are distinct and different between the operating segments.

Aggregated in the Furniture segment are Systems, Benching, Storage and Seating. The aggregation is based on the similarity in those products' functionalities, production or procurement, process of distribution and gross margin. Walls is a separate segment due to the different nature of movable walls compared to Furniture, the production process and the installation services involved in the selling of movable walls.

The following is an analysis of the Company's revenue and results from continuing operations, capital expenditures, amortization and depreciation by reportable segments:

Segmented sales	For the year ended April 30, 2022	For the year ended April 30, 2021
Furniture	\$ 28,488	\$ 29,176
Walls	10,253	9,027
Total	\$ 38,741	\$ 38,203
Segmented loss	For the year ended April 30, 2022	For the year ended April 30, 2021
Furniture	\$ (10,866)	\$ (8,903)
Walls	(3,984)	(4,699)
	(14,850)	(13,602)
Unrealized gain on foreign exchange	20	377
Unrealized (loss) gain on derivatives (Note 10.2)	(713)	3,997
Other income (Note 23)	1,979	5,308
Gain on sale of property, plant and equipment	14,609	209
Interest expense	(1,811)	(6)
Loss before taxes	(766)	(3,717)
Income tax (expense) recovery	(73)	2,826
Net loss	\$ (839)	\$ (891)
Amortization and depreciation	For the year ended April 30, 2022	For the year ended April 30, 2021
Furniture	\$ 2,522	\$ 3,076
Walls	341	859
Total	\$ 2,863	\$ 3,935
Additions to property, plant and equipment and intangibles	As at April 30, 2022	As at April 30, 2021
Furniture	\$ 1,117	\$ 2,084
Walls	94	456
Total	\$ 1,211	\$ 2,540

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

Segment assets and liabilities	As at April 30, 2022	As at April 30, 2021
Assets		
Furniture	\$ 48,701	\$ 35,777
Walls	6,929	6,195
Total assets	\$ 55,630	\$ 41,972
Liabilities		
Furniture	\$ 36,683	\$ 23,827
Walls	4,771	4,309
Total liabilities	\$ 41,454	\$ 28,136

The Company's revenue is based on geographical location as detailed below:

Sales from:	For the year ended April 30, 2022	For the year ended April 30, 2021
United States	\$ 36,835	\$ 36,156
Canada	1,906	2,047
Total	\$ 38,741	\$ 38,203

The Company's identifiable non-current assets (i.e. property, plant and equipment, intangibles and right-of-use assets) by geographical location are detailed below:

	As at April 30, 2022	As at April 30, 2021
United States	\$ 10,936	\$ 9,893
Canada	9,129	6,923
Total	\$ 20,065	\$ 16,816

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

21. SUPPLEMENTAL INFORMATION

21.1 Revenue split by nature

	For the year ended April 30, 2022	For the year ended April 30, 2021
Included in:		
Product sales	\$ 35,669	\$ 36,028
Installation sales	3,072	2,175
	\$ 38,741	\$ 38,203

21.2 Salaries, wages and benefits

	For the year ended April 30, 2022	For the year ended April 30, 2021
Included in:		
Cost of goods sold	\$ 9,614	\$ 10,047
Selling, general and administrative	10,865	11,056
	\$ 20,479	\$ 21,103

21.3 Amortization and depreciation

	For the year ended April 30, 2022	For the year ended April 30, 2021
Included in:		
Cost of goods sold	\$ 993	\$ 1,359
Selling, general and administrative	1,870	2,576
	\$ 2,863	\$ 3,935

22. CREDIT FACILITY

On January 25, 2022, the Company repaid all amounts owing under the revolving credit facility with FrontWell Capital Partners Inc. This included payments of \$9,147 and USD 5,441 (\$6,911) to repay principal and accrued interest.

The facility provided credit availability of the lesser of \$16,000 and availability pursuant to the Borrowing Base calculation representing accounts receivable, inventories, land and building, with a maturity date which was the earlier of (i) April 29, 2022, and (ii) the completion of the sale of certain mortgaged property, described as 70 and 67 Toll Road, Holland Landing, Ontario. The interest rate on the demand operating credit facility was Prime Rate plus 8.75% for Canadian dollar loans, US Base Rate plus 8.75% for US dollar loans.

As at April 30, 2022 the Company had no new credit agreement nor restrictive covenants.

23. GOVERNMENT ASSISTANCE

In response to the COVID-19 pandemic, the Company received a United States government unsecured forgivable loan in two tranches, with a 1.00% per annum interest rate, repayable over 24 months. Tranche 1 was forgiven as of the end of fiscal 2021.

Tranche 2 for \$1,800 (US \$1,390) was received during the fourth quarter of fiscal 2021. Subsequent to April 30, 2021, the Company received confirmation from U.S. Small Business Administration that its loan was forgiven.

INSCAPE CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended April 30, 2022 and 2021

(in thousands of Canadian dollars, except where indicated and per share amounts)

In addition, the Company applied for and received grants from the Canadian government under the Canada Emergency Wage Subsidy ("CEWS") and Canada Emergency Rent Subsidy ("CERS") programs. These assistance programs from the Canadian government ended on October 23, 2021.

For the twelve months ended April 30, 2022, the Company incurred CEWS qualifying expenditures of \$1,626 (2021 – \$2,431), of which net subsidies of \$1,626 (2021 - \$2,732) were received and an accrual of \$nil (2021 – \$301) was receivable in future periods.

	For the year ended April 30, 2022	For the year ended April 30, 2021
Other income during the period:		
Government Assistance:		
SBA forgivable loan, utilized	\$ (256)	\$ (2,774)
CEWS program subsidies recognized	(1,626)	(2,431)
Canadian rent subsidies recognized	(97)	(103)
	\$ (1,979)	\$ (5,308)

24. RELATED PARTY TRANSACTIONS

The following was the remuneration of directors and other members of key management personnel, including the Chief Executive Officer, Chief Financial Officer, SVP Sales and Distribution, VP Marketing & Product Design and VP Manufacturing & Supply Chain.

	For the year ended April 30, 2022	For the year ended April 30, 2021
Salaries and short-term benefits	\$ 1,987	\$ 1,691
Post-employment benefits	4	22
Share based compensations	28	62
	\$ 2,019	\$ 1,775

25. SUBSEQUENT EVENTS

On June 29, 2022, the Company entered into a lease termination and surrender agreement with the landlord for the premises housing the Toronto showroom ("the premises") effective August 31, 2022, releasing the Company of all rights and obligations under the lease which was scheduled to expire on March 31, 2028. As of April 30, 2022, the carrying value of related right-of-use asset, lease liability and leasehold improvements (included with PP&E) reported in the consolidated statements of financial position, were \$815, \$894 and \$506, respectively. Simultaneously, on June 29, 2022, the Company entered into an agreement of purchase and sale for consideration of \$50 for the furniture, fixtures and equipment with carrying value of \$24, located at the premises.

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
INSCAPE CORPORATION, INSCAPE (NEW YORK) INC., AND INSCAPE INC.
Applicants

Court File No.: CV-23-00692784-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at **TORONTO**

APPLICATION RECORD

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**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N :

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
INSCAPE CORPORATION, INSCAPE (NEW YORK) INC., AND INSCAPE INC.

Applicants

**APPLICATION RECORD
(RETURNABLE JANUARY 12, 2023)**

January 11, 2023

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TO THE SERVICE LIST

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(as of January 11, 2023)

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AND TO:	FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO 25 Sheppard Ave W Suite 100, North York, ON M2N 6S6
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INDEX

TAB	DOCUMENT
1.	Notice of Application
2.	Affidavit of Eric Ehgoetz, sworn January 11, 2023
Exhibits to the Affidavit of Eric Ehgoetz, sworn January 11, 2023	
Exhibit A	Corporate Profile Report for Inscape
Exhibit B	Corporate Profile Report for Inscape Delaware
Exhibit C	Corporate Profile Report for Inscape New York
Exhibit D	Corporate structure chart of the Inscape Group
Exhibit E	United Steelworkers 1-500 union Collective Agreement dated October 1, 2016
Exhibit F	Sheet Metal Workers' International Association Collective Agreement dated June 1, 2017
Exhibit G	Full details regarding Pension Plans administered by the Inscape Group
Exhibit H	Holland Landing Lease dated January 24, 2022
Exhibit I	Jamestown Lease dated December 29, 2020
Exhibit J	Chicago Showroom Lease dated June 17, 2021

Exhibit K	NYC Showroom Lease dated October 10, 2020
Exhibit L	Washington Showroom Lease dated April 5, 2018
Exhibit M	Consolidated Audited Year End Financial Statements from April 30, 2022
Exhibit N	Hilco Loan Agreement dated October 28, 2022
Exhibit O	Hilco General Security Agreement dated October 28, 2022
Exhibit P	Hilco Guarantee dated October 28, 2022
Exhibit Q	Hilco Guarantors General Security Agreement dated October 28, 2022
Exhibit R	Certified Personal Property Registry Search dated January 9, 2023
Exhibit S	Forbearance Agreement dated January 10, 2023
Exhibit T	Take-Over Bid Circular dated November 17, 2022
Exhibit U	Directors' Circular dated November 25, 2022
Exhibit V	Monitor's consent
3.	Initial Order
4.	Blackline of Initial Order against Model Initial Order

**This is Exhibit “N” referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 11th day of January, 2023**

DocuSigned by:

Monica Fakhim

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A COMMISSIONER FOR TAKING AFFIDAVITS

October 28, 2022

Private and Confidential

**INSCAPE CORPORATION
67 Toll Road, Holland Landing
ON L9N 1H2**

Attention: Eric Ehgoetz, Chief Executive Officer

Dear Sirs/Mesdames:

HUK 116 Limited (the “**Lender**”) is pleased to offer Inscape Corporation (the “**Borrower**”) the credit facility described below (the “**Credit Facility**”), subject to the following terms and conditions.

1 DEFINITIONS AND SCHEDULES

The attached schedules are incorporated into this agreement by reference. Schedule A contains definitions of capitalized terms used and not otherwise defined in this agreement. Unless otherwise provided, all dollar amounts are in Canadian currency and accounting terms are to be interpreted in accordance with GAAP or IFRS, as the case may be.

2 CREDIT FACILITY

- 2.1 **Credit Facility.** Up to \$5,000,000.00 revolving demand facility, available by way of Prime rate based loans in Canadian currency (the “**Loans**”).
- 2.2 **Borrowings.** The Credit Facility is a **Borrowing** and all such usages outstanding at any time are **Borrowings**. Borrower shall request each Borrowing by written notice to Lender substantially in the form of Schedule B (each a “**Notice of Borrowing**”) given no later than 3:00 p.m. (Toronto time) one (1) Business Day prior to the Business Day of the proposed advance. Lender shall be fully protected under this agreement in relying upon, and shall be entitled to rely upon: (i) any Notice of Borrowing believed by Lender to be genuine; and (ii) the assumption that the Persons making electronic requests or executing and delivering a Notice of Borrowing were duly authorized, unless the responsible individual acting thereon for Lender shall have actual knowledge to the contrary.

3 PURPOSE

- 3.1 To finance working capital and other general operating expenses, including expenses associated with adhoc projects and associated costs related to the delisting of the Borrower from the Toronto Stock Exchange.

4 AVAILABILITY

- 4.1 The Borrower may borrow, repay and reborrow the lesser of: (a) \$5,000,000.00 and (b) the Borrowing Base (the “**Availability Amount**”), provided
- 4.1.1 this Credit Facility is made available at the sole discretion of the Lender and the Lender may cancel or restrict availability of any unutilized portion at any time and from time to time upon prior written notice to the Borrower; and
- 4.1.2 an Event of Default shall not have occurred and be continuing at the time of any Borrowing.

5 REPAYMENT

- 5.1 Borrowings under this Credit Facility are expected to revolve with operating requirements and are repayable at any time and from time to time prior to the Termination Date (as defined below), provided such Borrowings are repayable in full immediately upon the earlier of:
- 5.1.1 notwithstanding compliance with the covenants and all other terms and conditions of this agreement, demand; or
- 5.1.2 24 months from the Closing Date.
- (the “**Termination Date**”)

6 FEES

- 6.1 **Arrangement Fee.** A fully earned non-refundable arrangement fee (the “**Arrangement Fee**”) by way of a cash payment of \$250,000.00, which Arrangement Fee is payable on the Closing Date or, at the option of the Lender, accrued (or rolled up) onto the balance of the Loan with such amount to be charged PIK Interest.
- 6.2 **Non-Utilisation Fee.** For each day from the Closing Date, and through and including the Termination Date, a non-utilisation fee (the “**Non-Utilisation Fee**”) in an amount equal to \$5,000,000.00 less the aggregate amount of Borrowings outstanding at the end of each day; multiplied by the Prime Rate and divided by 365 or 366, as applicable, depending on the actual number of days in the year in respect of the period for which the Non-Utilisation Fee is payable, which Non-Utilisation Fee is payable either: (i) in cash; or (ii) at the option of the Lender, accrued (or rolled up) onto the balance of the Loan with such amount to be charged PIK Interest. The Non-Utilisation Fee for each month (except for the month in which the Termination Date occurs) is payable in arrears on the first day of each calendar month following the Closing Date; the final monthly instalment of the Non-Utilisation Fee is payable on the Termination Date. Notwithstanding the foregoing, any unpaid Non-Utilisation Fee is immediately due and payable on the Termination Date.

- 6.3 **Monthly Monitoring Fee:** A fully earned and non-refundable monitoring fee of \$5000.00 per month payable monthly beginning on the Closing Date and on the first day of each month thereafter until the month in which the Termination Date occurs either: (i) in cash; or (ii) at the option of the Lender, accrued (or rolled up) onto the balance of the Loan with such amount to be charged PIK Interest;
- 6.4 **Early Termination Fee.** A cash amount of \$250,000.00 (the “**Termination Fee**”) to be immediately paid upon the termination of the Credit Facility by the Borrower prior to the Termination Date.

Borrower acknowledges and agrees that: (i) it would be difficult or impractical to calculate Lender’s actual damages from early termination of Lender’s obligation to make further Loans; (ii) the Termination Fee provided above is intended to be a fair and reasonable approximation of such damages; and (iii) the Termination Fee is not intended to be a penalty.

7 **CALCULATION AND PAYMENT OF INTEREST**

7.1 **Payment of Interest.**

- 7.1.1 The Borrower shall pay interest: (a) for the first twelve (12) months, from the Closing Date, at the PIK Interest Rate, on each Loan monthly in arrears, on the 1st day of each month (“**Interest Payment Date**”), unless, at the option of the Borrower, it provides written notice to the Lender at least five (5) Business Days prior to the relevant Interest Payment Date that it has elected to pay interest at the Cash Interest Rate on such amount then due, and (b) for each month thereafter, at the Cash Interest Rate, unless, at the option of the Borrower, if no Event of Default has occurred and is continuing, it provides written notice to the Lender at least five (5) Business Days prior to the relevant Interest Payment Date, that it has elected to pay interest at the PIK Interest Rate on such amount then due.
- 7.1.2 Any interest at the Cash Interest Rate shall be payable in cash on each Interest Payment Date. Any interest at the PIK Interest Rate shall be paid in full by adding and capitalizing the full amount of such interest to the principal amount of the applicable Loans (interest that has been capitalized pursuant to this clause, the “**PIK Interest**”) on each Interest Payment Date. All amounts of accrued PIK Interest as of each Interest Payment Date shall no longer be deemed to be accrued and unpaid interest on the outstanding principal balance of the applicable Loans, but shall be considered principal (and shall bear interest from and after the related Interest Payment Date) until paid in cash.
- 7.1.3 Each Aggregate Interest Rate will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365.
- 7.2 **Limit on Interest.** The Borrower shall not be obligated to pay any interest (including any Aggregate Interest Rate and Default Interest Rate), fees or costs under or in connection with this agreement in excess of what is permitted by law.

- 7.3 **Overdue Payments.** Any amount that is not paid when due hereunder shall, unless interest is otherwise payable in respect thereof in accordance with the terms of this agreement or the instrument governing same, bear interest until paid at Default Interest Rate.
- 7.4 **Equivalent Yearly Rates.** The annual rates of interest or fees to which the rates calculated in accordance with this agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.
- 7.5 **Time and Place of Payment.** Amounts payable by the Borrower hereunder shall be paid by wire transfer to the account specified by the Lender. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. The Aggregate Interest Rates payable under this agreement is payable both before and after the occurrence and continuance of (i) an Event of Default, or (ii) the Termination Date.

8 INCREASED COSTS/TAX GROSS UP

- 8.1 The Borrower shall reimburse the Lender for any additional cost or reduction in income arising as a result of (a) the imposition of, or increase in, taxes on payments due to the Lender hereunder (other than taxes on the overall net income of the Lender), (b) the imposition of, or increase in, any reserve or other similar requirement, (c) the imposition of, or change in, any other condition affecting the Credit Facility imposed by any Applicable Law or the interpretation thereof.
- 8.2 Any and all payments by or on account of any obligation of any Credit Party hereunder or under any Credit Document shall be made free and clear of and without withholding or deduction for any taxes, except as required by Applicable Law. If any Applicable Law requires the withholding or deduction of any tax from any such payment, then (i) if such tax is an Indemnified Tax, the amount payable shall be increased as necessary so that after making all required withholdings and deductions (including withholdings and deductions applicable to additional sums payable under this section), the Lender receives an amount equal to the sum it would have received had no such withholdings or deductions been made, (ii) the relevant Credit Party shall make such withholdings or deductions and (iii) the relevant Credit Party shall timely pay the full amount withheld or deducted to the relevant governmental authority in accordance with Applicable Law. If at any time any Credit Party is required by any Applicable Law to make any withholding or deduction from any amount payable hereunder or under any Credit Document, such Credit Party shall promptly notify the Lender upon becoming aware of the same. In addition, the Lender, shall promptly notify the Borrower upon becoming aware that any Indemnified Taxes are required to be withheld or deducted.
- 8.3 The Credit Parties shall timely pay any Other Taxes to the relevant governmental authority in accordance with Applicable Law or at the option of the Lender timely reimburse it for any Other Taxes paid by it.
- 8.4 As soon as practicable after any payment of Indemnified Taxes by any Credit Party to a governmental authority, the Borrower shall deliver to the Lender the original or a certified copy of a receipt issued by such governmental authority evidencing

such payment, a copy of the return reporting such payment or other evidence of such payment that is reasonably satisfactory to the Lender.

- 8.5 If the Lender is entitled to an exemption from or reduction of withholding tax with respect to payments made under any Credit Document they shall deliver to the Borrower, at the time or times reasonably requested by the Borrower, such properly completed and executed documentation as the Borrower may reasonably request to permit such payments to be made without withholding or at a reduced rate of withholding. In addition, the Lender, if reasonably requested by the Borrower, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower as will enable the Borrower to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject the Lender to any material unreimbursed cost or expense or would materially prejudice the legal position of the Lender.

(e) The Borrower's obligations under this Section shall survive the resignation or replacement of the Lender, the termination of the Credit Facility and the repayment, satisfaction or discharge of all obligations under any Credit Document.

9 EVIDENCE OF INDEBTEDNESS

The Lender shall maintain records evidencing the Borrowings made available to the Borrower by the Lender under this agreement. The Lender shall record the amount of each Borrowing, the payment of principal and interest and all other amounts becoming due or paid to the Lender under this agreement. The Lender's accounts and records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Lender pursuant to this agreement.

10 CASH MANAGEMENT SYSTEM

On or within 30 days from the Closing Date and until the Termination Date, the Credit Parties will establish and maintain the cash management system described in Schedule F. All payments in respect of the collateral shall be made to or deposited in the Blocked Accounts described in Schedule F in accordance with the terms thereof.

11 CONDITIONS PRECEDENT

The availability of the initial Borrowing is conditional upon the receipt of:

- 11.1 a duly executed copy of this agreement and all other Credit Documents;
- 11.2 a duly executed copy of each of the Support Agreement and all Lock-Up Agreements;
- 11.3 evidence that the security constituted by the Security Documents provided for herein, in form and substance satisfactory to the Lender, has been registered as required to protect, perfect and maintain the security created thereby and such

certificates, authorizations, resolutions and legal opinions as the Lender may reasonably require;

- 11.4 a Compliance Certificate and an executed Borrowing Base Certificate setting out the calculations and the availability under the Borrowing Base as of the Closing Date;
- 11.5 the Lender being satisfied in all respects with the results of their due diligence and review of the Credit Parties, including the organizational, tax, capital, ownership, corporate governance and legal structure of such parties, management and management operations of the such parties, and operating, information, management, technical, financial control and other systems of such parties;
- 11.6 the Lender shall have received such financial and other information relating to the Credit Parties, as it shall have reasonably requested;
- 11.7 the Lender shall have received confirmation of all insurance maintained by the Credit Parties, and such insurance shall comply with the requirements of this agreement;
- 11.8 the Borrower shall have paid to the Lender all fees and other amounts which shall have become due and payable by it to the Lender on or prior to the Closing Date;
- 11.9 no Event of Default shall have occurred and shall then be continuing on such date or will occur as of a result of giving effect to this agreement;
- 11.10 the following documents in form, substance and execution acceptable to the Lender shall have been delivered to the Lender:
 - 11.10.1 a certified copy of the constating documents and by laws of each of the Borrower and the Guarantors, and of all corporate proceedings taken and required to be taken by each of them to authorize the execution and delivery of such of this agreement and the other Credit Documents to which it is a party and the performance of the transactions by it contemplated therein;
 - 11.10.2 a certificate of incumbency for each of the Borrower and the Guarantors, setting forth specimen signatures of the persons authorized to execute such of this agreement and the other Credit Documents to which it is a party;
 - 11.10.3 such legal opinions addressed to the Lender relative to the Credit Parties, this agreement and the other Credit Documents as the Lender may require; and
- 11.11 such other documents relative to this agreement and the transactions contemplated herein as the Lender may reasonably require.

The availability of all Borrowings is conditional upon the receipt of, and the Lender shall not be obliged to make available any amount under the Credit Facility unless:

- 11.12 the Borrower has delivered any applicable Notice of Borrowing;
- 11.13 the Borrower delivers an executed Borrowing Base Certificate which shall demonstrate sufficient availability under the Borrowing Base to support such requested advance;
- 11.14 on the applicable borrowing date the Borrower shall not have failed to observe or perform any of its covenants in this agreement, and the Borrower shall have delivered to the Lender, if so requested, an Officers' Certificate to such effect;
- 11.15 the representations and warranties contained in this agreement shall be true on and as of the applicable borrowing date with the same effect as if such representations and warranties had been made on and as of the applicable borrowing date, and the Borrower shall have delivered to the Lender, if so requested, an Officers' Certificate to such effect; and
- 11.16 such financial and other information or documents relating to the Credit Parties as the Lender may reasonably require.

12 SECURITY AND GUARANTEE

- 12.1 **Security.** Security for the Borrowings and all other obligations of the Borrower to the Lender shall include:
 - 12.1.1 a general security agreement signed by the Borrower constituting a first ranking (subject to Permitted Liens, if any) security interest in all personal property of the Borrower; and
 - 12.1.2 a guarantee signed by each Guarantor, supported by a general security agreement constituting a first ranking (subject to Permitted Liens, if any) security interest in all personal property of each Guarantor.
- 12.2 **Additional Security.** The Credit Parties shall from time to time execute and deliver to the Lender such further instruments and documents and take such further action as the Lender may request for the purpose of obtaining or preserving the full benefits granted or intended to be granted to the Lender by the Security Documents, including the filing of financing statements or other documents under any Applicable Law with respect to the liens created by the Security Documents.
- 12.3 **Changes to Applicable Law.** Each of the Credit Parties acknowledges that changes to Applicable Law may require the execution and delivery of different forms of documentation, and accordingly the Lender may require that the Security Documents be amended, supplemented or replaced (and the Credit Parties shall execute and deliver to the Lender on request any such amendment, supplement or replacement (a) to reflect any change in Applicable Law, whether arising as a result of statutory amendments, court decisions or otherwise, or (b) to facilitate the creation and registration of appropriate forms of security in all applicable jurisdictions.

13 REPRESENTATIONS AND WARRANTIES

13.1 Each Credit Party represents and warrants to the Lender that:

- 13.1.1 it is, as of the Closing Date, and will continue to be: (i) a corporation, duly organized, validly existing, registered and in good standing under the laws of the jurisdiction of its incorporation or formation; (ii) duly qualified to do business and in good standing in each other jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect; and (iii) in compliance, in all material respects, with all Applicable Laws, including without limitation, laws relating to the prevention of money laundering and terrorist financing;
- 13.1.2 it has the power and authority to own, lease and operate its properties and assets, carry on its business as now being conducted by it and enter into and perform its obligations under each of the Credit Documents to which it is a party;
- 13.1.3 each of the Credit Documents has been duly executed and delivered by each Credit Party thereto and constitutes legal, valid and binding obligations of such Credit Party, enforceable against it in accordance with its terms;
- 13.1.4 the jurisdictions (or registration districts within such jurisdictions) in which each Credit Party has a place of business or stores tangible personal property (other than goods that are of a type that are normally used in more than one jurisdiction, if the goods are equipment or inventory leased or held for lease by a Credit Party to others) are listed in the Disclosure Schedule (13.1.4). Where a Credit Party has more than one place of business, such Credit Party's chief executive office is identified as such in the Disclosure Schedule (13.1.4);
- 13.1.5 the execution, delivery and performance by it of this agreement and the security described in Section 12.1.1 have been duly authorized by all necessary corporate and other actions and do not violate its constating documents, any Applicable Laws or any agreements to which it is subject or by which it is bound;
- 13.1.6 all financial books and records of each of the Credit Parties have been fully, properly and accurately kept and completed in accordance with GAAP or IFRS, as applicable, and there are no material inaccuracies or discrepancies of any kind contained or reflected therein;

- 13.1.7 its most recent financial statements provided to the Lender fairly present its financial position as of the date thereof and its results of operations and cash flows for the fiscal period covered thereby, and since the date of such financial statements, there has occurred no material adverse change in its business or financial condition;
- 13.1.8 there is no claim, action, prosecution or other proceeding of any kind pending or threatened against it or any of its assets or properties before any court or administrative agency which could reasonably be expected to have a Material Adverse Effect upon its financial condition or operations or its ability to perform its obligations under this agreement or any of the Lender's security, and there are no circumstances of which it is aware which might give rise to any such proceeding which it has not fully disclosed to the Lender;
- 13.1.9 it has good and marketable title to all of its properties and assets (including the tangible personal property reflected as assets in its books and records), free and clear of all Liens other than Permitted Liens;
- 13.1.10 it possesses all licenses, patents, trademarks and copyrights, free from material restrictions, that are necessary for the ownership, maintenance and operation of its assets and businesses and it is not in violation of any rights of others with respect to any of the foregoing;
- 13.1.11 it has filed all tax returns which were required to be filed by it, paid or made provision for payment of all taxes and Potential Prior-Ranking Claims (including interest and penalties) which are due and payable, and provided adequate reserves for payment of any tax, the payment of which is being contested;
- 13.1.12 no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, an Event of Default or a breach of any covenant or other term or condition of this agreement or any security agreement given in connection therewith; and
- 13.1.13 the real property listed in Disclosure Schedule (13.1.13) constitutes, as of the Closing Date, all of the real property owned, leased, or used by each Corporate Credit Party in its business, and such Corporate Credit Party will not execute any material agreement or contract in respect of such real estate after the date of this agreement without giving Lender prompt prior written notice thereof. With respect to each of the premises identified in Disclosure Schedule (13.1.13) on or prior to 30 days from the Closing Date a bailee, landlord or mortgagee waiver acceptable to Lender will be obtained except as expressly noted in Disclosure Schedule (13.1.13).

14 REPORTING COVENANTS

- 14.1 The Borrower covenants and agrees with the Lender, while this agreement is in effect, to provide the Lender with:
- 14.1.1 monthly unaudited consolidated financial statements for the Credit Parties consisting of a monthly income statement and monthly balance sheet with comparisons to budget within 21 days of each month end;
 - 14.1.2 a monthly Compliance Certificate, substantially in the form of Schedule D within 21 days of each month end, certifying compliance with this agreement including the financial covenants set forth below;
 - 14.1.3 annual audited consolidated financial statements for the Credit Parties within 90 days of each fiscal year end; and
 - 14.1.4 such other financial and operating statements and reports as and when the Lender may reasonably require.

15 GENERAL COVENANTS

- 15.1 Each Credit Party covenants and agrees with the Lender, while this agreement is in effect:
- 15.1.1 to pay all sums of money when due by it under this agreement;
 - 15.1.2 except as otherwise permitted in this agreement, preserve and maintain its corporate existence;
 - 15.1.3 to maintain and preserve, all of their respective properties used or useful in their respective business in good repair, working order and condition (reasonable wear and tear excepted) except for obsolete or replaced assets;
 - 15.1.4 to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business in accordance with GAAP or IFRS, as applicable;
 - 15.1.5 to provide the Lender with written notice promptly upon obtaining knowledge of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default or a breach of any covenant or other term or condition of this agreement or any security agreement given in connection therewith;
 - 15.1.6 to permit the Lender or its representatives, from time to time, to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information and discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower;

- 15.1.7 to keep its assets fully insured against such perils and in such manner as would be customarily insured by companies carrying on a similar business or owning similar assets and on or prior to the Closing Date (or the date any such insurance is obtained, in the case of insurance obtained after the Closing Date) (or in each case such later date as the Lender may agree in its discretion), provide certificates and endorsements evidencing that each such policy of insurance (other than business interruption insurance, director and officer insurance and worker's compensation insurance and other insurance as reasonably agreed by the Lender), as applicable, (i) names the Lender as additional insured thereunder, (ii) in the case of each casualty insurance policy, contains a loss payable clause or endorsement that names the Lender, as loss payee thereunder and (iii) requiring 30 days prior written notice to Lender in the event of cancellation of the policy for any reason whatsoever (or 10 days prior written notice in the event of cancellation for nonpayment of premiums);
- 15.1.8 to file all tax returns which are to be filed by it from time to time, to pay or make provision for payment of all taxes (including interest and penalties) and Potential Prior-Ranking Claims when due, and to provide adequate reserves for the payment of any tax, the payment of which is being contested;
- 15.1.9 to comply in all material respects with all Applicable Laws;
- 15.1.10 no later than ten (10) Business Days after any Credit Party know or have reason to know that an event has occurred relating to a Credit Party's plan requirements under the Employee Retirement Income Security Act of 1974 ("**ERISA**") that reasonably could be expected to result in a material adverse change in such Credit Party's financial condition, a written statement of the chief financial officer of such Credit Party shall be delivered to Lender describing such ERISA event and any action that is being taking with respect thereto by such Credit Party, and any action taken or threatened by the Internal Revenue Service ("**IRS**"), the Department of Labor, of the Pension Benefit Guaranty Corporation ("**PBGC**"). The Credit Parties shall: (i) be deemed to know all facts known by the administrator of any benefit plan of which it is the plan sponsor; (ii) promptly, and no later than five (5) Business Days after the filing thereof with the IRS, deliver to Lender a copy of each funding waiver request filed with respect to any benefit plan of a Credit Party and all communications received by such Credit Party or any Affiliate with respect thereto; and (iii) promptly, and no later than five (5) Business Days after receipt by a Credit Party of any information that the PBGC has an intention to terminate any benefit plan or to have a trustee appointed to administer a benefit plan, deliver copies of each such notice to Lender.
- 15.1.11 (i) to not maintain, sponsor, administer, contribute to, participate in or has any liability in respect of any Specified Canadian Pension Plan, nor has any such Person, other than the previously defined benefit plan maintained in Canada which was subsequently suspended and

converted into a contribution plan in April 2022, maintained, sponsored, administered, contributed to or participated in any Specified Canadian Pension Plan; (ii) to the extent applicable, the Canadian Pension Plans are duly registered under the Income Tax Act (Canada) and any other applicable laws which require registration, have been administered in accordance with the Income Tax Act (Canada) and such other applicable laws and no event has occurred which could cause the loss of such registered status; (iii) to the extent applicable, all obligations of the Credit Parties (including funding, investment and administration obligations) required to be performed in connection with the Canadian Pension Plans have been performed on a timely basis except where the failure to so perform on a timely basis would be reasonably expected to have a Material Adverse Effect; (iv) to the extent applicable, all contributions or premiums required to be made or paid by the Credit Parties to the Canadian Pension Plans have been made on a timely basis in accordance with the terms of such plans and all applicable laws; (v) no Credit Party has a material liability with respect to any post-retirement benefit under a Canadian Benefit Plan; (vii) as of the date hereof, no Canadian Pension Event has occurred; (viii) there are no outstanding disputes concerning the Canadian Pension Plans or Canadian Benefit Plans or the assets thereof which would reasonably be expected to have a Material Adverse Effect;

- 15.1.12 to promptly notify the Lender of each Canadian Pension Plan and Canadian Benefit Plan hereafter adopted or contributed to by any of them. For each existing, or hereafter adopted, Canadian Benefit Plan and Canadian Pension Plan, each Credit Party, as applicable, shall in a timely fashion comply with and perform in all material respects its obligations under and in respect of such Canadian Benefit Plan and Canadian Pension Plan in accordance with applicable laws and plan terms. All employer contributions or premiums required to be remitted or paid (including employee withheld amounts) to or in respect of each Canadian Benefit Plan and Canadian Pension Plan shall be paid or remitted by each Credit Party in a timely fashion in accordance with the terms thereof, any funding agreements and all applicable laws. Borrower shall deliver to the Lender (i) if requested by the Lender, copies of each annual and other return, report or valuation with respect to each Canadian Pension Plan required to be and as filed with any applicable governmental authority; (ii) promptly, after receipt thereof, a copy of any direction, order, notice, ruling or opinion that any Credit Party may receive from any governmental authority with respect to any Canadian Pension Plan; and (iii) notification within 30 days of any increases having a cost to one or more of the Credit Parties in excess of [\$30,000] per annum in the aggregate, in the benefits of any existing Canadian Pension Plan or the commencement of contributions to any such plan to which any Credit Party was not previously contributing;
- 15.1.13 not to grant, create, assume or suffer to exist any Lien affecting any of its properties, assets or other rights other than Permitted Liens;

- 15.1.14 not to Dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms; other than the sale of 100% of the issued and outstanding share capital of the Borrower to Hilco Capital Limited (or to its Affiliate);
- 15.1.15 not to merge, amalgamate, or otherwise enter into any other form of business combination with any other Person without the prior written consent of the Lender;
- 15.1.16 not create, incur, assume or suffer to exist, or permit any Funded Debt other than (i) Funded Debt to the Lender under this agreement and the other Credit Documents, (ii) Funded Debt between a Credit Party and any other Credit Party, (iii) Funded Debt incurred by a Credit Party in respect of Purchase Money Mortgages and Capitalized Lease Obligations up to a maximum aggregate amount (by all Credit Parties) not to exceed \$200,000.00 at any time;
- 15.1.17 not to make any change in the nature of its business;
- 15.1.18 not to compromise or adjust, any of its accounts receivable (or extend the time for payment thereof) or grant any discounts, allowances or credits, in each case, other than in the normal course of business;
- 15.1.19 not to re-date any invoice or sale or provision of service, or permit;
- 15.1.20 not to have any place of business or keep or store any material tangible personal property (other than goods that are of a type that are normally used in more than one jurisdiction, if the goods are equipment or inventory leased or held for lease by an obligor to others) outside of those jurisdictions (or registration districts within such jurisdictions) set forth in the Disclosure Schedule (13.1.4) (i) except upon 30 days' prior written notice to the Lender, and (ii) unless the Borrower has done or caused to be done all such acts and things and executed and delivered or caused to be executed and delivered all such deeds, transfers, assignments and instruments (including opinions of counsel to the Credit Parties) as the Lender may reasonably require such that the Lender, shall continue to have a first priority perfected security interest (whether by way of registration or otherwise and subject only to Permitted Liens) over all of the personal property of such Person;
- 15.1.21 not to make any amendment to any constating document or shareholders agreement applicable to the Credit Parties;
- 15.1.22 not change its fiscal year end;
- 15.1.23 not change its name, without giving the Lender 30 days prior written notice;
- 15.1.24 without the prior written consent of the Lender, make any Capital Expenditures in excess of \$302,000.00, in the aggregate, in accordance with the fiscal year budget for 2023 which is approved by

the board of directors of the Borrower, or in accordance with such other amounts approved by the board of directors of the Borrower from time to time in any subsequent fiscal year thereafter;

- 15.1.25 make any Investments;
- 15.1.26 make any Acquisitions;
- 15.1.27 provide Financial Assistance to any other Person;
- 15.1.28 engage in any prohibited transaction which is reasonably likely to result in a civil penalty or excise tax described in sections 406 of ERISA or 4975 of the Internal Revenue Code for which a statutory or class exemption is not available or a private exemption has not been previously obtained from the Department of Labor;
- 15.1.29 permit to exist with respect to any benefit plan any accumulated funding deficiency (as defined in sections 302 of ERISA and 412 of the Internal Revenue Code) whether or not waived;
- 15.1.30 fail to pay timely required contributions or annual installments due with respect to any waived funding deficiency to any benefit plan;
- 15.1.31 terminate any benefit plan where such event would result in any liability of any Credit Party, or any of their ERISA affiliates under Title IV of ERISA which was not paid in connection with such termination;
- 15.1.32 fail to make any required contribution or payment to any multiemployer plan;
- 15.1.33 fail to pay any required installment or any other payment required under section 412 of the Internal Revenue Code on or before the due date for such installment or other payment;
- 15.1.34 amend a plan resulting in an increase in current liability for the plan year such that a Credit Party, or any of their ERISA affiliates is required to provide security to such plan under section 401(a)(29) of the Internal Revenue Code;
- 15.1.35 withdraw from any multiemployer plan where such withdrawal is reasonably likely to result in any liability of such entity under Title IV of ERISA;
- 15.1.36 maintain, sponsor, administer, contribute to, participate in or assume or incur any liability in respect of any Specified Canadian Pension Plan, or acquire an interest in any Person if such Person sponsors, administers, contributes to, participates in or has any liability in respect of, any Specified Canadian Pension Plan;
- 15.1.37 contribute to or assume any obligation to contribute to any new "multi-employer pension plan" as such term is defined in the Pension Benefits

Act (Ontario) or any similar plan under pension standards laws in another jurisdiction;

15.1.38 fail to withhold, make, remit or pay when due any material withheld employee or employer payments, material contributions (including “normal cost”, “special payments” and any other required contributions or payments in respect of any funding deficiencies or shortfalls) or premiums to or in respect of any Canadian Pension Plan or Canadian Benefit Plan pursuant to the terms of the particular plan, any applicable collective bargaining agreement or participation agreement or applicable laws; or

15.1.39 establish or terminate any Canadian Pension Plan, if such establishment or termination or would reasonably be expected to result in any material liability of a Credit Party, or take any other action with respect to any Canadian Pension Plan which would reasonably be expected to result in any material liability of a Credit Party.

15.2 **No Limitation.** Subject to Section 4.1.1 of this agreement, nothing contained in the foregoing Covenants sections shall limit any right of the Lender under this agreement to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility made available under this agreement.

16 FINANCIAL COVENANTS

16.1 **Financial Covenants.** The Borrower covenants and agrees with the Lender, while any availability exists or any Borrowings, to meet and maintain on a consolidated basis, to be measured on a rolling three month basis as at the end of each month:

16.1.1 the sales projections as set out on Schedule H hereto subject to a negative variance of 7.5%; and

16.1.2 the EBITDA projections as set out on Schedule H hereto subject to a negative variance of \$500,000 for the first three covenant test periods (November 22, 2022, December 22, 2022 and January 22, 2023) and \$250, 000.000 thereafter.

For greater certainty, the first covenant test for each covenant above will cover the three-month period ending November 22 based on the actual sales and EBITDA for September, October and November. All subsequent covenant tests are to also be based on the actual monthly results of the last three months.

16.2 **No Limitation.** Nothing contained in the foregoing Financial Covenants sections shall limit any right of the Lender under this agreement to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility made available under this agreement.

17 EVENTS OF DEFAULT

- 17.1 **Events of Default.** Without limiting any other rights of the Lender under this agreement, if any one or more of the following events (herein an “**Event of Default**”) has occurred and is continuing:
- 17.1.1 the Borrower fails to pay any principal amount of the Borrowings when such amount becomes due and payable;
 - 17.1.2 the Borrower fails to pay when due any interest, fees or other amounts under this agreement and such failure remains unremedied for three (3) Business Days;
 - 17.1.3 a Credit Party breaches any provision of this agreement or any security or other agreement with the Lender;
 - 17.1.4 a breach of any provision or termination of any of the Support Agreement and/or Lock-Up Agreements;
 - 17.1.5 any representation or warranty made or deemed to have been made herein or in any certificate or security provided for herein shall be false or inaccurate in any materially adverse respect;
 - 17.1.6 a Credit Party defaults in the payment of any Funded Debt to any Person other than the Lender where the aggregate amount of such Funded Debt exceeds \$25,000.00, or in the performance or observance of any agreement in respect of any such Funded Debt where, as a result of such default, the maturity of such Funded Debt is or may be accelerated;
 - 17.1.7 any judgment or order for the payment of money in excess of \$50,000.00 is rendered against a Credit Party, and either (a) enforcement proceedings have been commenced by a creditor upon the judgment or order, or (b) there is any period of 30 consecutive days during which a stay of enforcement of the judgment or order, by reason of a pending appeal or otherwise, is not in effect;
 - 17.1.8 there is, in the opinion of the Lender (acting reasonably), a material adverse change in the financial condition, operation or ownership of a Credit Party;
 - 17.1.9 a Credit Party is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;

- 17.1.10 any notice of intention is filed or any voluntary or involuntary case or proceeding is filed or commenced for (a) the bankruptcy, liquidation, winding-up, dissolution or suspension of general operations of a Credit Party, or (b) the composition, re-scheduling, reorganization, arrangement or readjustment of, or other relief from, or stay of proceedings to enforce, some or all of the debts of a Credit Party or (c) the appointment of a trustee, receiver, receiver and manager, liquidator, administrator, custodian or other official for, all or any significant part of the assets of a Credit Party or (d) the possession, foreclosure or retention, or sale or other disposition of, or other proceedings to enforce security over, all or any significant part of the assets of a Credit Party; or
- 17.1.11 any secured creditor, encumbrancer or lienholder, or any trustee, receiver, receiver and manager, agent, bailiff or other similar official appointed by or acting for any secured creditor, encumbrancer or lienholder, takes possession of, or forecloses or retains, or sells or otherwise disposes of, or otherwise proceeds to enforce security over all or any significant part of the assets of a Credit Party or gives notice of its intention to do any of the foregoing,

then, in such event (and subject to the applicable cure period therein), the ability of the Borrower to make further Borrowings under any Credit Facility which is a term facility under this agreement shall immediately terminate and the Lender may, by written notice to the Borrower, declare the Borrowings outstanding under any such Credit Facility to be immediately due and payable. Upon receipt of such written notice, the Borrower shall immediately pay to the Lender all Borrowings outstanding under any Credit Facility which is a term facility under this agreement and all other obligations of the Borrower to the Lender in connection with any such Credit Facility under this agreement.

- 17.2 **Right to Terminate or Make Demand.** Nothing contained in the foregoing Events of Default section shall limit any right of the Lender under this agreement to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility made available under this agreement.

18 SUCCESSORS AND ASSIGNS

- 18.1 **Binding Nature.** This agreement shall be binding upon and enure to the benefit of the parties and their respective successors and permitted assigns.
- 18.2 **Assignment by Lender and Credit Parties.** The Lender may assign all or part of its rights and obligations under this agreement to any Person. The rights and obligations of the Credit Parties under this agreement may not be assigned without the prior written consent of the Lender.

- 18.3 **Disclosure.** The Lender may disclose to potential or actual assignees confidential information regarding the Credit Parties (including any such information provided by the Credit Parties to the Lender) and shall not be liable for any such disclosure.

19 GENERAL

- 19.1 **Expenses.** The Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Lender in connection with the preparation, negotiation and documentation of this agreement and the security provided for herein, the enforcement of this agreement and the security provided for herein, including but not limited to any ongoing management costs incurred by Affiliates in relation to the Borrower; provided that the Borrower shall not be liable to pay such fees, costs and expenses arising of the gross negligence or wilful misconduct of the Lender.
- 19.2 **Review.** The Lender may conduct periodic reviews of the affairs of the Credit Parties, as and when determined by the Lender, for the purpose of evaluating the financial condition of the Credit Parties. The Credit Parties shall make available to the Lender such financial statements and other information and documentation as the Lender may reasonably require and shall do all things reasonably necessary to facilitate such review by the Lender.
- 19.3 **Judgment Currency.** If, for the purposes of obtaining or enforcing judgment in any court in any jurisdiction with respect to this agreement or any Credit Document, it becomes necessary to convert into the currency of such jurisdiction (the “**Judgment Currency**”) any amount due under this agreement or under any Credit Document in any currency other than the Judgment Currency (the “**Currency Due**”), then, to the extent permitted by law, conversion shall be made at the exchange rate reasonably selected by the Lender on the Business Day before the day on which judgment is given, on the Business Day on which the payment was received by the Lender). In the event that there is a change in such exchange rate between the Business Day before the day on which the judgment is given and the date of receipt by the Lender of the amount due, each Credit Party shall to the extent permitted by law, on the date of receipt by the Lender, pay such additional amounts, if any, or be entitled to receive reimbursement of such amount, if any as may be necessary to ensure that the amount received by the Lender on such date is the amount in the Judgment Currency which (when converted at such exchange rate on the date of receipt by the Lender in accordance with normal banking procedures in the relevant jurisdiction) is the amount then due under this agreement or such Credit Document in the Currency Due. If the amount of the Currency Due which the Lender is so able to purchase is less than the amount of the Currency Due originally due to it, each Credit Party shall to the extent permitted by law jointly and severally indemnify and save the Lender harmless from and against loss or damage arising as a result of such deficiency, except that no Credit Party shall be liable to the Lender for any such loss or damage resulting from the gross negligence or wilful misconduct of the Lender.
- 19.4 **Potential Prior-Ranking Claims.** Each of the Credit Parties hereby grants its consent (such grant to remain in force as long as this agreement is in effect or any Borrowings are outstanding) to any Person having information relating to any Potential Prior-Ranking Claim arising by any law, statute, regulation or otherwise and including, without limitation, claims by or on behalf of government, to release

such information to the Lender at any time upon its written request for the purpose of assisting the Lender to evaluate the financial condition of the Credit Parties.

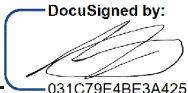
- 19.5 **Set-Off.** The Lender is authorized, but not obligated, at any time, to apply any amount, whether or not then due, to which the Lender otherwise owes the Borrower is towards satisfaction of the obligations of the Borrower due to the Lender under this agreement.
- 19.6 **Non-Merger.** The provisions of this agreement shall not merge with any security provided to the Lender, but shall continue in full force for the benefit of the parties hereto.
- 19.7 **Notices.** Any notice, direction, demand or other communication given under this agreement shall, except as otherwise permitted, be in writing and given by delivering it (personally or by courier) or sending it by facsimile or other electronic means addressed to the relevant party at the address set out in Schedule G. Any such communication is deemed to have been validly and effectively given if delivered or transmitted by facsimile or other electronic means on the day of such delivery or transmission if such day is a Business Day and delivery or transmission was made prior to 4:00 pm (Toronto time) and otherwise on the next Business Day. Any party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the party at its changed address.
- 19.8 **Amendments and Waivers.** No amendment or waiver of any provision of this agreement will be effective unless it is in writing signed by the Credit Parties and the Lender. No failure or delay, on the part of the Lender, in exercising any right or power hereunder or under any security document shall operate as a waiver thereof. The Guarantors agree that an amendment or waiver of any provision of this agreement (other than agreements, covenants or representations expressly made by the Guarantors, if any) may be made without and does not require the consent or agreement of, or notice to, the Guarantors.
- 19.9 **Severability.** If any provision of this agreement is or becomes prohibited or unenforceable in any jurisdiction, such prohibition or unenforceability shall not invalidate or render unenforceable the provision concerned in any other jurisdiction nor invalidate, affect or impair any of the remaining provisions of this agreement.
- 19.10 **Governing Law.** This agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- 19.11 **Whole Agreement.** This agreement, the security and any other written agreement delivered pursuant to or referred to in this agreement constitute the whole and entire agreement between the parties in respect of the Credit Facility. There are no verbal agreements, undertakings or representations in connection with the Credit Facility.
- 19.12 **Time.** Time is of the essence in all provisions of this agreement.

19.13 **Counterparts and Electronic Delivery.** This agreement may be executed in any number of separate counterparts and all such signed counterparts will together constitute one and the same instrument. To evidence its execution of an original counterpart of this agreement, a party may send a copy of its signature on the execution page hereof to the other parties by facsimile or other means of recorded electronic transmission (including in PDF form) and such transmission shall constitute valid delivery of an executed copy of this agreement to the receiving party.

Please confirm your acceptance of this agreement by signing the attached copy of this letter in the space provided and returning it to the undersigned.

Yours truly,

HUK 116 LIMITED

By:  _____
Authorized Signing Officer

We acknowledge and accept the foregoing terms and conditions as of the 28 day of October, 2022.

INSCAPE CORPORATION


By: _____


Authorized Signing Officer

The undersigned acknowledge and confirm their agreement with the foregoing terms and conditions, as guarantors, as of the 28 day of October, 2022.


INSCAPE INC.

By: _____


Authorized Signing Officer

INSCAPE (NEW YORK) INC.

By: _____


Authorized Signing Officer

Schedule A

Definitions

For the purpose of this agreement, the following terms and phrases shall have the following meanings:

Acquisition means any purchase or other acquisition, regardless of how acquired or effected, of any Person or the acquisition of all or substantially all the assets of any Person or of a business carried on by, or a division of, any Person.

Affiliate means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to control another Person if the first person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other Person, whether through the ownership of voting securities, by contract or otherwise.

Aggregate Interest Rates means the Cash Interest Rate and the PIK Interest Rate and each, an **Aggregate Interest Rate**.

Applicable Laws means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, orders, codes, treaties, conventions, judgments, awards, determinations and decrees of any governmental, regulatory, fiscal or monetary body or court of competent jurisdiction in any applicable jurisdiction.

Borrower means Inscape Corporation and its successors and permitted assigns.

Borrowing Base means at any time the availability as calculated under the latest borrowing base certificate substantially in the format set out at Schedule E, with advances against eligible accounts receivable, plant and machinery and inventory at the advance rates determined by the Lender, less all reserves required by the Lender which remain subject to amendment from time to time at the Lenders sole discretion.

Borrowing Base Certificate shall mean a certificate in the form of Schedule E.

Business Day means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday or a day on which banking institutions are closed in the province of Ontario or London, England.

Canadian Benefit Plans means any plan, fund, program, or policy, whether oral or written, formal or informal, funded or unfunded, insured or uninsured, providing employee benefits, including medical, hospital care, dental, sickness, accident, disability, life insurance, pension, retirement or savings benefits, under which any of Credit Party has any liability with respect to any employee or former employee related to employment in Canada, but excluding any Canadian Pension Plans.

Canadian Pension Event means (a) the voluntary whole or partial wind up of a Canadian Pension Plan by any Credit Party; (b) the filing of a notice of intent to terminate in whole or in part a Canadian Pension Plan or the treatment of a Canadian Pension Plan amendment as a termination or partial termination; (c) the institution of proceedings by any governmental authority

to terminate in whole or in part or have a trustee appointed to administer a Canadian Pension Plan, or (d) any other event or condition which might constitute grounds for the termination of, winding up or partial termination or winding up or the appointment of trustee to administer, any Canadian Pension Plan.

Canadian Pension Plans means any plan or arrangement that is required to be registered under Canadian federal or provincial law and is or was established, maintained or contributed to or required to be contributed to by a Credit Party for its employees or former employees, but does not include the Canada Pension Plan or the Quebec Pension Plan as maintained by the Government of Canada or the Province of Quebec, respectively.

Capital Expenditures means, for any fiscal period, any amounts accrued or paid in respect of any purchase or other acquisition for value of capital assets and, for greater certainty, excludes amounts expended in respect of the normal repair and maintenance of capital assets utilized in the ordinary course of business.

Capitalized Lease Obligations means any obligation to pay rent or other amounts under a lease of property, real or personal, that is required to be capitalized for financial reporting purposes in accordance with GAAP, and the amount of such obligation shall be the capitalized amount thereof determined in accordance with GAAP.

Cash Interest Rate means Prime plus 12% per annum.

Compliance Certificate means a certificate in the form of Schedule D.

Closing Date means the Business Day on which the conditions precedent set forth in Section 11 have been satisfied or waived in writing by the Lender and the initial Loan has been made.

Credit Documents shall mean this agreement, the Security Documents, the Blocked Accounts Agreement, and all security agreements, hypothecs, mortgages and all other documents, instruments, certificates, and notices at any time delivered by any Person (other than Lender and its affiliates) in connection with any of the foregoing.

Credit Parties means the Borrower and each Guarantor and, in the singular, either one of them.

Default Interest Rate means Prime plus 20% per annum.

Dispose means, with respect to any property of any Person, to directly or indirectly sell, lease, transfer (including any transfer of title or possession), exchange, convey, release, abandon or otherwise dispose of such property.

EBITDA means, for any fiscal period, earnings before interest, taxes, depreciation and amortization with the exclusion of derivative fair value adjustments, unrealized foreign exchange gains or losses, share-based compensation, severance and other non-recurring expenses such as gains or losses on disposal of capital assets and intangibles, restructuring expenses and proceeds from government subsidies and grants.

Excluded Taxes means, with respect to the Lender or any other recipient of any payment to be made by or on account of any obligation of any Credit Party hereunder, (a) taxes imposed on (or measured by) its net income or franchise taxes (i) that are imposed by the jurisdiction under the Applicable Law under which such recipient is formed or organized or in which its principal office

is located or, in the case of the Lender, in which its applicable lending office is located or (ii) that are Other Connection Taxes, (b) any branch profits taxes or any similar tax imposed by any other jurisdiction described in clause (a)(i), (c) any withholding tax that is imposed on amounts payable to the relevant recipient pursuant to a law in effect at the time the relevant recipient becomes a party to this agreement (or designates a new lending office).

Financial Assistance means the provision of any form of direct or indirect financial assistance to any Person by means of a loan, guarantee or otherwise intended to enable such Person to incur or pay any debt or comply with any agreements related thereto or to otherwise provide assurance or protection to creditors against loss in respect of debt or any other obligations of such Person.

Funded Debt means, at any time, all obligations for borrowed money which bears interest or to which interest is imputed plus, without duplication, all obligations for the deferred payment of the purchase of property, all Capitalized Lease Obligations and all indebtedness secured by Purchase Money Mortgages, plus the amount of any guarantees or other financial assistance provided in respect of liabilities of a third party.

GAAP means generally accepted accounting principles in Canada (and the United States of America, in respect of any Guarantor), consistently applied, which are in effect as of the date of this Agreement. If any changes in accounting principles from those in effect on the date hereof are hereafter occasioned by promulgation of rules, regulations, pronouncements or opinions by or are otherwise required by the Financial Accounting Standards Board or the Canadian (and America, in respect of the Guarantors) Institute of Certified Public Accountants (or successors thereto or agencies with similar functions), and any of such changes results in a change in the method of calculation of, or affects the results of such calculation of, any of the financial covenants, standards or terms found herein, then the parties hereto agree to enter into and diligently pursue negotiations in order to amend such financial covenants, standards or terms so as to equitably reflect such changes, with the desired result that the criteria for evaluating financial condition and results of operations of the Credit Parties shall be the same after such changes as if such changes had not been made.

Guarantors means Inscope Inc. and Inscope (New York) Inc. and their successors and assigns and each a **Guarantor**.

IFRS mean the international financial reporting standards, as in effect from time to time, as promulgated by the International Accounting Standards Board or any successor thereto.

Indemnified Taxes means (a) taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Credit Document and (b) to the extent not otherwise described in clause (a), Other Taxes other than Excluded Taxes.

Investment means an investment in shares, bonds, notes, debentures, partnership or other property interests or other securities of any other Person or any agreement to make any such investment.

Lender means HUK 116 Limited and its successors and assigns.

Lien means any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), title retention agreement or arrangement or other

encumbrance of any nature or any other arrangement or condition that in substance secures payment or performance of an obligation.

Lock-Up Agreements means each of those certain lock-up agreements to be entered in to among certain shareholders of the Borrower and HUK 121 Limited (an Affiliate of the Lender) dated on or about the date of this agreement and individually, a **Lock-Up Agreement**.

Material Adverse Effect means a material adverse effect on the business, property, condition (financial or otherwise) or prospects of the Credit Parties, considered as a whole, or a material adverse effect on the ability of any of the Credit Parties to perform its obligations under any of this agreement and the other Credit Documents to which it is a party.

Other Taxes means any and all present or future stamp, court or documentary taxes or any intangible, recording, filing or other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery, registration or enforcement of, perfection of a security interest under or otherwise with respect to, any Credit Document, but not including Other Connection Taxes or other similar taxes imposed with respect to an assignment or, for the avoidance of doubt, any Excluded Taxes.

Other Connection Taxes means, with respect to the Lender, taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such tax (other than connections arising from such recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to, or enforced any Credit Document, or sold or assigned an interest in any Loan or Credit Document).

Permitted Liens means in respect of any Credit Party, any one or more of the following:

- (a) Liens for taxes, assessments or governmental charges or levies which are not delinquent or the validity of which is being contested at the time by such Credit Party in good faith by proper legal proceedings if, in the Lender's opinion, acting reasonably, either (i) adequate provision has been made for their payment or which are being disputed in good faith; or (ii) the Liens are not in the aggregate materially prejudicial to the security constituted by the Security Documents;
- (b) inchoate or statutory Liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of construction, maintenance, repair or operation of assets of such Credit Party, provided that such Liens (i) are related to obligations not due or delinquent, (ii) are not registered against title to any assets of such Credit Party, (iii) in respect of which adequate holdbacks are being maintained as required by applicable law or, if any such Lien secures obligations having an aggregate value in excess of \$25,000.00, it is being contested in good faith by appropriate proceedings, and (iv) in respect of which there has been set aside a reserve (segregated to the extent required by GAAP) in an adequate amount and provided further that such Liens do not, in the Lender's reasonable opinion reduce the value of the assets of such Credit Party or materially interfere with the use of such assets in the operation of the business of such Credit Party;
- (c) Liens securing appeal bonds and other similar Liens arising in connection with court proceedings (including, without limitation, surety bonds, security for costs of

litigation where required by law and letters of credit) or any other instruments serving a similar purpose;

- (d) attachments, judgments and other similar Liens arising in connection with court proceedings; provided, however, that the Liens are in existence for less than 10 days after their creation or the execution or other enforcement of the Liens is effectively stayed or the claims so secured are being actively contested in good faith and by proper legal proceedings;
- (e) the rights reserved to or vested in any governmental entity by any statutory provision or by the terms of any lease, licence, franchise, grant or permit of such Credit Party to terminate any such lease, licence, franchise, grant or permit or to require annual or other payments as a condition to the continuance thereof;
- (f) Liens in favour of the Lender created by the Security Documents;
- (g) landlord distraint rights arising under the leasehold interests of such Credit Party; and
- (h) Purchase Money Mortgages and Capitalized Lease Obligations in a maximum aggregate amount outstanding not to exceed \$200,000.00 at any time in respect of all the Credit Parties.

Person includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof, and any other incorporated or unincorporated entity.

PIK Interest means Prime plus 15% per annum.

Potential Prior-Ranking Claims means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any Applicable Law which ranks or is capable of ranking in priority to the Lender's security or otherwise in priority to any claim by the Lender for repayment of any amounts owing under this agreement.

Prime means the annual rate of interest announced by National Bank of Canada from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada.

Purchase Money Mortgages means any security interest charging property acquired or leased by a Person, which is granted or assumed by such Person or which arises by operation of law in favour of the transferor concurrently with and for the purpose of the acquisition or lease of such property, in each case where (a) the principal amount secured by the security interest is not in excess of the purchase price (after any post closing adjustment) of the property acquired or the lease payments in respect of the property leased, as the case may be, and (b) such security interest extends only to the property acquired or leased, as the case may be, and the proceeds thereof.

Security Documents means, collectively, the agreements referred to in Section 12.1 and any other security granted to the Lender, as security for the obligations of the Borrower and the other Credit Parties, as the case may be, under this agreement, as the same may at any time and from time to time be amended, restated, supplemented, otherwise modified or replaced.

Specified Canadian Pension Plan means any Canadian Pension Plan which contains a “defined benefit provision”, as defined in subsection 147.1(1) of the Income Tax Act (Canada).

Support Agreement means that certain support agreement between HUK 121 Limited (an Affiliate of the Lender) and the Borrower dated on or about the date of this agreement.

Schedule B
Notice of Borrowing

[Date]

HUK 116 LIMITED

Attention:

Email:

RE: Inscape Loan Agreement

Reference is made to that certain letter agreement dated October 28, 2022, between Inscape Corporation, as borrower, Inscape Inc. and Inscape (New York) Inc., as guarantors, and HUK 116 Limited (the “**Lender**”), as bank, (as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time the “**Agreement**”). All terms used but not defined herein have the meaning given to them in the Agreement.

1. We confirm our request for a Borrowing to be made on [date], the details of which are as follows:
 - Form of Borrowing: **[Cash Interest Rate] [PIK Interest Rate]**
 - Amount:
 - Date of Borrowing
2. All of the representations and warranties of the Credit Parties contained in Article 13 of the Agreement not qualified by materiality are true and correct in all material respects, and if so qualified by materiality (or references to Material Adverse Effect), are true and correct in all respects, in each case as if made on and as of the date hereof except to the extent that such representations and warranties relate specifically to an earlier date.
3. No Default or Event of Default has occurred and is continuing or will have occurred and be continuing as of the date hereof or will result from the Borrowing(s) requested hereby.

INSCAPE CORPORATION

Per: _____

Authorized Signing Officer

Schedule C

Disclosure Schedule

A. Trade Names / Business Names:

1. Inscape Corporation: Inscape; Office Specialty; Nuform; Planna; Platform; Rockit; Storwal; Skyrocket; 2Stor; Inscape Furniture
2. Inscape Inc.: Inscape
3. Inscape (New York) Inc.: Inscape; Aria Wall; Aria; ACME 50; Addwall; Inform; Reform; Inscape Walls

B. Location of Chief Executive Office:

1. Inscape Corporation: 67 Toll Road, Holland Landing, ON L9N 1H2
2. Inscape Inc.: 67 Toll Road, Holland Landing, ON L9N 1H2
3. Inscape (New York) Inc.: 67 Toll Road, Holland Landing, ON L9N 1H2

C. Business Locations / Owned and Leased Real Property

1. Inscape Corporation:

Address	Owned / Leased / Third Party Operated	If Leased / Third Party Operated, legal name and full address of Landlord or Third Party	Location holds Inventory and/or Equipment (yes / no)
67 Toll Road, Holland Landing, ON L9N 1H2	Leased	Cedar City Paradise Toll Rd Inc., 124 Merton Street, Suite 502, Toronto, ON M4S 2Z2	Yes
49 Simpson Road, Bolton, ON L7E 2R6	Leased (Month to Month)	North American Logistics Services Inc., 49 Simpson Road, Bolton, ON L7E 2R6	Yes
414 W. 14th Street, 6th Floor, New York, NY 10014 (New York Showroom)	Leased	Ponte Gadea New York, LLC, 270 Biscayne Blvd. Way, Suite 201, Miami Florida 33131	Yes

2. Inscape Inc.:

Address	Owned / Leased / Third Party Operated	If Leased / Third Party Operated, legal name and full address of Landlord or Third Party	Location holds Inventory and/or Equipment (yes / no)
1090 Vermont Avenue, Suite 1101, Washington, DC 20005 (DC Showroom)	Leased	1090 Vermont Avenue, N.W. Associates Limited Partnership, c/o TF Cornerstone Inc. 387 Park Avenue South, 7th Floor New York, New York 10016 Attention: Director of Commercial Leasing	Yes
800 W Fulton Market, 8th Floor, Chicago, IL 60607 (Chicago Showroom)	Leased	Thor 816 W Fulton Owner LLC, 25 West 39th Street, 11th Floor New York, NY 10018 Attention: Peter McEneaney	Yes

3. Inscape (New York) Inc.:

Address	Owned / Leased / Third Party Operated	If Leased / Third Party Operated, legal name and full address of Landlord or Third Party	Location holds Inventory and/or Equipment (yes / no)
15 Tiffany Avenue, Jamestown, NY 14701 USA	Leased	Lynn Development Inc., PO Box 3090, NY 14702-3090	Yes

Schedule D

Compliance Certificate

I, _____, the _____ **[insert title]**
of Inscape Corporation (the “Borrower”) hereby certify as of _____ **[insert last day of the month end, as applicable]:**

1. I am familiar with and have examined the provisions of the letter agreement dated October____, 2022, between Inscape Corporation, as borrower, Inscape Inc. and Inscape (New York) Inc., as guarantors, and HUK 116 Limited (the “**Lender**”), as bank, (as the same may be amended, restated, amended and restated, supplemented or otherwise modified from time to time the “**Agreement**”) and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of the Borrower and Guarantors. Terms defined in the Agreement have the same meanings when used in this certificate.

2. The representations and warranties contained in the Agreement are true and correct.

3. No event or circumstance has occurred which constitutes or which, with the giving of notice, lapse of time, or both, would constitute an Event of Default or a breach of any covenant or other term or condition of the Agreement and there is no reason to believe that during the next fiscal quarter of the Borrower, any such event or circumstance will occur.

4. The Borrower is in compliance with the Financial covenants provided for in section 19.14 of the Agreement.

5. The detailed calculations of the foregoing covenants are set forth in the addendum annexed hereto and are true and correct in all respects.

Dated this _____ day of _____, 20 .

[Officer]

Schedule E

Borrowing Base Certificate

See attached.

Schedule F

Cash Management System

The Borrower agrees to establish, and to maintain, until the Termination Date, the cash management system described below:

1. No Credit Party shall open or maintain any deposit, chequing, operating or other bank account, or similar money handling account, with any bank or other financial institution except as permitted by the Lender in its sole discretion and as identified in Attachment 1 hereto.
2. Commencing on the Closing Date and until the Termination Date, all monies (which term when used in this agreement includes all cheques, bills of exchange and other payment instruments as well as cash) received by the Credit Parties, including, but not limited to, any receipts in payment of any accounts or in respect of any insurance proceeds, whether or not a notice and direction has been sent to the Credit Parties' account debtors, shall be received and held, and shall be deemed to be received and held, in trust for the Lender and shall be, and shall be deemed to be, kept separate and apart from the Credit Parties' own funds and immediately deposited by it on a daily basis in one or more blocked accounts set up for this purpose and listed in Attachment 1 hereto (collectively, the **"Blocked Accounts"**). The Credit Parties shall use commercially reasonable efforts, within 30 days from the Closing Date, to execute and deliver to the Lender, Blocked Accounts agreement(s), in a form acceptable to the Lender (**"Blocked Accounts Agreements"**). The Lender is hereby irrevocably and unconditionally authorised and directed by the Borrower to sweep the Blocked Accounts on a daily basis and to set-off, compensate and apply any credit balances in the Blocked Accounts to repay any obligations in such order as the Lender sees fit, with any remaining funds then being deposited to the Credit Party's Disbursement Accounts (as defined below).
3. The Borrower may maintain, in its name, accounts (the **"Disbursement Accounts"**) into which the Lender shall, from time to time, deposit proceeds of the Credit Facility for use solely in accordance with the provisions of this agreement. All of the Disbursement Accounts as of the Closing Date are listed in Attachment 1 hereto.
4. Upon the request of the Lender, each Credit Party shall forward to the Lender, on a daily basis, evidence of the deposit of all items of payment received by such Credit Party into the Blocked Accounts and copies of all such cheques and other items, together with a statement showing the application of those items relating to payments on accounts to outstanding accounts and a collection report with regard thereto in form and substance satisfactory to the Lender.

ATTACHMENT 1 TO SCHEDULE F**List of Bank Accounts**

Disbursement Accounts:

Banking Institution	Creditor	Account No.	Currency
KeyBank	Inscape (New York) Inc.	625000366	USD

Blocked Accounts:

Banking Institution	Creditor	Account No.	Currency
KeyBank	Inscape (New York) Inc.	329681366244	USD

Schedule G
Addresses of Lender and all Credit Parties

Credit Parties:

67 Toll Road, Holland Landing
ON L9N 1H2

Attention: Chief Executive Officer
Email: eehgoetz@myinscape.com

Lender:

84 Grosvenor Street
London W1K3JZ
England

Attention: Investment Manager re Inscape Corporation
Email: tom.jones@hilcocapital.com

Schedule H
Financial Covenants Projections

See attached.

**This is Exhibit “O” referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 11th day of January, 2023**

DocuSigned by:

Monica Faleim

A COMMISSIONER FOR TAKING AFFIDAVITS

GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT (as amended, supplemented, restated, replaced or extended from time to time, this “**Agreement**”) is dated with effect as of October 28, 2022, and executed and delivered by **INSCAPE CORPORATION** (the “**Debtor**”) to and in favour of **HUK 116 LIMITED**, in its capacity as Lender (the “**Lender**”) pursuant to the Loan Agreement among, *inter alios*, the Debtor, as borrower, and the Lender, as lender, dated with effect as of the date hereof (as amended, supplemented, restated, replaced or extended from time to time, the “**Loan Agreement**”).

RECITALS:

- A.** The Debtor is indebted or liable to the Lender pursuant to the Loan Agreement.
- B.** As a condition precedent to the Lender extending certain credit to the Debtor, the Debtor is required to execute and deliver this Agreement, and to grant to the Lender and to create a security interest in all personal property of the Debtor, as hereinafter provided as security for the payment and performance of the Secured Obligations (as defined in Section 3.1) of the Debtor to the Lender.

NOW THEREFORE, in consideration of the extension of credit by the Lender to the Debtor, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Debtor, the Debtor covenants and agrees to and in favour of the Lender as follows:

ARTICLE 1 - DEFINITIONS; INTERPRETATION

1.1 Defined Terms

Except as otherwise expressly provided herein, capitalized terms used in this Agreement (including in the Recitals hereof) but not defined herein shall have the meanings assigned to such terms in the Loan Agreement.

1.2 Terms Defined in the Ontario Personal Property Security Act

Where applicable and except as defined herein, terms used herein shall have the meanings assigned to them in the *Personal Property Security Act* as the same may, from time to time, be in effect in the Province of Ontario (the “**PPSA**”). Such terms include: “**accounts**”, “**chattel paper**”, “**documents of title**”, “**equipment**”, “**intangibles**”, “**instruments**”, “**inventory**”, “**investment property**”, “**money**”, “**proceeds**” and “**security**”.

1.3 Interpretation

- (a) In this Agreement the words “**including**”, “**includes**” and “**include**” mean “**including (or includes or include) without limitation**”. The phrase “**the aggregate of**”, “**the total of**”, “**the sum of**”, or a phrase of similar meaning means “**the aggregate (or total or sum), without duplication, of**”. The expression “**Article**”, “**Section**” or other subdivision followed by a number mean and refer to the specified Article, Section or other subdivision of this Agreement.

- (b) Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (c) The division of this Agreement into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and are not to affect its interpretation.
- (d) Any schedules attached to this Agreement form an integral part of it for all purposes.
- (e) Except as otherwise provided in this Agreement, any reference to this Agreement, the Loan Agreement or any of the Credit Documents refers to this Agreement, the Loan Agreement or such Credit Documents as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules to it. Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.

ARTICLE 2 - GRANT OF SECURITY INTEREST; COLLATERAL

2.1 Grant of Security Interest

As security for the payment and performance of the Secured Obligations, the Debtor hereby assigns and grants to the Lender a security interest in all of the Debtor's present and after-acquired personal property (collectively and severally, the "**Debtor Collateral**"), wherever located and whether now existing or hereafter acquired or arising, including without limitation, the following property:

- (a) all accounts and book debts of the Debtor, chattel paper, documents of title, instruments, and intangibles of the Debtor, including all debts, dues, claims choses in action and demands of every nature and kind, howsoever arising or secured, including letters of credit, guarantees and advances of credit that are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor, whether or not arising out of or in connection with the sale or lease of goods or the rendering of services, and all supporting obligations of any or all of the foregoing ("**Accounts**");
- (b) all inventory of the Debtor, including all merchandise and other goods that are held for sale or lease or that have been leased by the Debtor or that are to be furnished under a contract of service, all finished goods and all goods comprising raw materials, work in process or other materials used or consumed in the Debtor's business, all goods in which the Debtor has an unlimited interest or a joint or other interest of any kind (including goods in which the Debtor has an interest or right as consignee), and all goods which are returned to or repossessed by the Debtor, together with all additions and accessions thereto and replacements therefor and products thereof and documents therefor ("**Inventory**");

- (c) all goods of the Debtor which are neither inventory nor consumer goods and all parts thereof and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor, including, all machinery, tools, dies, blueprints, catalogues, computer hardware and software, furniture, furnishings, vehicles and fixtures ("**Equipment**");
- (d) all Intellectual Property Collateral (as defined in Section 7.3);
- (e) subject to Section 2.2 hereof, all money maintained in a deposit, blocked, lockbox or other account in the Debtor's name with any financial institution, and all certificates, instruments and other writings, if any, from time to time representing, evidencing or deposited into such accounts, and all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing;
- (f) all now existing and hereafter arising contracts and agreements to which the Debtor is party (the "**Assigned Agreements**"), including without limitation, all rights of the Debtor to receive moneys due and to become due under or pursuant to the Assigned Agreements, all rights of the Debtor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect to the Assigned Agreements, all claims of the Debtor for damages arising out of or for breach of or default under the Assigned Agreements, and all rights of the Debtor to terminate, amend, supplement or modify the Assigned Agreements, to perform thereunder and to compel performance and otherwise exercise all remedies thereunder; provided, however, that with respect to any such contract or agreement where the grant of a security interest in the Debtor's right, title and interest therein is prohibited by the terms thereof, or would give any other party the right to terminate its obligations thereunder, or is not permitted because any necessary consent to such grant has not been obtained, or would contravene any Applicable Law, or would result in a material loss and expense to the Debtor, the Collateral shall, to the extent permitted under Applicable Law and pursuant to such contract or agreement, include only the rights of the Debtor to receive moneys due and to become due, if any, under or pursuant to such contract or agreement;
- (g) all books, records, writings, databases, information and other property relating to, used or useful in connection with, embodying, incorporating or referring to, any of the foregoing Debtor Collateral;
- (h) all money, cash and cash equivalents held by the Debtor which are not otherwise included in the foregoing Debtor Collateral; and
- (i) all products and proceeds of the foregoing Debtor Collateral (with the term "proceeds" and also including any voluntary or involuntary disposition, and all rights to payment, including return premiums, with respect to any insurance).

2.2 Excluded Collateral

Notwithstanding anything contained herein or in the Loan Agreement, the Debtor Collateral shall not include: (a) any property held in trust by the Debtor and lawfully belonging to others, (b) the

last day of the term of any lease of real property which is not assignable without the consent of a landlord which consent has not been received, provided that the Debtor shall stand possessed of such last day and shall on the exercise by the Lender of its rights under this Agreement following an Event of Default which has not been waived in writing by the Lender or cured in accordance with the Loan Agreement, assign and transfer such interest as instructed by the Lender; (c) the interests described in the proviso to Section 2.1(f) or (d) any consumer goods used as such by the Debtor.

2.3 Debtor Remains Liable

Anything herein to the contrary notwithstanding, (a) the Debtor shall remain liable under all Assigned Agreements, to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Lender of any of the rights hereunder shall not release the Debtor from any of its duties or obligations under such Assigned Agreements, and (c) the Lender shall not have any obligation or liability under any Assigned Agreements by reason of this Agreement, nor shall the Lender be obligated to perform any of the obligations or duties of the Debtor thereunder or to take any action to collect or enforce any such contract, agreement or other document included in the Debtor Collateral hereunder.

2.4 Continuing Security Interest

The Debtor agrees that this Agreement shall create a general continuing security interest in the Debtor Collateral which shall remain in effect until terminated in accordance with this Agreement or the Loan Agreement.

2.5 Attachment

The Debtor and the Lender agree to not postpone the time for attachment of the security interest created hereby, and agree that such security interest attaches to existing Debtor Collateral upon the execution of this Agreement and that the security interest will attach to Debtor Collateral acquired after the date of execution of this Agreement at the time that the Debtor acquires any rights in such Debtor Collateral. The Debtor and the Lender agree that value has been given. The Debtor represents and warrants that it has rights in the existing Debtor Collateral or the power and authority to transfer rights in such Debtor Collateral, and in the case of after-acquired Debtor Collateral, that it will have rights in such Debtor Collateral or the power and authority to transfer rights in such Debtor Collateral.

ARTICLE 3 - SECURED OBLIGATIONS

3.1 Secured Obligations

The obligations secured by this Agreement shall consist of the obligations arising under the Loan Agreement and the other Credit Documents, whether now existing or hereafter arising, as principal or surety, voluntary or involuntary, whether or not jointly owed with others, direct or indirect, absolute or contingent, liquidated or unliquidated, and whether or not from time to time decreased or extinguished and later increased, created or incurred, together with all expenses (including reasonable and documented legal fees on a solicitor and client basis) incurred by the Lender, its receivers, receiver-managers or agents in the preparation, perfection and enforcement of security and other agreements held by the Lender in respect of such obligations

and liabilities and interest thereon (all of which obligations, liabilities, expenses and interest are referred to collectively as the “**Secured Obligations**”).

ARTICLE 4 - REPRESENTATIONS AND WARRANTIES

In addition to all representations and warranties of the Debtor set forth in the Credit Documents, which are incorporated herein by this reference, the Debtor hereby represents and warrants that:

4.1 Sole Owner

The Debtor has good and marketable title to the Debtor Collateral (or, in the case of after-acquired Debtor Collateral, will have good and marketable title to such Debtor Collateral).

4.2 No Adverse Claim

No Person has (or, in the case of after-acquired Debtor Collateral, at the time the Debtor acquires rights therein, will have) any right, title, claim or interest (by way of security interest or other Lien) in, against or to the Debtor Collateral other than Permitted Liens.

4.3 Full Disclosure

All information heretofore, herein or hereafter supplied to the Lender by or on behalf of the Debtor with respect to the Debtor Collateral is accurate and complete in all material respects.

4.4 Delivery of Debtor Collateral

The Debtor has delivered to the Lender all instruments and chattel paper and other items of Debtor Collateral in which a security interest is or may be perfected by possession, together with such additional writings, including assignments, with respect thereto as the Lender shall reasonably request.

4.5 Intellectual Property

All of the patents, trade-marks, and copyrights material to the business of the Debtor have been registered or applied to be registered with the Canadian Intellectual Property Office or the United States Patent and Trademark Office, as applicable.

4.6 Chief Executive Office; Trade Names; Collateral Location; Records Location

The Debtor's chief executive office is in the Province of Ontario; the only trade name(s) or style(s) used by the Debtor are as set forth in the disclosure schedules to the Loan Agreement. The Debtor's records concerning the Debtor Collateral are located at its chief executive office. The Debtor has not, at any time in the past five years: (a) been known as or used any other corporate, trade or fictitious name; (b) changed its name; (c) been the surviving or resulting corporation in a merger or consolidation; or (d) acquired through asset purchase or otherwise any business of any Person, except as disclosed in writing to the Lender.

4.7 Enforceability; Priority of Security Interest

- (a) This Agreement creates a security interest which is enforceable against the Debtor Collateral in which the Debtor now has rights and will create a security

interest which is enforceable against the Debtor Collateral in which the Debtor hereafter acquires rights at the time the Debtor acquires any such rights; and

- (b) Other than Permitted Liens, the Lender, has a perfected and first priority security interest in the Debtor Collateral, in which the Debtor now has rights, and will have a perfected and first priority security interest in the Debtor Collateral in which the Debtor hereafter acquires rights at the time the Debtor acquires any such rights, in each case securing the payment and performance of the Secured Obligations.

4.8 Rights to Payment

- (a) The Accounts and any and all of the Debtor's rights and claims to the payment or receipt of money or other forms of consideration of any kind in, to and under or with respect to its chattel paper, documents of title, intangibles, instruments, proceeds and supporting obligations (collectively, "**Rights to Payment**") represent valid, binding and enforceable obligations of the account debtors or other Persons obligated thereon, representing undisputed, *bona fide* transactions completed in accordance with the terms and provisions contained in any documents related thereto, and are and will be genuine, free from any Lien other than Permitted Liens and not subject to any adverse claims, counterclaims, setoffs, defaults, disputes, defenses, discounts, retainages, holdbacks or conditions precedent of any kind of character, except to the extent reflected by the Debtor's reserves for uncollectible Rights to Payment or to the extent, if any, that such account debtors or other Persons may be entitled to normal and ordinary course trade discounts, returns, adjustments and allowances in accordance with Section 5.11 or as otherwise disclosed to the Lender in writing;
- (b) the Debtor has not assigned any of its rights under the Rights to Payment other than Permitted Liens as provided in this Agreement or as set forth in the other Credit Documents;
- (c) all statements made, all unpaid balances and all other information in the Debtor's books and other documentation relating to the Rights to Payment are true and correct and in all material respects what they purport to be; and
- (d) the Debtor has no knowledge of any fact or circumstance which would impair the validity or collectability of any of the Rights to Payment.

4.9 Inventory

No inventory is stored with any bailee, warehouseman or similar Person or on any premises leased to the Debtor, nor has any inventory been consigned to the Debtor or consigned by the Debtor to any Person or is held by the Debtor for any Person under any "bill and hold" or other arrangement, except as set forth in the disclosure schedules to the Loan Agreement or disclosed to the Lender in writing.

4.10 Equipment

- (a) none of the Equipment or other Debtor Collateral is affixed to real property except Debtor Collateral with respect to which the Debtor has supplied the Lender with all information and documentation requested by the Lender to make

all fixture filings required to perfect and protect the Lender's security interest in all such Debtor Collateral; and

- (b) none of the Equipment is leased to any Person, except as otherwise disclosed to the Lender in writing.

4.11 Leases

The Debtor is not and will not become a lessee under any real property lease or enter into any customer agreement or other agreement governing the location of Debtor Collateral at the premises of another Person pursuant to which the lessor or such other Person may obtain any rights in any of the Debtor Collateral, and no such lease or other such agreement now prohibits, restrains, impairs or will prohibit, restrain or impair such Debtor's right to remove any Debtor Collateral from the premises at which such Debtor Collateral is situated, except for the usual and customary restrictions contained in such leases of real property.

ARTICLE 5 - COVENANTS AND AGREEMENTS

In addition to all covenants and agreements of the Debtor set forth in the Credit Documents, which are incorporated herein by this reference, the Debtor hereby covenants and agrees, at no cost or expense to the Lender:

5.1 Preservation of Security Interest

To do all acts (other than acts which are required to be done by the Lender) that may be necessary to maintain, preserve and protect the Debtor Collateral and the first priority (subject to Permitted Liens) priority, perfected security interest of the Lender therein.

5.2 Actions and Proceedings

To appear in and defend any action or proceeding which may affect its title to or the Lender's interest in the Debtor Collateral.

5.3 Use of Collateral

Not to use any Debtor Collateral, or permit any Debtor Collateral to be used, unlawfully or in violation of any provision of this Agreement, any other agreement with the Lender related hereto, or any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Debtor or affecting any of the Debtor Collateral or any contractual obligation affecting any of the Debtor Collateral.

5.4 Transfer of Collateral; Liens

Not to surrender or lose possession of, sell, encumber, lease, rent, or otherwise dispose of or transfer any Debtor Collateral or right or interest therein except as expressly permitted herein or in the Credit Documents, and to keep the Debtor Collateral free of all Liens except Permitted Liens and as expressly permitted by the Credit Documents or otherwise approved in writing by the Lender; provided, however, that, unless an Event of Default shall have occurred which has not been waived in writing by the Lender or cured in accordance with the Loan Agreement, the Debtor may, in the ordinary course of business, sell or lease (provided it registers and perfects

any primary lease or conditional sale agreement in accordance with Applicable Law) any Debtor Collateral consisting of inventory.

5.5 Delivery of Collateral

To account fully for and promptly deliver to the Lender, in the form received, all documents, chattel paper, all documents of title, all warehouse receipts, bills of lading, all certificated securities with respect to investment property, instruments and agreements constituting Debtor Collateral hereunder, and all proceeds of the Debtor Collateral received, all endorsed to the Lender, or in blank, as requested by the Lender, and accompanied by such stock powers as appropriate and until so delivered all such documents, instruments, receipts, agreements and proceeds shall be held by the Debtor in trust for the Lender, separate and apart from all other property of the Debtor.

5.6 Records

To keep accurate and complete records of the Debtor Collateral and to provide the Lender with such records and such other reports and information relating to the Debtor Collateral as the Lender may reasonably request from time to time, to keep the records concerning the Debtor Collateral at the location(s) referred to in Section 4.6, and not to remove such records from such location(s) without the prior written consent of the Lender.

5.7 Chief Executive Office; Names

To give the Lender thirty (30) days prior written notice of any change in the Debtor's chief executive office or legal name or trade name(s) or style(s).

5.8 Location of Collateral

Except as permitted by the Loan Agreement, to keep the Debtor Collateral at its current location(s) and not to remove the Debtor Collateral from such locations (other than disposals of Debtor Collateral expressly permitted by the Credit Documents).

5.9 Maintenance of Collateral

To keep the Debtor Collateral in good condition and repair and not to cause or permit any waste or unusual or unreasonable depreciation of the Debtor Collateral (ordinary wear and tear excepted).

5.10 Leased Premises

At the Lender's request, to obtain from each Person from whom the Debtor leases any premises or supplies any customer at which any Debtor Collateral is at any time present such collateral access, subordination, waiver, consent and estoppel agreements as the Lender may require, in form and substance satisfactory to the Lender.

5.11 Rights to Payment

To:

- (a) with such frequency as the Lender may reasonably require, furnish to the Lender full and complete reports, in form and substance satisfactory to the Lender, with respect to the Accounts, including information as to concentration, aging, identity of account debtors, letters of credit securing Accounts, disputed Accounts and other matters, as the Lender shall request;
- (b) give only normal discounts, allowances and credits as to Accounts and other Rights to Payment, in the ordinary course of business, according to normal trade practices utilized by the Debtor in the past, and enforce all Accounts and other Rights to Payment strictly in accordance with their terms, and take all such action to such end as may from time to time be reasonably requested by the Lender, except that the Debtor may grant any extension of the time for payment or enter into any agreement to make a rebate or otherwise to reduce the amount owing on or with respect to, or compromise or settle for less than the full amount thereof, any Account or other Right to Payment, in the ordinary course of business, according to normal trade practices utilized by the Debtor in the past;
- (c) if any discount, allowance, credit, extension of time for payment, agreement to make a rebate or otherwise to reduce the amount owing on, or compromise or settle, an Account or other Right to Payment exists or occurs, or if, to the knowledge of the Debtor, any dispute, setoff, claim, counterclaim or defence exists or has been asserted or threatened with respect to an Account or other Right to Payment, disclose such fact fully to the Lender in the books relating to such Account or other Right to Payment and in connection with any invoice or report furnished by the Debtor to the Lender relating to such Account or other Right to Payment;
- (d) if any Accounts arise from contracts with the government of the United States of America or any department, agency or instrumentality thereof, or the government of Canada or any department, agency or instrumentality thereof, immediately notify the Lender thereof and execute any documents and instruments and take any other steps requested by the Lender in order that all monies due and to become due thereunder shall be assigned to the Lender and notice thereof given to the appropriate authorities under the *Federal Assignment of Claims Act* of the United States or the *Financial Administration Act* of Canada;
- (e) in accordance with its sound business judgment perform and comply in all material respects with its obligations in respect of the Accounts and other Rights to Payment;
- (f) upon the request of the Lender (i) at any time, notify all or any designated portion of the account debtors and other obligors on the Rights to Payment of the security interest hereunder, and (ii) upon the occurrence of an Event of Default which has not been waived in writing by the Lender or cured in accordance with the Loan Agreement, notify the account debtors and other obligors on the Rights to Payment or any designated portion thereof that payment shall be made directly to the Lender or to such other Person or location as the Lender shall specify; and
- (g) except as contemplated or required in accordance with the Loan Agreement, upon the occurrence of any Event of Default which has not been waived in

writing by the Lender or cured in accordance with the Loan Agreement, establish such lockbox or similar arrangements for the payment of the Accounts and other Rights to Payment as the Lender shall require.

5.12 Inventory

To:

- (a) at such times as the Lender shall reasonably request or as may be required under the Credit Documents, prepare and deliver to the Lender a report of all Inventory, in form and substance satisfactory to the Lender;
- (b) upon the reasonable request of the Lender or as may be required under the Credit Documents, take a physical listing of the Inventory and promptly deliver a copy of such physical listing to the Lender; and
- (c) other than as set forth in the disclosure schedules to the Loan Agreement or disclosed to the Lender in writing, not store any Inventory with a bailee, warehouseman or similar Person or on premises leased to the Debtor, nor dispose of any Inventory on a bill-and-hold, guaranteed sale, sale and return, sale on approval, consignment or similar basis, nor acquire any Inventory from any Person on any such basis, without in each case giving the Lender prior written notice thereof.

5.13 License Agreement and Other Assigned Agreements

To:

- (a) deliver to the Lender promptly upon request therefrom (i) copies of the Assigned Agreements and (ii) all material notices, requests and other documents relating to any default, alleged default, termination or renewal the received or delivered by the Debtor in respect of any of the material Assigned Agreements.
- (b) perform and observe in all material respects all terms and provisions of the Assigned Agreements to be performed or observed by it and enforce the Assigned Agreements in accordance with their terms if the Debtor reasonably believes such enforcement is required to preserve or protect any of the Collateral or the Debtor's business or financial condition; and
- (c) without the prior written consent of the Lender, not take any action to amend or terminate, or waive compliance with any of the terms of the Assigned Agreements, if such amendment, termination or waiver would or could reasonably be expected to adversely affect the Collateral or result in a material adverse change to the Debtor's business or financial conditions.

ARTICLE 6 - AUTHORIZED ACTION BY THE LENDER; RIGHTS TO PAYMENT

6.1 Authorized Action by the Lender

The Debtor hereby agrees that following the occurrence of an Event of Default which has not been waived in writing by the Lender or cured in accordance with the Loan Agreement, without

presentment, notice or demand, and without affecting or impairing in any way the rights of the Lender with respect to the Debtor Collateral, the obligations of the Debtor hereunder or the Secured Obligations, the Lender may, but shall not be obligated to and shall incur no liability to the Debtor or any third party for failure to, take any action that the Debtor is obligated by this Agreement to do and to exercise such rights and powers as the Debtor might exercise with respect to the Debtor Collateral, and the Debtor hereby irrevocably appoints the Lender as its attorney-in-fact following the occurrence of an Event of Default, which has not been waived in writing by the Lender or cured in accordance with the Loan Agreement, to exercise such rights and powers, including, without limitation, the power and authority to:

- (a) collect by legal proceedings or otherwise and endorse, receive and receipt for all dividends, interest, payments, proceeds and other sums and property now or hereafter payable on or on account of the Debtor Collateral;
- (b) enter into any extension, reorganization, deposit, merger, consolidation or other agreement pertaining to, or deposit, surrender, accept, hold or apply other property in exchange for the Debtor Collateral;
- (c) insure, process and preserve the Debtor Collateral;
- (d) transfer the Debtor Collateral to its own or its nominee's name;
- (e) make any compromise or settlement, and take any action it deems advisable, with respect to the Debtor Collateral; and
- (f) notify any obligor on any Debtor Collateral to make payment directly to the Lender.

The foregoing power of attorney is coupled with an interest and irrevocable so long as the Lender has any obligation to make any credit facility available or the Secured Obligations have not been indefeasibly paid and performed in full. The Debtor hereby ratifies, to the extent permitted by Applicable Law, all that the Lender shall lawfully and in good faith do or cause to be done by virtue of and in compliance with this Section 6.1. The Debtor agrees to reimburse the Lender upon demand for any reasonable and documented costs and expenses, including reasonable legal fees, the Lender may incur while acting as the Debtor's attorney-in-fact hereunder, all of which costs and expenses are included in the Secured Obligations.

6.2 Collection of Rights to Payment

Until the Lender exercises its rights hereunder to collect Rights to Payment, the Debtor shall endeavour in the first instance diligently to collect all amounts due or to become due on or with respect to the Rights to Payment. At the request of the Lender, before and after the occurrence of any Event of Default which has not been waived in writing by the Lender or cured in accordance with the Loan Agreement, all remittances received by the Debtor shall be, and shall be deemed to be, held separate and apart and in trust exclusively for the Lender and, in accordance with the Loan Agreement, remitted to the Lender in the form received (with any necessary endorsements or instruments of assignment or transfer).

6.3 Investment Property and Instruments

Upon and after the occurrence of any Event of Default which has not been waived in writing by the Lender or cured in accordance with the Loan Agreement, the Lender shall be entitled to receive all distributions and payments of any nature with respect to any investment property or instruments, and all such distributions or payments received by the Debtor shall be, and shall be deemed to be, held separate and apart and in trust exclusively for the Lender and, in accordance with the Lender's instructions, remitted to the Lender in the form received (with any necessary endorsements or instruments of assignment or transfer). Following the occurrence of an Event of Default which has not been waived in writing by the Lender or cured in accordance with the Loan Agreement, any such distributions and payments with respect to any investment property held in any securities account shall be held and retained in such securities account, in each case as part of the Debtor Collateral hereunder. Additionally, the Lender shall have the right upon the occurrence of an Event of Default which has not been waived by the Lender or cured in accordance with the Loan Agreement, following prior written notice to the Debtor, to vote and to give consents, ratifications and waivers with respect to any investment property and instruments of the Debtor comprising Debtor Collateral hereunder, and to exercise all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining thereto, as if the Lender was the absolute owner thereof; *provided* that the Lender shall have no duty to exercise any of the foregoing rights afforded to it and shall not be responsible to the Debtor or any other Person for any failure to do so or delay in doing so.

ARTICLE 7 - ADDITIONAL PROVISIONS REGARDING INTELLECTUAL PROPERTY

7.1 Additional Representations and Warranties

The Debtor represents and warrants to the Lender as follows:

- (a) Except as disclosed to the Lender in the Credit Documents, the Debtor (directly or through any subsidiary) does not own, possess or use under any licensing arrangement any patents, copyrights, trade-marks, service marks or trade names, nor is there currently pending before any governmental authority any application for registration of any patent, copyright, trade-mark, service mark or trade name, except for commercial, off-the-shelf software or process technology or software embedded in equipment;
- (b) all patents, copyrights, trade-marks, service marks and trade names owned by the Debtor are subsisting and have not been adjudged invalid or unenforceable in whole or in part;
- (c) all maintenance fees required to be paid on account of any patents owned by the Debtor have been timely paid for maintaining such patents in force (except with respect to any patents where a failure to do so would be reasonable and appropriate in accordance with prudent business practice), and, to the best of the Debtor's knowledge, each of the patents is valid and enforceable and the Debtor has notified the Lender in writing of all prior disputes, sales and licenses (including public uses and sales) of which it is aware;

- (d) to the best of the Debtor's knowledge after due inquiry, no material infringement or unauthorized use presently is being made of any Intellectual Property Collateral owned by the Debtor by any Person;
- (e) the Debtor is the sole and exclusive owner of the Intellectual Property Collateral purported to be owned by the Debtor and the past, present and contemplated future use of such Intellectual Property Collateral by the Debtor has not, does not and will not infringe or violate any right, privilege or license agreement of or with any other Person; and
- (f) the Debtor owns, has material rights under, is a party to, or an assignee of a party to all material licenses, patents, patent applications, copyrights, service marks, trade-marks, trade-mark applications, trade names and all other Intellectual Property Collateral necessary to continue to conduct its business as heretofore conducted.

7.2 Additional Covenants

The Debtor will:

- (a) not allow or suffer any Intellectual Property Collateral owned by it to become abandoned, nor any registration thereof to be terminated, forfeited, expired or dedicated to the public, except as shall be reasonable and appropriate in accordance with prudent business practice;
- (b) promptly give the Lender notice of any rights the Debtor may obtain to any new patentable inventions, copyrightable works or other new Intellectual Property Collateral created or acquired by the Debtor (other than commercial, off-the-shelf software or process technology or software embedded in equipment), prior to the filing of any application for registration thereof;
- (c) without limiting the generality of clause (b) provide the Lender with written notice of its intent to register any unregistered copyrights with the United States of America Copyright Office or the Canadian Intellectual Property Office (whether in existence on the date hereof or thereafter acquired, arising, or developed) not less than thirty (30) days prior to the date of the proposed registration; and
- (d) diligently prosecute all applications made by the Debtor for patents, copyrights and trade-marks, and file and prosecute any and all continuations, continuations-in-part, applications for reissue, applications for certificate of correction and like matters as shall be reasonable and appropriate in accordance with prudent business practice, and promptly and timely pay any and all maintenance, license, registration and other fees, taxes and expenses incurred in connection with any Intellectual Property Collateral.

7.3 Additional Definition

As used in this Agreement, "**Intellectual Property Collateral**" means the following properties and assets owned or held by the Debtor or in which the Debtor otherwise has any interest (other than as licensor pursuant to licenses relating to off-the-shelf software or process technology or software embedded in equipment), now existing or hereafter acquired or arising:

- (a) all patents and patent applications, domestic or foreign, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses, all rights to sue for past, present or future infringement thereof, all rights arising therefrom and pertaining thereto and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof;
- (b) all copyrights and applications for copyright, domestic or foreign, together with the underlying works of authorship (including titles), whether or not the underlying works of authorship have been published and whether said copyrights are statutory or arise under the common law, and all other rights and works of authorship, all computer programs, computer databases, computer program flow diagrams, source codes, object codes and all tangible property embodying or incorporating any copyrights, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses, and all other rights, claims and demands in any way relating to any such copyrights or works, including royalties and rights to sue for past, present or future infringement, and all rights of renewal and extension of copyright;
- (c) all state and provincial (including common law), federal and foreign trade-marks, service marks and trade names, and applications for registration of such trade-marks, service marks and trade names, all licenses relating to any of the foregoing and all income and royalties with respect to any licenses, whether registered or unregistered and wherever registered, all rights to sue for past, present or future infringement or unconsented thereof, all rights arising therefrom and pertaining thereto and all reissues, extensions and renewals thereof;
- (d) all trade secrets, trade dress, trade styles, logos, other source of business identifiers, mask-works, mask-work registrations, mask-work applications, software, confidential information, customer lists, license rights, advertising materials, operating manuals, methods, processes, know-how, algorithms, formulae, databases, quality control procedures, product, service and technical specifications, operating, production and quality control manuals, sales literature, drawings, specifications, blue prints, descriptions, inventions, name plates and catalogs;
- (e) the entire goodwill of or associated with the businesses now or hereafter conducted by the Debtor connected with and symbolized by any of the aforementioned properties and assets; and
- (f) all accounts, all intangible intellectual or other similar property and other general intangibles associated with or arising out of any of the aforementioned properties and assets and not otherwise described above.

ARTICLE 8 - REMEDIES; NOTICE OF SALE; RECEIVERS

8.1 Remedies

Upon the occurrence of an Event of Default which has not been waived in writing by the Lender or cured in accordance with the Loan Agreement, the Lender may at its option, without notice to or demand on the Debtor and in addition to all rights and remedies available to the Lender with

respect to the Secured Obligations, at law, in equity or otherwise, do any one or more of the following:

- (a) foreclose or otherwise enforce the security interest of the Lender in any manner permitted by Applicable Law or provided for in this Agreement;
- (b) sell, lease or otherwise dispose of any Debtor Collateral at one or more public or private sales at place of business of the Lender or any other place or places, including any broker's board or securities exchange, whether or not such Debtor Collateral is present at the place of sale, for cash or credit or future delivery, on such terms and in such manner as the Lender may determine;
- (c) use or transfer the Debtor's rights and interests in any Intellectual Property Collateral by license, by sublicense (to the extent permitted by an applicable license), assignment or otherwise, on such conditions and in such manner as the Lender may determine;
- (d) recover from the Debtor all costs and expenses, including reasonable legal fees and disbursements, incurred or paid by the Lender in exercising any right, power or remedy provided by this Agreement;
- (e) require the Debtor to assemble the Debtor Collateral and make it available to the Lender at a place to be designated by the Lender;
- (f) permit the Lender to enter onto property where any Debtor Collateral is located and take possession thereof with or without judicial process; and
- (g) prior to the disposition of the Debtor Collateral, store, process, repair or recondition it or otherwise prepare it for disposition in any manner and to the extent the Lender deems appropriate and in connection with such preparation and disposition, without charge, use any trade-mark, tradename, copyright, patent or technical process used by the Debtor.

8.2 Notice of Sale

The Debtor shall be given fifteen (15) days' prior notice of the time and place of any public sale or of the time after which any private sale or other intended disposition of Debtor Collateral is to be made in accordance with Section 8.1, which notice the Debtor hereby agrees shall be deemed reasonable notice thereof. Upon any such sale or other disposition pursuant to this Agreement, the Lender shall have the right to deliver, assign and transfer to the purchaser thereof the Debtor Collateral or portion thereof so sold or disposed of. The Lender shall have the right upon any such public sale, and, to the extent permitted by Applicable Law, upon any such private sale, to purchase the whole or any part of the Debtor Collateral so sold. Each purchaser at any such sale or other disposition (including if applicable, the Lender) shall hold the Debtor Collateral free from any claim or right of whatever kind, including any equity or right of redemption of the Debtor and the Debtor specifically waives (to the extent permitted by Applicable Law) all rights of redemption, stay or appraisal which it has or may have under any rule of law or statute now existing or hereafter adopted.

8.3 License

For the purpose of enabling the Lender to exercise its rights and remedies under this Section 8.3 or otherwise in connection with this Agreement, upon the occurrence of an Event of Default which has not been waived in writing by the Lender or cured in accordance with the Loan Agreement, the Debtor hereby grants to the Lender an irrevocable, non-exclusive and assignable license (exercisable without payment or royalty or other compensation to the Debtor) or (to the extent permitted by the applicable license) sublicense to use, license or sublicense any Intellectual Property Collateral, subject, with respect to trade-marks, to reasonable and appropriate quality control provisions.

8.4 Appointment of Receiver

Upon the occurrence of an Event of Default which has not been waived in writing by the Lender or cured in accordance with the Loan Agreement, the Lender may, in addition to any other rights they may have, appoint by instrument in writing a receiver, monitor, consultant, liquidator or receiver and manager (all of which are herein called a “**Receiver**”) of all or any part of the Debtor Collateral or may institute proceedings in any court of competent jurisdiction for the appointment of such a Receiver. Any such Receiver is hereby given and shall have the same powers and rights and exclusions and limitations of liability as the Lender have under this Agreement, at law or in equity. In exercising any such powers, any such Receiver shall, to the extent permitted by Applicable Law, act as and for all purposes shall be deemed to be the Lender of the Debtor and the Lender shall not be responsible for any act or default of any such Receiver. The Lender may appoint one or more Receivers hereunder and may remove any such Receiver or Receivers and appoint another or others in his or their stead from time to time. Any Receiver so appointed may be an officer or employee of the Lender. A court need not appoint, ratify the appointment by the Lender of or otherwise supervise in any manner the actions of any Receiver. Upon the Debtor receiving notice from the Lender of the taking of possession of the Debtor Collateral or the appointment of a Receiver, all powers, functions, rights and privileges of the Debtor and, to the extent permitted by Applicable Law, its directors and officers with respect to the Debtor Collateral shall cease, unless specifically continued by the written consent of the Lender.

8.5 Carrying on Business

Upon the occurrence of an Event of Default which has not been waived in writing by the Lender or cured in accordance with the Loan Agreement, the Lender may carry on, or concur in the carrying on of, all or any part of the business or undertaking of the Debtor, may, subject to the rights and Liens of third parties but to the exclusion of the Debtor, enter upon, occupy and use all or any of the premises, buildings, plant and undertakings of or occupied or used by the Debtor and may use all or any of the tools, machinery, equipment and intangibles of the Debtor for such time as the Lender sees fit, free of charge, to carry on the business of the Debtor and, if applicable, to manufacture or complete the manufacture of any Inventory and to pack and ship the finished product.

8.6 Dealing with Debtor Collateral

Upon the occurrence of an Event of Default which has not been waived in writing by the Lender or cured in accordance with the Loan Agreement, the Lender may seize, collect, realize, dispose of, enforce, release to third parties or otherwise deal with the Debtor Collateral or any part thereof in such manner, upon such terms and conditions and at such time or times as may

seem to it advisable, all without notice to the Debtor except as otherwise required by any Applicable Law. Upon the occurrence of an Event of Default which has not been waived in writing by the Lender or cured in accordance with the Loan Agreement, the Lender may demand, sue for and receive any Accounts with or without notice to the Debtor, give such receipts, discharges and extensions of time and make such compromises in respect of any Accounts which may, in the Lender's absolute discretion, seem bad or doubtful. The Lender may charge on its own behalf and pay to others, sums for costs and expenses incurred including, without limitation, reasonable and documented legal fees and expenses on a solicitor and his own client scale and Receivers' and accounting fees, in or in connection with seizing, collecting, realizing, disposing, enforcing or otherwise dealing with the Debtor Collateral and in connection with the protection and enforcement of the rights of the Lender hereunder, including without limitation, in connection with advice with respect to any of the foregoing. The amount of such sums shall be deemed advanced to the Debtor by the Lender, shall become part of the Secured Obligations, shall bear interest at the highest rate per annum charged by the Lender on the Secured Obligations or any part thereof and shall be secured by this Agreement.

8.7 Right to Use

Upon the occurrence of an Event of Default which has not been waived in writing by the Lender or cured in accordance with the Loan Agreement, the Debtor hereby grants to the Lender a license or other right to use, without charge, all of the Debtor's present and future property, whether real or personal, including, without limitation, labels, patents, copyrights, rights of use of any name, trade secrets, trade names, trade-marks, services marks, and advertising matter, or any other Intellectual Property Collateral or other property of any nature or of a similar nature, as it pertains to the Debtor Collateral, in completing production of, advertising for sale, and selling of any Debtor Collateral and the Debtor's rights under all licenses and all franchise agreements shall inure to the Lender.

8.8 Retention of Debtor Collateral

Upon the occurrence of an Event of Default which has not been waived in writing by the Lender or cured in accordance with the Loan Agreement, and upon notice to the Debtor and subject to any obligation to dispose of any of the Debtor Collateral, as provided in the PPSA, the Lender may elect to retain all or any part of the Debtor Collateral in satisfaction of the Secured Obligations or any of them.

8.9 Pay Liens

The Lender may pay any Liens that may exist or be threatened against the Debtor Collateral. In addition, at any such time, the Lender may borrow money required for the maintenance, preservation or protection of the Debtor Collateral or for the carrying on of the business or undertaking of the Debtor and may grant further security interests in the Debtor Collateral in priority to the security interest created hereby as security for the money so borrowed. In every such case the amounts so paid or borrowed together with costs, charges and expenses incurred in connection therewith shall be deemed to have been advanced to the Debtor by the Lender, shall become part of the Secured Obligations, shall bear interest at the highest rate per annum charged by the Lender on the Secured Obligations or any part thereof and shall be secured by this Agreement.

8.10 Application of Payments

Any and all payments made in respect of the Secured Obligations from time to time and moneys realized on the Debtor Collateral may be applied to such part or parts of the Secured Obligations as the Lender may see fit. The Lender shall, at all times and from time to time, have the right to change any appropriation as they may see fit. Any insurance moneys received by the Lender pursuant to this Agreement may, at the option of the Lender, be applied against the Secured Obligations as the Lender thinks fit.

8.11 Set-off

The Secured Obligations will be paid by the Debtor without regard to any equities between the Debtor and the Lender or any right of set-off or cross-claim. If an Event of Default exists and has not been waived in writing by the Lender or cured in accordance with the Loan Agreement, any indebtedness owing by the Lender to the Debtor may be set off and applied by the Lender against the Secured Obligations either before or after maturity, without demand upon or notice to anyone and regardless of the currency in which the indebtedness is denominated.

8.12 Deficiency

If the proceeds of the realization of the Debtor Collateral are insufficient to repay the Lender all amounts owing to them, the Debtor shall forthwith pay such deficiency or cause such deficiency to be paid to the Lender, as applicable.

8.13 Lender Not Liable

The Lender shall not be liable or accountable for any failure to seize, collect, realize, dispose of, enforce or otherwise deal with the Debtor Collateral, shall not be bound to institute proceedings for any such purposes or for the purpose of preserving any rights of the Lender, the Debtor or any other person, firm or corporation in respect of the Debtor Collateral and shall not be liable or responsible for any loss, cost or damage whatsoever which may arise in respect of any such failure including, without limitation, resulting from the negligence of the Lender or any of its officers, servants, agents, solicitors, attorneys, Receivers or otherwise unless arising from gross negligence or wilful misconduct. Neither the Lender nor its officers, servants, agents, or Receivers shall be liable by reason of any entry into possession of the Debtor Collateral or any part thereof, to account as a mortgagee in possession, for anything except actual receipts, for any loss on realization, for any act or omission for which a mortgagee in possession might be liable, for any negligence in the carrying on or occupation of the business or undertaking of the Debtor or for any loss, cost, damage or expense whatsoever which may arise in respect of any such actions, omissions or negligence unless arising from gross negligence or wilful misconduct.

8.14 Extensions of Time

The Lender may grant renewals, extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, perfect or fail to perfect any securities, release any part of the Debtor Collateral to third parties and otherwise deal or fail to deal with the Debtor, subsidiaries of the Debtor, guarantors, sureties and others and with the Debtor Collateral and other securities as the Lender may see fit, all without prejudice to the liability of the Debtor to the Lender or the rights and powers under this Agreement.

8.15 Rights in Addition

The rights and powers conferred by this Article 8 are in supplement of and in addition to and not in substitution for any other rights or powers the Lender may have from time to time under this Agreement or under Applicable Law. The Lender may proceed by way of any action, suit, remedy or other proceeding at law or in equity and no such remedy for the enforcement of the rights of the Lender shall be exclusive of or dependent on any other such remedy. Any one or more of such remedies may from time to time be exercised separately or in combination.

ARTICLE 9 - PERFECTION AND PRIORITY

9.1 Financing Statements, Etc.

The Debtor hereby authorizes the Lender to file at any time and from time to time any financing statements describing the Debtor Collateral, and the Debtor shall execute and deliver to the Lender, and the Debtor hereby authorizes the Lender to file (with or without the Debtor's signature), at any time and from time to time, all amendments to financing statements, continuation financing statements, termination statements, security agreements relating to the Intellectual Property Collateral, assignments, fixture filings, affidavits, reports, notices and all other documents and instruments, in form satisfactory to the Lender, as the Lender may reasonably request, to perfect and continue perfected, maintain the priority of or provide notice of the Lender's security interest and Lien in the Debtor Collateral and to accomplish the purposes of this Agreement. Without limiting the generality of the foregoing, the Debtor ratifies and authorizes the filing by the Lender of any financing statements filed prior to the date hereof and waives any requirement to receive a copy of any such verification statement.

9.2 Bailees

Any Person (other than the Lender) at any time and from time to time holding all or any portion of the Debtor Collateral on behalf of the Lender shall be deemed to, and shall, hold the Debtor Collateral as the Lender of, and as pledge holder for, the Lender. At any time and from time to time the Lender may give notice to any such Person holding all or any portion of the Debtor Collateral that such Person is holding the Debtor Collateral as the Lender and bailee of, and as pledge holder for, the Lender, and obtain such Person's written acknowledgment thereof. Without limiting the generality of the foregoing, the Debtor will, upon request, join with the Lender in notifying any Person who has possession of any Debtor Collateral of the Lender's security interest and Lien therein and obtaining an acknowledgment from such Person that it is holding the Debtor Collateral for the benefit of the Lender as set out herein.

9.3 Control

The Debtor will cooperate with the Lender in obtaining control (as defined in the *Securities Transfer Act, 2006* (Ontario)) of any Debtor Collateral consisting of deposit accounts, electronic chattel paper or rights in respect of letters of credit.

ARTICLE 10 - MISCELLANEOUS

10.1 Amendments and Waivers

Except to the extent otherwise provided herein or in any other Credit Document, (a) no amendment to any provision of this Agreement shall in any event be effective unless the same

shall be in writing and signed by the Debtor and the Lender, and (b) no waiver of any provision of this Agreement, or consent to any departure by the Debtor or other party therefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender. Any such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

10.2 Notices

All notices required or permitted under this Agreement shall be given to the Debtor in the manner and to the addresses specified in the Loan Agreement.

10.3 Discharge

The security interest granted hereby will be discharged upon, but only upon, (i) full and indefeasible payment and performance of the Secured Obligations and the termination of the Loan Agreement by the Lender in writing, and (ii) the Debtor having no obligations under any Credit Document. Upon discharge of the security interest and at the request and sole expense of the Debtor, the Lender will execute and deliver to the Debtor such releases, discharges, financing statements and other documents or instruments as the Debtor may reasonably require and the Lender will redeliver to the Debtor as practically possible at the Debtor's sole expense, or as the Debtor may otherwise direct the Lender in writing, any Collateral in its possession.

10.4 No Waiver; Cumulative Remedies

No failure on the part of the Lender to exercise, and no delay in exercising, any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights and remedies under this Agreement are cumulative and not exclusive of any rights, remedies, powers and privileges that may otherwise be available to the Lender.

10.5 Binding Effect

This Agreement shall be binding upon the Debtor and its successors and assigns, including any successor by reason of amalgamation, and inure to the benefit of and be enforceable by the Lender and its successors, endorsees, participants, transferees and assigns.

10.6 Assignment

The Debtor may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Lender, and any attempted assignment in violation of this provision shall be null and void. The Lender may, without notice to or the further consent of the Debtor, assign this Agreement in whole or in part to any Person acquiring an interest in the Secured Obligations.

10.7 Costs and Expenses

The Debtor agrees to pay on demand all reasonable and documented costs and expenses of the Lender, any Receiver, or the agent of the Lender or any Receiver, and reasonable and documented fees and disbursements of counsel in connection with the perfection, enforcement,

or preservation of any rights under, this Agreement, Loan Agreement and the other Credit Documents.

10.8 Severability

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under all Applicable Laws and regulations. If, however, any provision of this Agreement shall be prohibited by or invalid under any such Applicable Law or regulation, it shall be deemed modified to conform to the minimum requirements of such Applicable Law or regulation, or, if for any reason it is not deemed so modified, it shall be ineffective and invalid only to the extent of such prohibition or invalidity without affecting the remaining provisions of this Agreement.

10.9 Governing Law

This Agreement is to be exclusively construed in accordance with and governed by the internal laws of the Province of Ontario and the federal laws of Canada applicable therein without giving effect to any choice of law rule or principle that would cause the application of the laws of any jurisdiction other than the internal laws of the Province of Ontario and the federal laws of Canada applicable therein to the rights and duties of the Debtor and the Lender.

10.10 Submission to Jurisdiction

The Debtor hereby (a) submits to the non-exclusive jurisdiction of the courts of the Province of Ontario sitting in Toronto for the purpose of any action or proceeding arising out of or relating to this Agreement, the Loan Agreement and the other Credit Documents, (b) agrees that all claims in respect of any such action or proceeding may be heard and determined in such courts, (c) irrevocably waives (to the extent permitted by Applicable Law) any objection which it now or hereafter may have to the laying of venue of any such action or proceeding brought in any of the foregoing courts, and any objection on the ground that any such action or proceeding in any such court has been brought in an inconvenient forum and (d) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner permitted by Applicable Law.

10.11 Judgment Currency

If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any Credit Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with practices of the Lender could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of the Debtor in respect of any such sum due from it to the Lender hereunder or under the other Credit Documents shall, notwithstanding any judgment in a currency (the "**Judgment Currency**") other than that in which such sum is denominated in accordance with the applicable provisions of the Credit Documents or other relevant document (the "**Agreement Currency**"), be discharged only to the extent that on the Business Day following receipt by the Lender of any sum adjudged to be so due in the Judgment Currency, the Lender may, in accordance with normal practices, purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Lender from the Debtor in the Agreement Currency, the Debtor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss. If the amount of the Agreement Currency so purchased is greater

than the sum originally due to the Lender in such currency, the Lender agrees to return the amount of any excess to the Debtor (or to any other Person who may be entitled thereto under Applicable Law). The agreements in this Section 10.11 shall survive the repayment of all Secured Obligations.

10.12 Entire Agreement

This Agreement and the other Credit Documents constitute the entire agreement of the parties hereto with respect to the matters set forth herein and supersede any prior agreements, commitments, drafts, communications, discussions and understandings, oral or written, with respect thereto.

10.13 Counterparts

This Agreement may be executed in several counterparts, and delivered by facsimile or other electronic transmission, each of which shall be deemed an original and all of which shall together constitute one and the same instrument. Signatures delivered by facsimile (or similar electronic method) shall have the effect of originals.

10.14 Indemnity

The Debtor hereby agrees to indemnify and hold harmless the Lender, and its successors, assigns, agents and employees, from and against any and all liabilities, damages, penalties, suits, costs, and expenses of any kind and nature (including, without limitation, all expenses of litigation or preparation therefor whether or not the Lender are a party thereto) imposed on, incurred by or asserted against the Lender, or its successors, assigns, agents and employees, in any way relating to or arising out of this Agreement, or the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, possession, use, operation, condition, sale, return or other disposition of any Debtor Collateral (including, without limitation, latent and other defects, whether or not discoverable by the Lender or the Debtor, and any claim for patent, trade-mark or copyright infringement), except for the gross negligence or wilful misconduct of the Lender.

10.15 Acknowledgement of Receipt

The Debtor acknowledges receipt of a copy of this Agreement.

10.16 Paramountcy

If there is any conflict or inconsistency between this Agreement and the Loan Agreement, the provisions of the Loan Agreement shall govern and prevail, but only to the extent of such conflict or inconsistency and the provisions of this Agreement shall be deemed to be amended to the extent necessary to eliminate such conflict or inconsistency, it being understood that the purpose of this Agreement is to be consistent with, and not add to or detract from, the rights granted to the Lender.

10.17 Language

The parties herein have expressly requested that this Agreement and all related documents be drawn up in English language. À la demande expresse des parties aux présentes, cette convention et tout document y afférent ont été rédigés en langue anglaise.

[Signature page follows]

IN WITNESS WHEREOF, the Debtor hereto has executed and delivered this Agreement under seal by its duly authorized signing officers with effect as of the date first written above.

INSCAPE CORPORATION

By: _____

Name: Eric K. Ehgoetz
Authorized Signing Officer

c/s

**This is Exhibit "P" referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 11th day of January, 2023**

DocuSigned by:

Monica Faleim

A927328446B742A

A COMMISSIONER FOR TAKING AFFIDAVITS

GUARANTY

This Guaranty, dated with effect as of the 28 day of October, 2022, is made by each of Inscape Inc. and Inscape (New York) Inc. (collectively, the “**Guarantor**”).

WHEREAS Guarantor and Inscape Corporation (the “**Debtor**”) have entered into a letter loan agreement with HUK 116 Limited, in its capacity as lender (the “**Lender**”) dated with effect as of the date hereof (as it may be amended, restated, supplemented or supplanted from time to time is herein called, the “**Loan Agreement**”);

AND WHEREAS the Guarantor is a subsidiary or Affiliate of the Debtor and the Guarantor and the Debtor are operated as part of one combined business group and are dependent upon each other for and in connection with their respective business activities and financial resources;

AND WHEREAS it is a condition to the extension of credit by the Lender to the Debtor that all related companies of the Debtor provide certain guaranties in respect of the Debtor's present and future, direct and indirect obligations to the Lender and, accordingly, the Guarantor has provided this Guaranty;

AND WHEREAS the Guarantor is dependent on the Debtor for its working capital needs and will obtain working capital and substantial direct and indirect economic, financial and other benefits as a result of the extensions of credit to the Debtor under the Loan Agreement; and, accordingly, the Guarantor desires to enter into this Guaranty in order to satisfy the condition described in the preceding paragraph and considers it to be in its best interest to provide this Guaranty and any Credit Document, to which it is a party;

NOW THEREFORE, in consideration of the foregoing and other benefits accruing to the Guarantor, the receipt and sufficiency of which are hereby acknowledged, the Guarantor hereby makes the following representations and warranties to the Lender, for the benefit of itself and the Lender, and hereby covenants and agrees with the Lender as follows:

1. The Guarantor hereby unconditionally and irrevocably guarantees to the Lender, the due and punctual payment of all present and future, direct or indirect, contingent or absolute, indebtedness, liabilities and obligations of the Debtor to the Lender under the Loan Agreement and the other Credit Documents, including, but not limited to, the due and punctual payment of fees, principal and interest owing by the Debtor to the Lender as and when the same shall become due and payable, whether at stated maturity, by acceleration or otherwise (the “**Guaranteed Obligations**”). In case of failure by the Debtor punctually to pay any of the Guaranteed Obligations, the Guarantor hereby unconditionally agrees to make such payment forthwith upon demand by the Lender.
2. This Guaranty shall be a continuing guaranty of the Guaranteed Obligations and any ultimate balance thereof, notwithstanding that the Debtor may from time to time satisfy the Guaranteed Obligations in whole or in part and thereafter incur further Guaranteed Obligations.
3. All monies, advances, renewals or credits in fact borrowed or obtained from the Lender by the Debtor pursuant to or in connection with the Loan Agreement shall be deemed to form part of the Guaranteed Obligations, notwithstanding any lack or limitation of status or power of the Debtor or its directors, officers, employees or Lender, or that the Debtor

may not be a legal entity or that such borrowing or obtaining of monies, advances, renewals or credits or the execution and delivery of any agreement or document by or on behalf of the Debtor is in excess of the powers of the Debtor or any of its directors, officers, employees or Lender or is in any way irregular, defective, fraudulent or informal. The Lender has no obligation to enquire into the powers of the Debtor or any of its directors, officers, employees acting or purporting to act on its behalf, and shall be entitled to rely on this provision notwithstanding any actual or imputed knowledge regarding any of the foregoing matters.

4. The obligations of the Guarantor under this Guaranty shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:
- (a) any extension, renewal, settlement, compromise, waiver or release in respect of any obligation of the Debtor under any other document, instrument or agreement ancillary to the Loan Agreement (each a **"Loan Document"**), or of any other guarantor of any of the Guaranteed Obligations, by operation of law or otherwise;
 - (b) any modification or amendment of or supplement to the Loan Agreement or any other Loan Document, or the waiver of any term or condition contained therein;
 - (c) any lack of validity or enforceability in whole or in part of the Guaranteed Obligations or any Loan Document;
 - (d) any change in the name, purposes, capital stock, organizational documents or by-laws, ownership or control of the Debtor;
 - (e) any change in the corporate existence, structure or ownership of (including any of the foregoing arising from any merger, consolidation, amalgamation or similar transaction), or any insolvency, bankruptcy, reorganization or other similar proceeding affecting, the Debtor, any other guarantor of any of the Guaranteed Obligations, or any of their respective assets, or any resulting release or discharge of any obligation of the Debtor or of any other such guarantor contained in any Loan Document (it being understood and agreed that the term **"Debtor"** as used in this Guaranty shall mean and include any corporation, partnership, association or any other entity or organization resulting from a merger, consolidation, amalgamation or similar transaction involving the Debtor);
 - (f) the existence of any claim, set-off or other rights which the Debtor or the Guarantor may have at any time against the Lender, any Lender or any other person, whether arising in connection with the Loan Documents or this Guaranty or otherwise;
 - (g) the loss of or failure to obtain, register, perfect or maintain any security interest held by the Lender, whether occasioned through the Lender's failure or neglect or otherwise;
 - (h) the valuation by the Lender of any of its collateral, which shall not be considered as a purchase of such collateral, or as payment on account of the Guaranteed Obligations;

- (i) any failure to assert, or any assertion of, any claim or demand or any exercise of, or failure to exercise, any rights or remedies against the Debtor or any other guarantor of any of the Guaranteed Obligations or any of their respective properties;
- (j) any application of any sums by whomsoever paid or howsoever realized to any obligation of the Debtor regardless of what Guaranteed Obligations of the Debtor remain unpaid; or
- (k) any other act or omission of any kind by the Lender or any other circumstance whatsoever that might constitute a legal or equitable discharge of the Guaranteed Obligations of the Guarantor hereunder (except for the irrevocable payment in full of the Guaranteed Obligations).

In order to hold the Guarantor liable hereunder, there shall be no obligation on the part of the Lender, at any time that an Event of Default has occurred and which has not been waived in writing by the Lender, to resort for payment to the Debtor or any other guarantor of any of the Guaranteed Obligations, or resort to any collateral, security, property, liens or other rights or remedies whatsoever, and the Lender shall have the right to enforce this Guaranty irrespective of whether or not other proceedings or steps seeking resort or realization upon or from any of the foregoing are pending.

5. Without realizing, discharging, limiting or otherwise affecting in whole or in part the obligations of the Guarantor under this Guaranty, and without notice to or the consent of the Guarantor, the Lender may from time to time:
- (a) amend the terms and conditions applicable to the Guaranteed Obligations, waive compliance with any such terms or conditions in whole or in part, or amend or terminate any agreement applicable to the Guaranteed Obligations;
 - (b) make advances to the Debtor and receive repayments in respect of the Guaranteed Obligations, and increase or decrease the amount of credit available to the Debtor;
 - (c) grant time, renewals, extensions, indulgences, releases and discharges to the Debtor;
 - (d) take or refrain from taking guaranties from other parties or collateral from the Debtor, any guarantor of the Debtor or any other party, or from filing or registering any financing statement or other instrument or perfecting any security interest;
 - (e) release, discharge, compromise, realize, enforce or otherwise deal with or do any act or thing in respect of any and all collateral given by the Debtor, any guarantor of the Debtor or any other party, with or without consideration;
 - (f) accept compromises or arrangements from the Debtor, any guarantor of the Debtor or any other party;
 - (g) exercise any right or remedy which it may have against the Debtor, any guarantor of the Debtor or any other party or with respect to any collateral;

- (h) apply all monies at any time received from the Debtor, any guarantor of the Debtor or other party or from the proceeds of any collateral upon such part of the Guaranteed Obligations as the Lender may see fit, or change any such application in whole or in part from time to time as the Lender may see fit, notwithstanding any direction which may be given to the Lender regarding application of such monies by the Debtor, any guarantor of the Debtor or any other party; and
- (i) otherwise deal with, or waive or modify its right to deal with, the Debtor, any guarantor of the Debtor or any other party and all collateral held by the Lender granted pursuant to the Loan Documents, as the Lender may see fit in its absolute discretion.

Any amount which is not enforceable hereunder as a guaranty shall be recoverable from the Guarantor as principal debtor. Accordingly, the Guarantor shall not be discharged nor shall the liability of the Guarantor be affected by any act, thing, omission or means whatsoever which would have resulted in the discharge or release of the liability of the Guarantor under this Guaranty if the Guarantor had not been liable as principal debtor.

- 6. The Guarantor's obligations hereunder shall remain in full force and effect until the commitment by the Lender to extend credit to the Debtor under the Loan Documents is terminated and the Guaranteed Obligations shall have been indefeasibly paid and satisfied in full. If at any time any payment by the Debtor under the Loan Documents is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy or reorganization of the Debtor or of any other guarantor of any of the Guaranteed Obligations, or otherwise, the Guarantor's obligations hereunder with respect to such payment shall be reinstated at such time as though such payment had become due but had not been made at such time.
- 7.
 - (a) The Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and any notice not provided for herein, as well as any requirement that at any time any action be taken by the Lender or any other person against the Debtor or any other guarantor of any of the Guaranteed Obligations.
 - (b) The Guarantor hereby agrees not to exercise or enforce any right of exoneration, contribution, reimbursement, recourse or subrogation available to the Guarantor against the Debtor or any other guarantor of any of the Guaranteed Obligations, or as to any collateral therefor, unless and until the commitment by the Lender to extend credit to the Debtor under the Loan Documents is terminated and the Guaranteed Obligations shall have been paid and satisfied in full. The Guarantor shall have no right to be subrogated to the Lender unless: (i) the Guarantor shall have paid to the Lender an amount equal to the then outstanding amount of the Guaranteed Obligations together with all interest, expenses and other amounts due hereunder; (ii) any other party regarded by the Lender as having a potential right of subrogation shall have waived such right and consented in writing to the subrogation; (iii) the Lender shall have received from the Debtor a release of all claims and demands which the Debtor may have against the Lender, including any obligation of the Lender to grant additional credit to the Debtor; and (iv) the Guarantor shall have executed and delivered to the Lender a release of any claims which the Guarantor may have against the Lender in respect of the Guaranteed Obligations or this Guaranty, together with an acknowledgment that

the Guaranteed Obligations and any collateral assigned by the Lender to the Guarantor shall be assigned on an "as is, where is" basis and without recourse to the Lender. All documents listed above shall be in form and substance satisfactory to the Lender.

8. The Guarantor hereby represents and warrants to the Lender that the Guarantor and the Debtor operate as a single consolidated business group (along with other entities) for purposes of GAAP or IFRS, as the case may be, and are dependant upon each other for and in connection with their respective business activities and financial resources. The extension of credit to the Debtor by the Lender constitutes an economic benefit to the Guarantor and is in the best interests of the Guarantor. The board of directors or other management board of the Guarantor has deemed it advisable and in the best interest of the Guarantor that this Guaranty be entered into.
9. The Guarantor hereby covenants and agrees that if any judicial proceeding is brought by the Lender against the Guarantor to enforce any right or remedy under this Guaranty, no immunity from such proceedings will be claimed by or on behalf of the Guarantor or with respect to its properties.
10. If acceleration of the time for payment of any amount payable by the Debtor under the Loan Agreement or any other Loan Document is stayed upon the insolvency, bankruptcy or reorganization of the Debtor, all such amounts otherwise subject to acceleration under the terms of the Loan Agreement or the other Loan Documents shall nonetheless be payable by the Guarantor hereunder, forthwith on demand by the Lender.
11. Any payment of a Guaranteed Obligation required to be made pursuant to this Guaranty shall be made in the currency which such Guaranteed Obligation is required to be made in pursuant to the Loan Agreement or such other Loan Document giving rise to such Guaranteed Obligation.
12. This Guaranty shall be binding upon the Guarantor and its successors and assigns and shall enure to the benefit of the Lender and its successors and assigns. The Lender may, to the extent permitted by the Loan Agreement, sell, transfer or assign its rights in the Guaranteed Obligations held by them, or any part thereof, and in that event, each and every immediate and successive assignee or transferee of all or any part of the Guaranteed Obligations shall have the right to enforce this Guaranty, by suit or otherwise, for the benefit of such assignee, transferee or holder as fully as if such assignee or transferee or holder were herein by name specifically given such rights, powers and benefits; but the Lender shall have an unimpaired right to enforce this Guaranty for its own benefit or for the benefit of any participant as to so much of the Guaranteed Obligations that it has not sold, assigned or transferred.
13. The Guarantor acknowledges that executed (or conformed) copies of the Loan Agreement and the other Loan Documents have been made available to its principal executive officers and such officers are familiar with the contents thereof.
14. Any acknowledgment or new promise, whether by payment of principal or interest or otherwise and whether by the Debtor, or others (including the Guarantor), with respect to any of the Guaranteed Obligations shall, if the statute of limitations in favor of the Guarantor against the Lender shall have commenced to run, toll the running of such statute of limitations, and if the period of such statute of limitations shall have expired,

prevent the operation of such statute of limitations, in each case to the extent permitted by Applicable Law.

15. The records of the Lender as to the unpaid balance of the Guaranteed Obligations at any time and from time to time shall be prima facie evidence thereof (absent manifest error) for all purposes, including the enforcement of this Guaranty and any collateral therefor.
16. Except as otherwise required by law, each payment by the Guarantor hereunder shall be made without withholding for or on account of any present or future taxes (other than overall net income taxes on the recipient) imposed by or within the jurisdiction in which the Guarantor is domiciled, any jurisdiction from which the Guarantor makes any payment, or (in each case) any political subdivision or taxing authority thereof or therein. If any such withholding is so required, the Guarantor shall make the withholding, pay the amount withheld to the appropriate governmental authority before penalties attach thereto or interest accrues thereon and forthwith pay such additional amount as may be necessary to ensure that the net amount actually received by the Lender free and clear of such taxes (including such taxes on such additional amount) is equal to the amount which the Lender would have received had such withholding not been made.
17. Each reference in the Loan Agreement or any other Loan Document to currency of the United States of America or to an alternative currency (the “**relevant currency**”) is of the essence. To the fullest extent permitted by law, the obligation of the Guarantor in respect of any amount due in the relevant currency under the Loan Agreement shall, notwithstanding any payment in any other currency (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the relevant currency that the Lender, entitled to receive such payment may, in accordance with normal banking procedures, purchase with the sum paid in such other currency (after any premium and costs of exchange) on the business day immediately following the day on which the Lender receives such payment. If the amount of the relevant currency so purchased is less than the sum originally due to the Lender in the relevant currency, the Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Lender against such loss, and if the amount of the specified currency so purchased exceeds the amount originally due to the Lender in the specified currency the Lender agrees to remit such excess to the Guarantor.
18. The Guarantor shall from time to time forthwith upon demand pay to the Lender all reasonable legal fees and other expenses incurred by the Lender in the preservation or enforcement of any of its rights hereunder.
19. After demand for payment by the Lender under this Guaranty which payment has not been made, the Lender may from time to time set-off the obligations of the Guarantor to the Lender under this Guaranty against any and all deposits at any time held by the Lender for the account of the Guarantor and any other indebtedness at any time owing by the Lender to the Guarantor.
20. This Guaranty delivered in connection with the Loan Agreement constitutes the entire agreement between the Guarantor and the Lender relating to the subject-matter hereof, and no amendment shall be effective unless made in writing. Possession of a signed copy of this Guaranty shall constitute conclusive evidence that: (i) this Guaranty was signed and delivered by the Guarantor to the Lender free of all conditions; (ii) there is no

agreement or understanding between the Lender and the Guarantor that this Guaranty was delivered in escrow or is not intended to be effective until the occurrence of any event or the satisfaction of any condition; (iii) neither the Lender nor any Lender has made any representations, statements or promises to the Guarantor regarding the Debtor, the collateral held by the Lender the circumstances under which the Lender may enforce this Guaranty, the manner in which the Lender might enforce this Guaranty or any other matter which might conflict with the provisions expressly set out herein; and (iv) there are no representations, statements, promises, understandings, warranties, conditions or collateral agreements between the Lender and the Guarantor relating to the subject-matter of this Guaranty, other than as set out herein or in the Loan Agreement.

21. **THIS GUARANTY AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).**
22. The obligation of the Guarantor hereunder shall be absolute and unconditional under all circumstances and irrespective of the validity or the enforceability of the Guaranteed Obligations and irrespective of any present or future law of any government or of any agency thereof purporting to reduce, amend or otherwise affect any of the Guaranteed Obligations. To the extent that the Guarantor or any of its properties or revenues has or hereafter may acquire any right of immunity from suit, judgment or execution, the Guarantor hereby irrevocably waives such right of immunity in respect of its Guaranteed Obligations hereunder and in respect of any action or proceeding, wherever brought, to enforce any judgment against the Guarantor for breach of any of such Guaranteed Obligations.
23. **THE GUARANTOR HEREBY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY COURT OF RECORD OF THE STATE OF NEW YORK OR ANY U.S. FEDERAL COURT LOCATED IN THE STATE OF NEW YORK FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS GUARANTY, THE LOAN AGREEMENT, THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, AND CONSENTS TO THE SERVICE OF PROCESS BY REGISTERED OR CERTIFIED MAIL TO THE GUARANTOR OR THE PROCESS AGENT SET OUT ON THE LAST PAGE HEREOF, WHICH THE GUARANTOR HEREBY IRREVOCABLY APPOINTS AS ITS AGENT TO RECEIVE, FOR IT AND ON ITS BEHALF, SERVICE OF PROCESS IN ANY ACTION OR PROCEEDING IN THE PROVINCE OF ONTARIO.** Such service shall be deemed completed 3 business days after such mailing by certified or registered mail to the Guarantor or such process agent (whether or not a copy is forwarded to and received by the Guarantor) provided that notice of such service of process on such process agent is given by mail by the Lender to the Guarantor. If, for any reason, such process agent ceases to be able to act as process agent, the Guarantor irrevocably agrees to appoint a substitute process agent acceptable to the Lender and to deliver to the Lender a copy of the new agent's acceptance of that appointment within thirty days. Nothing contained herein shall affect the right of the Lender to serve legal process in any other manner or to bring any proceeding hereunder in any jurisdiction where the Guarantor may be amenable to suit. The Guarantor irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any

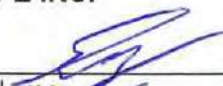
such proceeding brought in any state of federal court in the State of New York and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. Final judgment (a certified or exemplified copy of which shall be conclusive evidence of the fact and of the amount of any indebtedness of the Guarantor to the Lender) against the Guarantor in any such legal action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment. **THE GUARANTOR AND THE LENDER HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THE GUARANTY, ANY LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.**

24. If there is any conflict or inconsistency between this Guaranty and Loan Agreement, the provisions of the Loan Agreement shall govern and prevail, but only to the extent of such conflict or inconsistency.
25. The payment of the Guaranteed Obligations shall not be guaranteed by the Guarantor to the extent of any amount in excess of the maximum amount that can be so guaranteed without rendering this Guaranty unenforceable under Applicable Law as a fraudulent conveyance or transfer.
26. The Guarantor shall at all times and from time to time do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all and singular every such further act, deed, transfer, assignment, assurance, document and instrument as the Lender may reasonably require for the better accomplishing and effectuating of this Guaranty and the provisions contained herein, and every officer of the Lender is irrevocably appointed attorneys or attorney to execute in the name and on behalf of the Guarantor any document or instrument for the said purpose; provided that the Lender may exercise this power of attorney only if the Guarantor has failed to execute any such document after having been requested to do so in writing by the Lender.
27. Except as otherwise expressly provided herein, capitalized terms used in this Guaranty (including in the Recitals hereof) but not defined herein shall have the meanings assigned to such terms in the Loan Agreement.

[Signature page follows]


IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed and delivered under seal by its duly authorized signing officer as of the date first above written.

INSCAPE INC.

By: 
Name: Eric K. Elgoetz
Title: CEO

U.S. Mailing Address:
15 Tiffany Ave
Jamestown, New York 14733

INSCAPE (NEW YORK) INC.

By: 
Name: Eric K. Elgoetz
Title: CEO

U.S. Mailing Address:
15 Tiffany Ave
Jamestown, New York 14733

**This is Exhibit “Q” referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 11th day of January, 2023**

DocuSigned by:

Monica Faleim

A027020446B742A

A COMMISSIONER FOR TAKING AFFIDAVITS

U.S. GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT dated with effect as of the 28 day of October, 2022 is executed and delivered by each of Inscape Inc., a corporation formed pursuant to the laws of the State of Delaware, and Inscape (New York) Inc., a corporation formed pursuant to the laws of the State of New York, each with its principal place of business and chief executive office located at 15 Tiffany Avenue, Jamestown, New York 14701, in favor of HUK 116 Limited, in its capacity as lender (the "**Lender**") pursuant to a letter loan agreement among Inscape Corporation, as borrower, the Debtor, as guarantors, and the Lender dated as of the date hereof (as it may be amended, supplemented or replaced from time to time is herein called, the "**Loan Agreement**");

NOW THEREFORE, in consideration for the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Debtor, the Debtor hereby agrees with the Lender as follows:

1. **Grant of Security.** To secure the prompt and complete payment, observance and performance when due (whether at stated maturity, by acceleration or otherwise) of any and all of the obligations, indebtedness and liability of the Debtor to the Lender under and in connection with the Loan Agreement (including interest thereon), present or future, direct or indirect, absolute or contingent, contractual or tortious, liquidated or unliquidated, extended or renewed and whether Debtor be bound alone or with others and whether as principal or surety (hereinafter collectively called the "**Obligations**"), the Debtor hereby grants to the Lender a security interest in, the Collateral; except that, with respect to any portion of the Collateral that would be rendered void or voidable under applicable law by such assignment, pledge and grant without the consent of a party other than the Debtor that has not been or is not obtained, such grant, assignment, pledge and hypothecation shall not be effective until such consent is obtained.
2. **Representations and Warranties.** The Debtor represents and warrants to the Lender as follows: The chief executive office and principal place of business of the Debtor and the books and records relating to the Receivables and the other Collateral are, as of the date hereof, located at the address of the Debtor set forth in the first paragraph of this Agreement.
3. **Continued Priority of Security Interest.**
 - (a) The Security Interest shall at all times be valid, perfected and enforceable against the Debtor and all other Persons, in accordance with the terms of this Agreement, as security for the Obligations.
 - (b) The Debtor shall, at its cost and expense, take all action that is reasonably necessary so as at all times to maintain the validity, perfection and enforceability of the Security Interest in the Collateral in conformity with the provisions of Section 3(a), or to enable the Lender to exercise or enforce its rights hereunder, including without limitation:
 - (i) paying all taxes, assessments and other claims lawfully levied or assessed on any of the Collateral, except to the extent that such taxes, assessments and other claims constitute Permitted Liens;

- (ii) delivering to the Lender upon its written request, endorsed or accompanied by such instruments of assignment as the Lender may reasonably specify, any and all chattel paper, instruments, letters of credit and all other advices of guaranty and documents evidencing or forming a part of the Collateral;
 - (iii) executing and delivering instruments and other similar notices to be filed in the public records, in each case as requested by, and in form and substance reasonably satisfactory to, the Lender, relating to the creation, validity, perfection or continuation of the Security Interest under the Uniform Commercial Code or other Applicable Law (as defined in the Loan Agreement);
 - (iv) upon the reasonable request of the Lender, giving control of any Deposit Account, Investment Property or Letter-of-Credit Right included in the Collateral to the Lender by causing to be delivered to the Lender a control agreement, in form and substance satisfactory to the Lender signed by all appropriate parties;
 - (v) using commercially reasonable efforts to provide to the Lender an agreement, in form and substance reasonably satisfactory to the Lender, duly executed by any warehouseman or other bailee of any material portion of the Collateral, acknowledging that such warehouseman or bailee holds such portion of the Collateral for the benefit of the Lender and agreeing to act with respect to such portion of the Collateral in accordance with the instructions of the Lender, without any need for any authorization of the Debtor; and
 - (vi) providing to the Lender duly executed landlord and mortgagee waivers, in form and substance reasonably satisfactory to the Lender, with respect to any leased location where any material portion of the Collateral is located.
- (c) To the extent permitted by Applicable Law, a carbon, photographic, xerographic, photostatic, microphotographic, optical image reproduction or other reproduction of this Agreement or of any Financing Statements is sufficient as a financing statement.
 - (d) The Debtor authorizes the Lender to file one or more Financing Statements relating to the Collateral using such phrases as "all assets" of the Debtor or "all personal property and fixtures" of the Debtor or similar terminology to describe the Collateral.

4. **Covenants Regarding Contracts.**

- (a) Anything herein to the contrary notwithstanding, (i) the Debtor shall remain liable under all Assigned Contracts to the extent set forth therein to perform its duties and obligations thereunder to the same extent as if this Agreement had not been executed; (ii) the exercise by the Lender of any of its rights hereunder shall not release the Debtor from any of its duties or obligations under any of the Assigned Contracts (except to the extent that such exercise prevents the Debtor from satisfying such duties and obligations); and (iii) the Lender shall not have any

duties, obligations or liability under any of the Assigned Contracts or duties by reason of this Agreement, nor shall the Lender be obligated to perform any of the duties or obligations of the Debtor thereunder, to make any payment, to make any inquiry as to the nature or sufficiency of any payment received by the Debtor or the sufficiency of any performance by any party under any such contract or agreement, or to take any action to collect or enforce any claim for payment assigned hereunder.

- (b) To the extent that any portion of the Collateral would be rendered void or voidable under applicable law by the grant to the Lender of a security interest therein or the assignment or pledge thereof to the Lender without the consent of a party other than the Debtor that has not been or is not obtained, hold such portion of the Collateral in trust for the Lender until such consent is obtained and take each action (including, but not limited to, obtaining such consent and assigning or selling or otherwise disposing of such portion of the Collateral) requested by the Lender to assure that such portion of the Collateral inures and is realized upon for the benefit of the Lender.

5. **Covenants Regarding Collateral Generally.**

- (a) Payments Directly to Lender. Upon an Event of Default which is continuing, the Lender may at any time and from time to time notify, or request the Debtor to notify, in writing or otherwise, any account debtor or other obligor with respect to any Receivable, Assigned Contract or other Collateral to make payment to the Lender or any Lender or designee of the Lender directly, at such address as may be specified by the Lender. If, notwithstanding the giving of any notice, any such account debtor or other obligor shall make payment to the Debtor, the Debtor shall hold all such payments it receives in trust for the Lender, without commingling the same with other funds or property of or held by the Debtor, and shall deliver the same to the Lender or any such Lender or designee promptly upon receipt by the Debtor in the identical form received, together with any necessary endorsements.
- (b) Sale of Collateral. The Debtor shall not sell, lease, transfer or otherwise dispose of any Collateral except (i) the sale of Inventory in the ordinary course of its business or sales or other dispositions of any Collateral Debtor reasonably deemed to be worn out or obsolete, (ii) as permitted under the Loan Agreement, or (iii) as may be otherwise agreed by the Lender. The inclusion of "proceeds" of the Collateral under the Security Interest shall not be deemed a consent by the Lender to any other sale or other disposition of any part or all of the Collateral.
- (c) Payment of Expenses. The Debtor shall pay all reasonable out-of-pocket expenses, including reasonable and documented attorneys' and Receivers' fees and disbursements, actually incurred by the Lender (including any Receiver) in connection with the preparation, perfection, preservation, and enforcement of this agreement; including all expenses incurred by the Lender in dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the Security Interest; all of which expenses shall be payable forthwith upon demand and shall form part of the Obligations.

6. **The Lender Appointed Attorney-in-Fact.** Upon an Event of Default which shall have occurred and which has not been waived in writing by the Lender, the Debtor hereby irrevocably appoints the Lender as the Debtor's attorney-in-fact, with full authority in the place and stead of the Debtor and in the name of the Debtor or otherwise, to take any action and (provided the Debtor has failed to execute such instrument or document or taken any such action after having been requested to do so by the Lender) to execute any instrument or document which the Lender may reasonably deem necessary or advisable to accomplish the purposes of this Agreement and to exercise any rights and remedies the Lender may have under, or as a result of, this Agreement, including, without limitation: (i) to obtain and adjust insurance required to be maintained pursuant to Section 5(c) hereof; (ii) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral including any Receivable; (iii) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (i) or (ii) above; (iv) to sell or assign any Receivable upon such terms, for such amount and at such time or times as the Lender deems advisable, to settle, adjust, compromise, extend or renew any Receivable or to discharge and release any Receivable; and (v) to file any claims or take any action or institute any proceedings which the Lender may reasonably deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Lender with respect to any of the Collateral. The power-of-attorney granted hereby shall be irrevocable and coupled with an interest.
7. **The Lender May Perform.** If the Debtor fails to perform any agreement contained herein, the Lender may, upon reasonable written notice to the Debtor, itself perform, or cause performance of, such agreement, and the expenses of the Lender incurred in connection therewith shall constitute Obligations secured hereby.
8. **The Lender's Duties.** The powers conferred on the Lender hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers.
9. **Remedies.** The Lender may take any or all of the following actions upon the occurrence and continuance of an Event of Default hereunder.
- (a) **Acceleration.**
- (i) **Automatic.** Upon the occurrence of an Event of Default specified in subsections 17.1.8, 17.1.9 or 17.1.10 of the definition thereof in the Loan Agreement, all of the Obligations shall become automatically due and payable without presentment, demand, protest, or other notice of any kind, all of which are expressly waived, anything in this Agreement or any other agreement evidencing any Obligations to the contrary notwithstanding.
- (ii) **Optional.** If any other Event of Default shall have occurred and be continuing, the Lender may declare all of the Obligations to be forthwith due and payable, whereupon the same shall immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived, anything in this Agreement or any

other agreement evidencing any Obligations to the contrary notwithstanding.

(b) Inventory and Equipment.

(i) Entry. The Lender may enter upon any property of Debtor on which Inventory or Equipment may be located and, without resistance or interference by the Debtor, take physical possession of any or all thereof and maintain such possession on such premises or move the same or any part thereof to such other place or places as the Lender shall reasonably choose.

(ii) Warehousing. The Lender may cause any of the Inventory and Equipment to be placed in a public or field warehouse.

(c) Rights as a Secured Creditor. The Lender may exercise all of the rights and remedies under the Uniform Commercial Code and under any other Applicable Law, including, without limitation, the right to sell the Collateral or any part thereof in one or more parcels at public or private sale at any location chosen by the Lender, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as may be commercially reasonable. The Debtor agrees that at least 10 days' notice to the Debtor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Lender shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Lender may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(d) Appointment of Receiver. The Lender may apply to any court of competent jurisdiction for the appointment of a receiver, monitor, consultant, liquidator, trustee or a receiver and manager (each of which is herein called a "**Receiver**") in respect of the Debtor and/or the Collateral or any portion thereof. The Receiver may exercise all powers of the Lender as provided in this Agreement. The Receiver shall act as agent for the Lender for the purposes of taking possession of the Collateral, and (except as provided below) as agent for the Debtor for all other purposes, including without limitation the occupation of any premises of the Debtor and in carrying on the Debtor's business. For the purposes of realizing upon the Security Interest, the Receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Lender as it may determine in its discretion. The Debtor agrees to ratify and confirm all actions of the Receiver acting as agent for the Lender taken in compliance with this Agreement and applicable law, and to release and indemnify the Receiver in respect of all such actions, except in the event of the Receiver's gross negligence or willful misconduct.

(e) Receivables/Assigned Contracts. The Lender shall have the right to assert, either directly or on behalf of the Debtor, any and all rights and claims the Debtor may have under any Receivables and/or any of the Assigned Contracts as the Lender may reasonably deem proper and to receive and collect any and all Receivables and Assigned Contracts and any and all rent, fees, damages,

awards and other monies arising thereunder or resulting therefrom and to apply the same on account of any of the Obligations.

- (f) Right to Carry on Debtor's Business. The Lender may carry on the business of the Debtor or any portion thereof.
 - (g) Borrow Money. The Lender may borrow money for the maintenance, preservation or protection of the Collateral or the carrying on of the business of the Debtor, and charge and grant further security interests in the Collateral in priority to the Security Interest, as security for the money so borrowed.
10. Application of Proceeds. All proceeds from each sale of, or other realization upon, all or any part of the Collateral upon an Event of Default shall be applied or paid over as follows:
- (a) **First:** to the payment of all reasonable costs and out-of-pocket expenses incurred by the Lender in connection with the enforcement of the Security Interest or such sale or other realization, including reasonable attorneys' fees actually incurred in connection with the foregoing;
 - (b) **Second:** to the payment of the accrued interest and/or principal due upon any of the Obligations, in any order which the Lender may elect; and
 - (c) **Third:** the balance (if any) of such proceeds shall be paid to the Debtor or to whomsoever may be legally entitled thereto.

The Debtor shall remain liable and shall pay, on demand, any deficiency remaining in respect of the Obligations.

11. Rights Cumulative. The rights and remedies of the Lender under this Agreement, the Loan Agreement, the Loan Documents and each other document or instrument evidencing or securing the Obligations shall be cumulative and not exclusive of any rights or remedies which it would otherwise have. In exercising its rights and remedies the Lender may be selective and no failure or delay by the Lender in exercising any right shall operate as a waiver of it, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.
12. Discharge. The Security Interest granted hereby will be discharged upon, but only upon, (i) full and indefeasible payment and performance of the Obligations and the termination of the Loan Agreement by the Lender in writing, and (ii) the Debtor having no obligations under any Loan Document; or (iii) otherwise in accordance with the Loan Agreement. Promptly, upon discharge of the Security Interest and at the sole expense of the Debtor, the Lender will execute and deliver to the Debtor such releases, discharges, financing statements and other documents or instruments as the Debtor may reasonably require and the Lender will redeliver to the Debtor as practically possible at the Debtor's sole expense, or as the Debtor may otherwise direct the Lender in writing, any Collateral in its possession. **[NTD: Confirm contingent obligations language with AP]**
13. Amendments, Etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by the Debtor herefrom shall in any event be effective unless the same shall be in writing and signed by the parties hereto, and then such waiver or

consent shall be effective only in the specific instance and for the specific purpose for which given.

14. **Notices.** Unless otherwise provided herein, all notices and other communications provided for hereunder shall be in writing c/o the Borrower and shall be given in accordance with the provisions of the Loan Agreement.
15. **Continuing Security Interest.** This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until payment in full of the Obligations, (ii) be binding upon the Debtor, its successors and assigns and (iii) inure the benefit of the Lender and its successors and assigns. The Debtor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession thereof or therefore.
16. **Applicable Law.** THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).
17. **Litigation/Waivers.**
 - (a) THE LENDER AND THE DEBTOR BOTH ACKNOWLEDGE AND AGREE THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE RELATIONSHIP OF THE DEBTOR AND THE LENDER ESTABLISHED HEREBY AND THE DOCUMENTS AND INSTRUMENTS EVIDENCING THE OBLIGATIONS WOULD BE BASED UPON DIFFICULT AND COMPLEX ISSUES. ACCORDINGLY, EACH OF THE LENDER AND THE DEBTOR HEREBY WAIVES ITS RESPECTIVE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT OR TRIBUNAL IN WHICH AN ACTION MAY BE COMMENCED BY OR AGAINST THE DEBTOR OR THE LENDER ARISING OUT OF THIS AGREEMENT, THE OBLIGATIONS OR ANY OTHER DOCUMENT EXECUTED AND DELIVERED IN CONNECTION HERewith OR THEREWITH OR IN CONNECTION WITH THE COLLATERAL OR THE SECURITY INTEREST THEREIN OR BY REASON OF ANY OTHER CAUSE OR DISPUTE WHATSOEVER BETWEEN THE DEBTOR AND LENDER OF ANY KIND OR NATURE.
 - (b) THE DEBTOR AND LENDER EACH HEREBY AGREE THAT ANY COURT OF RECORD OF THE STATE OF NEW YORK OR ANY U.S. FEDERAL COURT LOCATED IN THE STATE OF NEW YORK, SHALL HAVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THE DEBTOR AND THE LENDER, PERTAINING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE OBLIGATIONS OR TO ANY MATTER ARISING THEREFROM, THE COLLATERAL OR THE SECURITY INTEREST THEREIN OR ANY OTHER DOCUMENT EXECUTED AND DELIVERED IN CONNECTION HERewith OR THEREWITH. THE DEBTOR EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED IN SUCH COURTS AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH

A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. THE CHOICE OF FORUM SET FORTH IN THIS PARAGRAPH SHALL NOT BE DEEMED TO PRECLUDE THE BRINGING OF ANY ACTION BY THE LENDER OR THE ENFORCEMENT BY THE LENDER OF ANY JUDGMENT OBTAINED IN SUCH FORUM IN ANY OTHER APPROPRIATE JURISDICTION.

- (c) THE FOREGOING WAIVERS HAVE BEEN MADE WITH THE ADVICE OF COUNSEL AND WITH A FULL UNDERSTANDING OF THE LEGAL CONSEQUENCES THEREOF.
18. **Severability**. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provisions shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.
19. **Counterparts**. This Agreement may be executed in several counterparts and by facsimile transmission, each of which shall be an original and all of which, taken together, shall constitute but one and the same instrument.
20. **Entire Agreement**. This Agreement, including any schedules attached hereto and the other Loan Documents, constitutes the entire agreement between the Debtor and the Lender relating to the Security Interest and enforcement thereof. There are no representations, warranties or collateral agreements in effect between the Debtor and the Lender relating to the subject matter hereof; and possession of an executed copy of this Agreement by the Lender constitutes conclusive evidence that it was executed and delivered by the Debtor free of all conditions.
21. **Paramountcy**. If there is any conflict or inconsistency between this Agreement and Loan Agreement, the provisions of the Loan Agreement shall govern and prevail, but only to the extent of such conflict or inconsistency.
22. **Definitions**.

(a) For the purposes of this Agreement:

“**Lender**” has the meaning set forth in the first paragraph hereof.

“**Agreement**” means this General Security Agreement, as the same may be amended, supplemented, restated or otherwise modified from time to time.

“**Assigned Contract**” means any contract or agreement to which the Debtor is a party or which runs in favor of the Debtor and which constitutes part of or relates to the Collateral.

“**Business Day**” shall have the meaning ascribed thereto in the Loan Agreement.

“**Collateral**” means all of the Debtor’s right, title and interest in and to each of the following, wherever located and whether now or hereafter existing, or now owned or hereafter acquired or arising:

- (i) all Receivables;
- (ii) all Inventory;
- (iii) all Equipment;
- (iv) all rights of the Debtor as an unpaid vendor or lienor (including, without limitation, stoppage in transit, replevin and reclamation) with respect to any Inventory or other properties of the Debtor;
- (v) all general intangibles of the Debtor including, but not limited to, all contract rights of the Debtor and all trademarks, trade names, patents, copyrights and any and all other intellectual property of the Debtor, but specifically excluding all Securities of a Credit Party or an Affiliate of a Credit Party owned by Debtor ("**Excluded Securities**");
- (vi) all documents of title, policies and certificates of insurance, chattel paper and instruments of the Debtor;
- (vii) all books, records, files and correspondence in any way related to any of the foregoing or otherwise pertaining to the business operations of the Debtor howsoever and wheresoever stored and located;
- (viii) any and all balances, credits, deposits, accounts, bank accounts, items and monies of the Debtor now or hereafter on deposit with any financial institution and all property of the Debtor of every kind and description now or hereafter in the possession or control of the Lender for any reason; and
- (ix) any and all products and proceeds of any of the foregoing (including, but not limited to, any claims to any items referred to in this definition, and any claims of the Debtor against third parties for loss of, damage to or destruction of, any or all of the Collateral or for proceeds payable under, or unearned premiums with respect to, policies of insurance) in whatever form, including, but not limited to, cash, instruments, general intangibles, accounts receivable, goods, documents and chattel paper.

The "**Collateral**" includes in any event (and without limitation of the foregoing definition of the Collateral) any and all of Debtor's present and future right, title and interest in and to all (i) Accounts, Chattel Paper, Commercial Tort Claims (including any construction lien claims) now or hereafter existing and/or identified in a Schedule to this Security Agreement, Deposit Accounts, Documents, General Intangibles (other than Excluded Securities), Goods (including, but not limited to, Equipment, Farm Products, Fixtures and Inventory), Instruments, Investment Property (other than Excluded Securities), Letter-of-Credit Rights, money and other personal property, other than Excluded Securities, and (ii) Supporting Obligations, Proceeds and Products, arising out of or otherwise relating to any of the things referred to in this sentence (with each capitalized term in this and the following sentence (other than "**Debtor**") having the meaning attributed to it in the Uniform Commercial Code.

Notwithstanding the foregoing, the term "Collateral" shall not include, nor shall Debtor be deemed to have granted to Lender any Security Interest in, any of the following: (i) any Equipment or Goods that is subject to a "purchase money security interest," as such term is now

or hereafter defined in the UCC, which (x) constitutes a Permitted Lien under the Loan Agreement and (y) prohibits the creation by Debtor of a junior security interest therein, unless the holder thereof has consented to the creation of such a junior security interest; (ii) any asset to the extent security interests therein (A) are prohibited by or in violation of any applicable law, (B) requires any governmental consent that has not been obtained or consent of a third party that is not a Debtor that has not been obtained pursuant to any contract or agreement to which such Debtor is a party binding on such asset at the time of its acquisition and not entered into in contemplation of such acquisition, so long as any prohibition or requirement of consent described in (A) or (B) above is effective and enforceable under applicable Law and is not rendered ineffective by applicable Law (including, without limitation, pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC); (iii) any assets with respect to which the Lender has determined (in its reasonable judgment) in consultation with Debtor that the costs of pledging or granting such security exceeds the fair market value thereof or the practical benefit to the Lender afforded (or proposed to be afforded) thereby; and (iv) any intent-to-use trademark applications to the extent that, and solely during the period in which, the grant, attachment or enforcement of a security interest therein would, under applicable federal law, impair the registrability of such applications or the validity or enforceability of registrations issuing from such applications.

“Debtor” has the meaning set forth in the first paragraph hereof.

“Equipment” means all equipment, machinery, apparatus, fittings, fixtures and other tangible personal property (other than Inventory) of every kind and description used in the Debtor’s business operations or owned by the Debtor or in which the Debtor has an interest, and all parts, accessories and special tools and all increases and accessions thereto and substitutions and replacements therefor.

“Event of Default” shall mean any default under the Loan Agreement.

“Financing Statements” means any and all financing statements in connection with the perfection of the Security Interest, together with any amendments thereto and any continuations thereof.

“Governmental Approvals” means all authorizations, consents, approvals, licenses and exemptions of, registrations and filings with, and reports to, all governmental bodies.

“Inventory” means (a) all inventory of the Debtor and all goods intended for sale or lease by the Debtor, or for display or demonstration; (b) all work-in-process; (c) all raw materials and other materials and supplies of every nature and description used or which might be used in connection with the manufacture, packing, shipping, advertising, selling, leasing, renting or furnishing of such goods or otherwise used or consumed in the Debtor’s business; and (d) all documents relating to any of the foregoing.

“Lender” and **“Lenders”** shall each have the meaning ascribed thereto in the Loan Agreement.

“Lien” means any mortgage, title retention, pledge, lien, claim, trust, assignment, right of set-off, charge, security interest or other encumbrance whatsoever, whether fixed or floating and howsoever created or arising.

“Loan Documents” shall mean any and all other documents, instruments and agreements which are ancillary to the Loan Agreement.

“Permitted Liens” shall have the meaning ascribed thereto in the Loan Agreement.

“Person” shall have the meaning ascribed thereto in the Loan Agreement.

“Receivables” means all accounts and any and all rights to the payment of money or other forms of consideration of any kind (whether classified under the Uniform Commercial Code as accounts, chattel paper, general intangibles, or otherwise) for goods sold or leased or for services rendered including, but not limited to, accounts receivable, proceeds of any letters of credit naming the Debtor as beneficiary, chattel paper, tax refunds, insurance proceeds, contract rights, notes, drafts, instruments, documents, acceptances, and all other debts, obligations and liabilities in whatever form from any Person.

“Receiver” has the meaning set forth in Section 9(d) hereof.

“Securities” means all present and future securities held by the Debtor, including shares, options, rights, warrants, joint venture interests, interests in limited partnerships, bonds, debentures and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and including an uncertificated security and all substitutions therefor and dividends and income derived therefrom.

“Security Interest” means the Lien of the Lender upon, and the collateral assignments to the Lender of, the Collateral effected hereby or pursuant to the terms hereof.

“Undertaking” means all present and future real and personal property, business, and undertaking of the Debtor not being Inventory, Equipment, accounts, intangibles, documents of title, chattel paper, instruments, money, Securities (other than Excluded Securities), or documents.

“Uniform Commercial Code” shall mean the Uniform Commercial Code as in effect in the State of New York and the State of Delaware, as each may be amended from time to time. Unless otherwise set forth herein to the contrary, all terms not otherwise defined herein and which are defined in the Uniform Commercial Code are used herein with the meanings ascribed to them in the Uniform Commercial Code.

[Signature page follows]


IN WITNESS WHEREOF, the Debtor has caused this Agreement to be duly executed and delivered to and in favour of the Lender by its duly authorized officers under seal as of the date first above written.

INSCAPE INC.

By: _____

Name:

Title:



Eric K. Ehgoetz
CEO

INSCAPE (NEW YORK) INC.

By: _____

Name:

Title:


Eric K. Ehgoetz
CEO

**This is Exhibit “R” referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 11th day of January, 2023**

DocuSigned by:

Monica Faleim

A027326410D742A

A COMMISSIONER FOR TAKING AFFIDAVITS

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(4923)

546

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : INSCAPE CORPORATION

FILE CURRENCY : 08JAN 2023

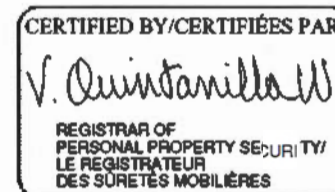
ENQUIRY NUMBER 20230109114544.35 CONTAINS 77 PAGE(S), 14 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME
WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER
SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

MILLER THOMSON LLP

40 KING STREET WEST, SUITE 5800
TORONTO ON M5H 3S1

CONTINUED... 2



(crf6 05/2022)



RUN NUMBER : 009
 RUN DATE : 2023/01/09
 ID : 20230109114544.35

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 2
 (4924)

547

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : INSCAPE CORPORATION
 FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 787980987

CAPTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	001	1		20221028 1128 1590 5829	P PPSA	5

01

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02				
03		BUSINESS NAME	INSCAPE CORPORATION	
04		ADDRESS	67 TOLL ROAD HOLLAND LANDING ON L9N 1H2	
05		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL SURNAME
06		BUSINESS NAME		
07		ADDRESS	ONTARIO CORPORATION NO.	
08		SECURED PARTY /	HUK 116 LIMITED	
09		ADDRESS	84 GROSVENOR STREET LONDON ENG W1K3JZ	

COLLATERAL CLASSIFICATION	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10	X	X	X	X	X	X			

YEAR	MAKE	MODEL	V.I.N.
11			
12			

13 GENERAL
 14 COLLATERAL
 15 DESCRIPTION

16 REGISTERING AGENT MILLER THOMSON LLP (TORONTO) (0259736.0002) CAMBELL/LMITCHELL

17 ADDRESS 5800-40 KING ST W TORONTO ON M5H 4A9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR

V. Quintanilla W.

REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTREUR
 DES SÛRETÉS MOBILIÈRES

(en/11v 05/2022)

Ontario 

RUN NUMBER : 009
 RUN DATE : 2023/01/09
 ID : 20230109114544.35

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 3
 (4925)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : INSCAPE CORPORATION
 FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
 785340846

CAPTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	01	006		20220728 1628 8077 2920	P PPSA	3

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.
03		BUSINESS NAME	INSCAPE CORPORATION		
04		ADDRESS	67 - TOLL RD HOLLAND LANDING ON L9N1H2		

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.
06		BUSINESS NAME			
07		ADDRESS			

SECURED PARTY / HIGH CREDIT	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.
08		DELL FINANCIAL SERVICES CANADA LIMITED			
09		ADDRESS	155 GORDON BAKER RD, STE 501 NORTH YORK ON M2H 3N5		

COLLATERAL CLASSIFICATION	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10									

MOTOR VEHICLE	YEAR	MAKE	MODEL	V.I.N.
11				
12				

GENERAL COLLATERAL DESCRIPTION	ALL DELL AND NON DELL COMPUTER EQUIPMENT AND PERIPHERALS WHEREVER LOCATED HERETOFORE OR HEREAFTER LEASED TO DEBTOR BY SECURED PARTY PURSUANT TO AN EQUIPMENT LEASE 200-0384463-016 TOGETHER WITH
13	
14	
15	

REGISTERING AGENT	REGISTRY = RECOVERY INC.
16	
17	

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 4

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTREUR
 DES SÛRETÉS MOBILIÈRES

(ej11v 05/2022)

Ontario 

RUN NUMBER : 009
 RUN DATE : 2023/01/09
 ID : 20230109114544.35

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 4
 (4926)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : INSCAPE CORPORATION
 FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 785340846

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	02	006		20220728 1628 8077 2920		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 DEBTOR NAME BUSINESS NAME

04 ADDRESS

ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 DEBTOR NAME BUSINESS NAME

07 ADDRESS

ONTARIO CORPORATION NO.

08 SECURED PARTY /
 TRUST CERTIFICATE

09 ADDRESS

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED
CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED	MATURITY OR MATURITY DATE
10							

11 YEAR MAKE MODEL V.I.N.

12 MOTOR VEHICLE

13 GENERAL ALL SUBSTITUTIONS, ADDITIONS, ACCESSIONS AND REPLACEMENTS THERETO AND
 14 COLLATERAL THEREOF NOW AND HEREAFTER INSTALLED IN, AFFIXED TO, OR USED IN
 15 DESCRIPTION CONJUNCTION WITH SUCH EQUIPMENT AND PROCEEDS THEREOF TOGETHER WITH

16 REGISTERING AGENT

17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

5

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES
 (e/11v 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 5
(4927)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
785340846

CRITICON	PAGE	TOTAL	MOTOR VEHICLE	REGISTRATION	REGISTERED	REGISTRATION
FILING	NO.	PAGES	SCHEDULE	NUMBER	UNDER	PERIOD
01	03	006		20220728 1628 8077 2920		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /
IDENTIFICATION

09 ADDRESS

COLLATERAL CLASSIFICATION					MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED
GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED		MATURITY OR	MATURITY DATE
10								

11 MOTOR YEAR MAKE MODEL V.I.N.

12 VEHICLE

13 GENERAL ALL RENTAL OR INSTALLMENT PAYMENTS, INSURANCE PROCEEDS, OTHER
14 COLLATERAL PROCEEDS AND PAYMENTS DUE OR TO BECOME DUE AND ARISING FROM OR
15 DESCRIPTION RELATING TO SUCH EQUIPMENT. PROCEEDS ALL PROCEEDS (AS DEFINED IN THE

16 REGISTERING
AGENT

17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

6



(c)11v 05/2022

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 6
(4928)

551

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
785340846

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	04	006		20220728 1628 8077 2920		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09 NAME

ADDRESS

COLLATERAL CLASSIFICATION

CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
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11 YEAR MAKE MODEL V.I.N.

12 MOTOR
VEHICLE

13 GENERAL PERSONAL PROPERTY SECURITY ACT) OF ANY OF THE ABOVE COLLATERAL IN ANY
14 COLLATERAL FORM (INCLUDING, WITHOUT LIMITATION, GOODS, DOCUMENTS OF TITLE,
15 DESCRIPTION CHATTEL PAPER, INVESTMENT PROPERTY, SECURITIES, INSTRUMENTS, MONEY

16 REGISTERING
AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

7

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SURETÉS MOBILIÈRES

(en1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 7
(4929)

552

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
785340846

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	05	006		20220728 1628 8077 2920		

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02				
03				

03 BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
05				
06				

06 BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09 ADDRESS

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO. FIXED
GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	INCLUDED		MATURITY OR	MATURITY DATE
10							

MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.
11			
12			

13 GENERAL AND INTANGIBLES (AS EACH SUCH TERM IS DEFINED IN THE PERSONAL
14 COLLATERAL PROPERTY SECURITY ACT)) DERIVED DIRECTLY OR INDIRECTLY FROM ANY
15 DESCRIPTION DEALING WITH ANY OF THE ABOVE COLLATERAL OR ANY PROCEEDS THEREOF.

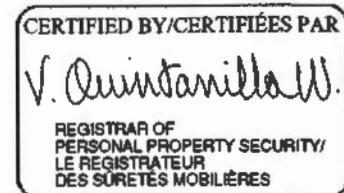
16 REGISTERING
17 AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

8



(c)1fv 05/2022

Ontario

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 8
(4930)

553

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
785340846

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED ORDER	REGISTRATION PERIOD
	06	006		20220728 1628 8077 2920		

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
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BUSINESS NAME

ADDRESS

ONTARIO CORPORATION NO.

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
----------------	---------------	------------------	---------	---------

BUSINESS NAME

ADDRESS

ONTARIO CORPORATION NO.

SECURED PARTY /

TYPE OF COLLATERAL

ADDRESS

COLLATERAL CLASSIFICATION

GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
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MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.
------------------	-----------	-------	--------

GENERAL
COLLATERAL
DESCRIPTION

REGISTERING
AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

9

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 009
 RUN DATE : 2023/01/09
 ID : 20230109114544.35

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 9
 (4931)

554

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : INSCAPE CORPORATION
 FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
 784784178

CAUTION FILING	PAGE NO.	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	01	006		20220711 1421 8077 2401	P PPSA	3

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME INSCAPE CORPORATION

04 ADDRESS 67 TOLL RD HOLLAND LANDING ON L9N1H2

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

07 ADDRESS

08 SECURED PARTY / DELL FINANCIAL SERVICES CANADA LIMITED

09 ADDRESS 155 GORDON BAKER RD, STE 501 NORTH YORK ON M2H 3N5

08 SECURED PARTY / DELL FINANCIAL SERVICES CANADA LIMITED

09 ADDRESS 155 GORDON BAKER RD, STE 501 NORTH YORK ON M2H 3N5

10 COLLATERAL CLASSIFICATION

CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO. FILED MATURITY DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR VEHICLE

13 GENERAL ALL DELL AND NON DELL COMPUTER EQUIPMENT AND PERIPHERALS

14 COLLATERAL WHEREVER LOCATED HERETOFORE OR HEREAFTER LEASED TO DEBTOR BY SECURED

15 DESCRIPTION PARTY PURSUANT TO AN EQUIPMENT LEASE 200-0384463-015 TOGETHER WITH

16 REGISTERING REGISTRY = RECOVERY INC.

17 AGENT ADDRESS 1551 THE QUEENSWAY TORONTO ON M8Z 1T5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 1()

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY /
 LE REGISTREUR
 DES SÛRETÉS MOBILIÈRES

(c)11v 05/2022

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 10
(4932)

555

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
784784178

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	02	006		20220711 1421 8077 2401		

DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
---------------	------------------	---------	---------

DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
---------------	------------------	---------	---------

DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY /
LESSOR

ADDRESS

ADDRESS

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED
GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	INCLUDED		MATURITY OR	MATURITY DATE

10

YEAR	MAKE	MODEL	V.I.N.
------	------	-------	--------

MOTOR
VEHICLE

GENERAL
COLLATERAL
DESCRIPTION

ALL SUBSTITUTIONS, ADDITIONS, ACCESSIONS AND REPLACEMENTS THERETO AND
THEREOF NOW AND HEREAFTER INSTALLED IN, AFFIXED TO, OR USED IN
CONJUNCTION WITH SUCH EQUIPMENT AND PROCEEDS THEREOF TOGETHER WITH

REGISTERING
AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 11

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 11
(4933)

556

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
784784178

CAPTION FILING	PAGE NO.	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	03	006		20220711 1421 8077 2401		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY /

09 ADDRESS

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED	
CONTAINER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED	NATURITY OR	NATURITY DATE

11 MOTOR YEAR MAKE MODEL V.I.N.

12 VEHICLES

13 GENERAL ALL RENTAL OR INSTALLMENT PAYMENTS, INSURANCE PROCEEDS, OTHER
14 COLLATERAL PROCEEDS AND PAYMENTS DUE OR TO BECOME DUE AND ARISING FROM OR
15 DESCRIPTION RELATING TO SUCH EQUIPMENT. PROCEEDS ALL PROCEEDS (AS DEFINED IN THE

16 REGISTERING
17 AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 12

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SURETÉS MOBILIÈRES
(c)11fv 05/2022

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 12
(4934)

557

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
784784178

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	04	006		20220711 1421 8077 2401		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09 ADDRESS

09 ADDRESS

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED	
CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED	MATURITY OR	MATURITY DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
VEHICLE

13 GENERAL PERSONAL PROPERTY SECURITY ACT) OF ANY OF THE ABOVE COLLATERAL IN ANY
14 COLLATERAL FORM (INCLUDING, WITHOUT LIMITATION, GOODS, DOCUMENTS OF TITLE,
15 DESCRIPTION CHATTEL PAPER, INVESTMENT PROPERTY, SECURITIES, INSTRUMENTS, MONEY

16 REGISTERING
AGENT

17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 13

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SURETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 13
(4935)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
784784178

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	05	006		20220711 1421 8077 2401		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 DEBTOR NAME BUSINESS NAME

04 ADDRESS

ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 DEBTOR NAME BUSINESS NAME

07 ADDRESS

ONTARIO CORPORATION NO.

08 SECURED PARTY /
LESSOR / CREDITOR

09 ADDRESS

10 COLLATERAL CLASSIFICATION
CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE INCLUDED AMOUNT DATE OF MATURITY OR NO FIXED MATURITY DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR VEHICLE

13 GENERAL AND INTANGIBLES (AS EACH SUCH TERM IS DEFINED IN THE PERSONAL
14 COLLATERAL PROPERTY SECURITY ACT)) DERIVED DIRECTLY OR INDIRECTLY FROM ANY
15 DESCRIPTION DEALING WITH ANY OF THE ABOVE COLLATERAL OR ANY PROCEEDS THEREOF.

16 REGISTERING AGENT

17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

14

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

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PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 14
(4936)

559

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
784784178

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	06	006		20220711 1421 8077 2401		

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
----------------	---------------	------------------	---------	---------

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
----------------	---------------	------------------	---------	---------

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY /
FINANCIAL INSTITUTION

ADDRESS

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED
GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	INCLUDED		NATURALITY OR	NATURALITY DATE

MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.
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GENERAL
COLLATERAL
DESCRIPTION

REGISTERING
AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 15

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(ej1fv 06/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 15
(4937)

560

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
784035081

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	01	006		20220616 1025 8077 1743	P PPSA	3

DEBTOR NAME	DATE OF BIRTH	BUSINESS NAME	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.
		INSCAPE CORPORATION				
		ADDRESS	67 TOLL RD		HOLLAND LANDING	ON L9N1H2

DEBTOR NAME	DATE OF BIRTH	BUSINESS NAME	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.
		ADDRESS				

SECURED PARTY / LENDER	DATE OF BIRTH	BUSINESS NAME	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.
		DELL FINANCIAL SERVICES CANADA LIMITED				
		ADDRESS	155 GORDON BAKER RD, STE 501		NORTH YORK	ON M2H 3N5

COLLATERAL CLASSIFICATION	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE

MOTOR VEHICLE	YEAR	MAKE	MODEL	V.I.N.

GENERAL COLLATERAL DESCRIPTION	ALL DELL AND NON DELL COMPUTER EQUIPMENT AND PERIPHERALS WHEREVER LOCATED HERETOFORE OR HEREAFTER LEASED TO DEBTOR BY SECURED PARTY PURSUANT TO AN EQUIPMENT LEASE 200-0384463-014 TOGETHER WITH

REGISTERING AGENT	REGISTRY = RECOVERY INC.
	ADDRESS 1551 THE QUEENSWAY TORONTO ON MBZ 1T5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 16

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj)iv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 16
(4938)

561

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
784035081

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	02	006		20220616 1025 8077 1743		

01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

02 DEBTOR
03 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR
06 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09 ALIEN CREDITORS

ADDRESS

COLLATERAL CLASSIFICATION

GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO. FIXED MATURITY DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
VEHICLE

13 GENERAL ALL SUBSTITUTIONS, ADDITIONS, ACCESSIONS AND REPLACEMENTS THERETO AND
14 COLLATERAL THEREOF NOW AND HEREAFTER INSTALLED IN, AFFIXED TO, OR USED IN
15 DESCRIPTION CONJUNCTION WITH SUCH EQUIPMENT AND PROCEEDS THEREOF TOGETHER WITH

16 REGISTERING
17 AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 17

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 17
(4939)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
784035081

CHUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	03	006		20220616 1025 8077 1743		

02 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09 ADDRESS

COLLATERAL CLASSIFICATION	MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED
GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER
	INCLUDED		MATURITY	OR
			MATURITY	DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
VEHICLE

13 GENERAL ALL RENTAL OR INSTALLMENT PAYMENTS, INSURANCE PROCEEDS, OTHER
14 COLLATERAL PROCEEDS AND PAYMENTS DUE OR TO BECOME DUE AND ARISING FROM OR
15 DESCRIPTION RELATING TO SUCH EQUIPMENT. PROCEEDS ALL PROCEEDS (AS DEFINED IN THE

16 REGISTERING
AGENT

17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

18

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 18
(4940)

563

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
784035081

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
04 006 20220616 1025 8077 1743

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY /
09 NAME CERTIFICATE ADDRESS

10 COLLATERAL CLASSIFICATION
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
INCLUDED MATURITY OR MATURITY DATE

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL PERSONAL PROPERTY SECURITY ACT) OF ANY OF THE ABOVE COLLATERAL IN ANY
14 COLLATERAL FORM (INCLUDING, WITHOUT LIMITATION, GOODS, DOCUMENTS OF TITLE,
15 DESCRIPTION CHATTEL PAPER, INVESTMENT PROPERTY, SECURITIES, INSTRUMENTS, MONEY

16 REGISTERING
17 AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 19

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(01/14 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 19
(4941)

564

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
784035081

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	05	006		20220616 1025 8077 1743		

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
----------------	---------------	------------------	---------	---------

BUSINESS NAME				
---------------	--	--	--	--

ADDRESS	ONTARIO CORPORATION NO.
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DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
---------------	------------------	---------	---------

BUSINESS NAME				
---------------	--	--	--	--

ADDRESS	ONTARIO CORPORATION NO.
---------	-------------------------

DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
---------------	------------------	---------	---------

BUSINESS NAME				
---------------	--	--	--	--

ADDRESS	ONTARIO CORPORATION NO.
---------	-------------------------

DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
---------------	------------------	---------	---------

BUSINESS NAME				
---------------	--	--	--	--

COLLATERAL CLASSIFICATION	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
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YEAR MAKE	MODEL	V.I.N.
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GENERAL	AND INTANGIBLES (AS EACH SUCH TERM IS DEFINED IN THE PERSONAL
---------	---

COLLATERAL	PROPERTY SECURITY ACT)) DERIVED DIRECTLY OR INDIRECTLY FROM ANY
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DESCRIPTION	DEALING WITH ANY OF THE ABOVE COLLATERAL OR ANY PROCEEDS THEREOF.
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REGISTERING	AGENT
-------------	-------

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 20

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(c)11v 05/2022

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 20
(4942)

565

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
784035081

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER ORDER PERIOD
06 006 20220616 1025 8077 1743

02 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09 NAME

10 COLLATERAL CLASSIFICATION

CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
VEHICLE

13 GENERAL

14 COLLATERAL

15 DESCRIPTION

16 REGISTERING
AGENT

17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 21

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 009
 RUN DATE : 2023/01/09
 ID : 20230109114544.35

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 21
 (4943)

566

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : INSCAPE CORPORATION
 FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 783699228

CAPTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	01	006		20220606 1431 8077 1440	P PPSA	3

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 DEBTOR NAME BUSINESS NAME INSCAPE CORPORATION

04 ADDRESS 67 TOLL RD HOLLAND LANDING ON L9N1H2

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 DEBTOR NAME BUSINESS NAME

07 ADDRESS

08 SECURED PARTY / DELL FINANCIAL SERVICES CANADA LIMITED

09 ADDRESS 155 GORDON BAKER RD, STE 501 NORTH YORK ON M2H 3N5

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED
CONSUMER	GOODS	INVENTORY	EQUIPMENT	OTHER	INCLUDED	MATURITY OR	MATURITY DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR VEHICLE

13 GENERAL ALL DELL AND NON DELL COMPUTER EQUIPMENT AND PERIPHERALS
 14 COLLATERAL WHEREVER LOCATED HERETOFORE OR HEREAFTER LEASED TO DEBTOR BY SECURED
 15 DESCRIPTION PARTY PURSUANT TO AN EQUIPMENT LEASE 200-0384463-013 TOGETHER WITH

16 REGISTERING REGISTRY = RECOVERY INC.
 AGENT

17 ADDRESS 1551 THE QUEENSWAY TORONTO ON M8Z 1T5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 22

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(c) 11v 05/2022

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 22
(4944)

567

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
783599228

CAUTION FILED	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	02	006		20220606 1431 8077 1440		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09

10

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO. FIXED
GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	INCLUDED		MATURITY OR	MATURITY DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
VEHICLE

13 GENERAL ALL SUBSTITUTIONS, ADDITIONS, ACCESSIONS AND REPLACEMENTS THERETO AND
14 COLLATERAL THEREOF NOW AND HEREAFTER INSTALLED IN, AFFIXED TO, OR USED IN
15 DESCRIPTION CONJUNCTION WITH SUCH EQUIPMENT AND PROCEEDS THEREOF TOGETHER WITH

16 REGISTERING
AGENT

17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 23

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(orj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 23
(4945)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
783699228

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER ORDER PERIOD
03 006 20220606 1431 8077 1440

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY /
09 TRADE CREDITORS ADDRESS

10 COLLATERAL CLASSIFICATION
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
INCLUDED MATURITY OR MATURITY DATE

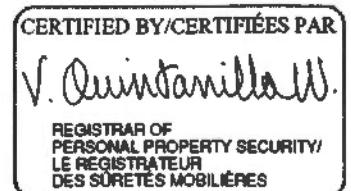
11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL ALL RENTAL OR INSTALLMENT PAYMENTS, INSURANCE PROCEEDS, OTHER
14 COLLATERAL PROCEEDS AND PAYMENTS DUE OR TO BECOME DUE AND ARISING FROM OR
15 DESCRIPTION RELATING TO SUCH EQUIPMENT. PROCEEDS ALL PROCEEDS (AS DEFINED IN THE

16 REGISTERING
17 AGENT ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 24



(crj1fv 05/2022)

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 24
(4946)

569

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
783699228

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
04 006 20220606 1431 8077 1440

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY /
09

10 COLLATERAL CLASSIFICATION
CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 YEAR MAKE MODEL V.I.N.
12

13 GENERAL PERSONAL PROPERTY SECURITY ACT) OF ANY OF THE ABOVE COLLATERAL IN ANY
14 COLLATERAL FORM (INCLUDING, WITHOUT LIMITATION, GOODS, DOCUMENTS OF TITLE,
15 DESCRIPTION CHATTEL PAPER, INVESTMENT PROPERTY, SECURITIES, INSTRUMENTS, MONEY

16 REGISTERING
17 AGENT ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 25

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES

(en)1fr 05/2022)

Ontario 

RUN NUMBER : 009
 RUN DATE : 2023/01/09
 ID : 20230109114544.35

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 25
 (4947)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : INSCAPE CORPORATION
 FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 783699228

CAUTION FINDING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	05	006		20220606 1431 8077 1440		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME

04 ADDRESS

ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

07 ADDRESS

ONTARIO CORPORATION NO.

08 SECURED PARTY /

09

00 COLLATERAL CLASSIFICATION

GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
10							

11 YEAR MAKE MODEL V.I.N.

12

13 GENERAL AND INTANGIBLES (AS EACH SUCH TERM IS DEFINED IN THE PERSONAL
 14 COLLATERAL PROPERTY SECURITY ACT)) DERIVED DIRECTLY OR INDIRECTLY FROM ANY
 15 DESCRIPTION DEALING WITH ANY OF THE ABOVE COLLATERAL OR ANY PROCEEDS THEREOF.

16 REGISTERING AGENT

17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

26

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(en)tv 05/2022

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 26
(4948)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
783699228

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
06 006 20220606 1431 8077 1440

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY /
09 NAME ADDRESS

10 COLLATERAL CLASSIFICATION MOTOR VEHICLE AMOUNT DATE OF NO FIXED
CONSUMER INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
17 AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

27



(crj11v 05/2022)



RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 27
(4949)

572

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
782407431

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	01	006		20220427 1427 8077 0345	P PPSA	3

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
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DEBTOR NAME	BUSINESS NAME	INSCAPE CORPORATION		
----------------	---------------	---------------------	--	--

ADDRESS	67 TOLL RD	HOLLAND LANDING	ON	L9N1H2
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DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
----------------	---------------	------------------	---------	---------

DEBTOR NAME	BUSINESS NAME			
----------------	---------------	--	--	--

ADDRESS	ONTARIO CORPORATION NO.			
---------	-------------------------	--	--	--

SECURED PARTY / LIFE SALES	DELL FINANCIAL SERVICES CANADA LIMITED			
-------------------------------	--	--	--	--

ADDRESS	155 GORDON BAKER RD, STE 501	NORTH YORK	ON	M2H 3N5
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COLLATERAL CLASSIFICATION		MOTOR VEHICLE		AMOUNT	DATE OF	NO FIXED
GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER	INCLUDED			MATURITY OR	MATURITY DATE

YEAR MAKE	MODEL	V.I.N.
-----------	-------	--------

MOTOR
VEHICLE

GENERAL	ALL DELL AND NON DELL COMPUTER EQUIPMENT AND PERIPHERALS
COLLATERAL	WHEREVER LOCATED HERETOFORE OR HEREAFTER LEASED TO DEBTOR BY SECURED
DESCRIPTION	PARTY PURSUANT TO AN EQUIPMENT LEASE 200-0384463-012 TOGETHER WITH

REGISTERING AGENT	REGISTRY = RECOVERY INC.
----------------------	--------------------------

ADDRESS	1551 THE QUEENSWAY	TORONTO	ON	M8Z 1T5
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*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 28

CERTIFIED BY/CERTIFIÉES PAR

V. Quintanilla W.

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SURETÉS MOBILIÈRES

(en)1fv 05/2022)

Ontario 

RUN NUMBER : 009
 RUN DATE : 2023/01/09
 ID : 20230109114544.35

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 28
 (4950)

573

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : INSCAPE CORPORATION
 FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
 782407431

CAPTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED LENDER	REGISTRATION PERIOD
	02	006		20220427 1427 8077 0345		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 DEBTOR NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 DEBTOR NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09 ADDRESS

09 COLLATERAL CLASSIFICATION

GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO. FIXED MATURITY DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR VEHICLE

13 GENERAL ALL SUBSTITUTIONS, ADDITIONS, ACCESSIONS AND REPLACEMENTS THERETO AND
 14 COLLATERAL THEREOF NOW AND HEREAFTER INSTALLED IN, AFFIXED TO, OR USED IN
 15 DESCRIPTION CONJUNCTION WITH SUCH EQUIPMENT AND PROCEEDS THEREOF TOGETHER WITH

16 REGISTERING AGENT

17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

29

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTREUR
 DES SÛRETÉS MOBILIÈRES
 (en tifv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 29
(4951)

574

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
782407431

00

01

CAPTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED ORDER	REGISTRATION PERIOD
	03	006		20220427 1427 8077 0345		

02

03

04

05

06

07

08

09

10

11

12

13

14

15

16

17

DATE OF BIRTH

FIRST GIVEN NAME

INITIAL

SURNAME

DEBTOR
NAME

BUSINESS NAME

ADDRESS

ONTARIO CORPORATION NO.

DATE OF BIRTH

FIRST GIVEN NAME

INITIAL

SURNAME

DEBTOR
NAME

BUSINESS NAME

ADDRESS

ONTARIO CORPORATION NO.

SECURED PARTY /
LAWYER

ADDRESS

COLLATERAL CLASSIFICATION

CONSUMER

GOODS

INVENTORY

EQUIPMENT

ACCOUNTS

OTHER

MOTOR VEHICLE

AMOUNT

DATE OF

Maturity

OR

NO FIXED

Maturity DATE

YEAR MAKE

MODEL

V.I.N.

MOTOR
VEHICLE

GENERAL

COLLATERAL

DESCRIPTION

ALL RENTAL OR INSTALLMENT PAYMENTS, INSURANCE PROCEEDS, OTHER
PROCEEDS AND PAYMENTS DUE OR TO BECOME DUE AND ARISING FROM OR
RELATING TO SUCH EQUIPMENT. PROCEEDS ALL PROCEEDS (AS DEFINED IN THE

REGISTERING
AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 30

CERTIFIED BY/CERTIFIÉES PAR

V. Quintanilla W.

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(c)11v 05/2022

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 30
(4952)

575

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
782407431

00

01

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED INDEX	REGISTRATION PERIOD
	04	006		20220427 1427 8077 0345		

02

03

04

05

06

07

08

09

10

11

12

13

14

15

16

17

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY /

NAME

ADDRESS

COLLATERAL CLASSIFICATION

CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE

YEAR MAKE MODEL V.I.N.

MOTOR
VEHICLE

GENERAL

COLLATERAL

DESCRIPTION

PERSONAL PROPERTY SECURITY ACT) OF ANY OF THE ABOVE COLLATERAL IN ANY
FORM (INCLUDING, WITHOUT LIMITATION, GOODS, DOCUMENTS OF TITLE,
CHattel, PAPER, INVESTMENT PROPERTY, SECURITIES, INSTRUMENTS, MONEY

REGISTERING
AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 31

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 31
(4953)

576

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
782407431

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	05	006		20220427 1427 8077 0345		

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
----------------	---------------	------------------	---------	---------

BUSINESS NAME

ADDRESS

ONTARIO CORPORATION NO.

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
----------------	---------------	------------------	---------	---------

BUSINESS NAME

ADDRESS

ONTARIO CORPORATION NO.

SECURED PARTY /

ADDRESS

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO. FIXED	
CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED	MATURITY OR	MATURITY DATE

YEAR MAKE	MODEL	V.I.N.
-----------	-------	--------

13 GENERAL AND INTANGIBLES (AS EACH SUCH TERM IS DEFINED IN THE PERSONAL
14 COLLATERAL PROPERTY SECURITY ACT)) DERIVED DIRECTLY OR INDIRECTLY FROM ANY
15 DESCRIPTION DEALING WITH ANY OF THE ABOVE COLLATERAL OR ANY PROCEEDS THEREOF.

16 REGISTERING
17 AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 32

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 32
(4954)

577

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
782407431

CAPTION	PAGE	TOTAL	MOTOR VEHICLE	REGISTRATION	REGISTERED	REGISTRATION
FILING	NO.	OF PAGES	SCHEDULE	NUMBER	UNDER	PERIOD
	06	006		20220427 1427 8077 0345		

DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
---------------	------------------	---------	---------

DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
---------------	------------------	---------	---------

DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY /

NAME

ADDRESS

COLLATERAL CLASSIFICATION

COMSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED
						INCLUDED		MATURITY OR	MATURITY DATE

YEAR	MAKE	MODEL	V.I.N.
------	------	-------	--------

MOTOR
VEHICLE

GENERAL
COLLATERAL
DESCRIPTION

REGISTERING
AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 33

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(ej1fv 06/2022)

Ontario 

RUN NUMBER : 009
 RUN DATE : 2023/01/09
 ID : 20230109114544.35

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 33
 (4955)

578

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : INSCAPE CORPORATION
 FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 782363439

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	01	006		20220426 1425 8077 0297	P PPSA	3

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME INSCAPE CORPORATION

04 ADDRESS 67 TOLL RD HOLLAND LANDING ON L9N1H2 ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY / DELL FINANCIAL SERVICES CANADA LIMITED

09 ADDRESS 155 GORDON BAKER RD, STE 501 NORTH YORK ON M2H 3N5

CONSUMER				MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED
GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	INCLUDED		MATURITY OR	MATURITY DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR VEHICLE

13 GENERAL ALL DELL AND NON DELL COMPUTER EQUIPMENT AND PERIPHERALS
 14 COLLATERAL WHEREVER LOCATED HERETOFORE OR HEREAFTER LEASED TO DEBTOR BY SECURED
 15 DESCRIPTION PARTY PURSUANT TO AN EQUIPMENT LEASE 200-0384463-011 TOGETHER WITH

16 REGISTERING REGISTRY = RECOVERY INC.
 AGENT

17 ADDRESS 1551 THE QUEENSWAY TORONTO ON M8Z 1T5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 34

CERTIFIED BY/CERTIFIÉ PAR
V. Quintanilla W.
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 34
(4956)

579

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
782363439

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	02	006		20220426 1425 8077 0297		

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
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ONTARIO CORPORATION NO.

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
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ONTARIO CORPORATION NO.

--	--	--	--	--

--	--	--	--	--

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED
GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	INCLUDED		MATURITY OR	MATURITY DATE

	YEAR MAKE	MODEL	V.I.N.
--	-----------	-------	--------

--	--	--	--

GENERAL
COLLATERAL
DESCRIPTION

ALL SUBSTITUTIONS, ADDITIONS, ACCESSIONS AND REPLACEMENTS THERETO AND THEREOF NOW AND HEREAFTER INSTALLED IN, AFFIXED TO, OR USED IN CONJUNCTION WITH SUCH EQUIPMENT AND PROCEEDS THEREOF TOGETHER WITH

REGISTERING
AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 35

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 35
(4957)

580

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
782363439

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER ORDER PERIOD
03 006 20220426 1425 8077 0297

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY /
09

10 COLLATERAL CLASSIFICATION
CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 YEAR MAKE MODEL V.I.N.
12 MOTOR VEHICLE

13 GENERAL ALL RENTAL OR INSTALLMENT PAYMENTS, INSURANCE PROCEEDS, OTHER
14 COLLATERAL PROCEEDS AND PAYMENTS DUE OR TO BECOME DUE AND ARISING FROM OR
15 DESCRIPTION RELATING TO SUCH EQUIPMENT. PROCEEDS ALL PROCEEDS (AS DEFINED IN THE

16 REGISTERING
17 AGENT ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 36

CERTIFIED BY/CERTIFIÉ PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 36
(4958)

581

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
782363439

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
04 006 20220426 1425 8077 0297

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY /
09 ADDRESS

10 COLLATERAL CLASSIFICATION
CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL PERSONAL PROPERTY SECURITY ACT) OF ANY OF THE ABOVE COLLATERAL IN ANY
14 COLLATERAL FORM (INCLUDING, WITHOUT LIMITATION, GOODS, DOCUMENTS OF TITLE,
15 DESCRIPTION CHATTEL PAPER, INVESTMENT PROPERTY, SECURITIES, INSTRUMENTS, MONEY

16 REGISTERING
17 AGENT ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 37

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(orj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 37
(4959)

582

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
782363439

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	05	006		20220426 1425 8077 0297		

01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

02 DEBTOR
03 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09 ADDRESS

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO. FIXED	
COMPUTER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED	MATURITY OR	MATURITY DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
VEHICLE

13 GENERAL AND INTANGIBLES (AS EACH SUCH TERM IS DEFINED IN THE PERSONAL
14 COLLATERAL PROPERTY SECURITY ACT)) DERIVED DIRECTLY OR INDIRECTLY FROM ANY
15 DESCRIPTION DEALING WITH ANY OF THE ABOVE COLLATERAL OR ANY PROCEEDS THEREOF.

16 REGISTERING
AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 38

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj)tv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 38
(4960)

583

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
782363439

CAUTION FILINGS	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED ORDER	REGISTRATION PERIOD
	06	006		20220426 1425 8077 0297		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09 LENDER / CREDITORS

ADDRESS

COLLATERAL CLASSIFICATION

CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
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11 YEAR MAKE MODEL V.I.N.

12 MOTOR
VEHICLE

13 GENERAL

14 COLLATERAL

15 DESCRIPTION

16 REGISTERING
AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 39

CERTIFIED BY/CERTIFIÉES PAR

V. Quintanilla W.

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/21/22)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSBR060
PAGE : 39
(4961)

584

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
781875999

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01	01	006		20220408 1041 8077 9812	P PPSA	3

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 DEBTOR NAME BUSINESS NAME INSCAPE CORPORATION

04 ADDRESS 67 TOLL RD HOLLAND LANDING ON L9N1H2

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 DEBTOR NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY / DELL FINANCIAL SERVICES CANADA LIMITED

09 ADDRESS 155 GORDON BAKER RD, STE 501 NORTH YORK ON M2H 3N5

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO. FILED
GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	INCLUDED		MATURITY OR	MATURITY DATE

10 YEAR MAKE MODEL V.I.N.

11 MOTOR
12 VEHICLE

13 GENERAL ALL DELL AND NON DELL COMPUTER EQUIPMENT AND PERIPHERALS
14 COLLATERAL WHEREVER LOCATED HERETOFORE OR HEREAFTER LEASED TO DEBTOR BY SECURED
15 DESCRIPTION PARTY PURSUANT TO AN EQUIPMENT LEASE 200-0384463-010 TOGETHER WITH

16 REGISTERING REGISTRY = RECOVERY INC.
17 AGENT

ADDRESS 1551 THE QUEENSWAY TORONTO ON M8Z 1T5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 40

CERTIFIED BY/CERTIFIÉ PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 40
(4962)

585

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
781875999

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
02 006 20220408 1041 8077 9812

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY /

09 ADDRESS

10 COLLATERAL CLASSIFICATION
CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 YEAR MAKE MODEL V.I.N.
12 MOTOR VEHICLE

13 GENERAL ALL SUBSTITUTIONS, ADDITIONS, ACCESSIONS AND REPLACEMENTS THERETO AND
14 COLLATERAL THEREOF NOW AND HEREAFTER INSTALLED IN, AFFIXED TO, OR USED IN
15 DESCRIPTION CONJUNCTION WITH SUCH EQUIPMENT AND PROCEEDS THEREOF TOGETHER WITH

16 REGISTERING
AGENT ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 41

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 41
(4963)

586

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
781875999

CATION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	03	006		20220408 1041 8077 9812		

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
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		BUSINESS NAME		
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		ADDRESS		
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ONTARIO CORPORATION NO.

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
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		BUSINESS NAME		
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		ADDRESS		
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ONTARIO CORPORATION NO.

		ADDRESS		
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		ADDRESS		
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COLLATERAL CLASSIFICATION	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO. FIXED MATURITY DATE
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*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 42

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 42
(4964)

587

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
781875999

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	04	006		20220408 1041 8077 9812		

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
----------------	---------------	------------------	---------	---------

		BUSINESS NAME		
--	--	---------------	--	--

		ADDRESS		
--	--	---------	--	--

ONTARIO CORPORATION NO.

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
----------------	---------------	------------------	---------	---------

		BUSINESS NAME		
--	--	---------------	--	--

		ADDRESS		
--	--	---------	--	--

ONTARIO CORPORATION NO.

		ADDRESS		
--	--	---------	--	--

		ADDRESS		
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COLLATERAL CLASSIFICATION	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO. FIXED MATURITY DATE
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		YEAR	MAKE		MODEL		V.I.N.		
--	--	------	------	--	-------	--	--------	--	--

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GENERAL
COLLATERAL
DESCRIPTION

PERSONAL PROPERTY SECURITY ACT) OF ANY OF THE ABOVE COLLATERAL IN ANY
FORM (INCLUDING, WITHOUT LIMITATION, GOODS, DOCUMENTS OF TITLE,
CHattel PAPER, INVESTMENT PROPERTY, SECURITIES, INSTRUMENTS, MONEY

REGISTERING
AGENT

		ADDRESS		
--	--	---------	--	--

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 43

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj)lv 05/2022

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 43
(4965)

588

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
781875999

01 CREDIT PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER ORDER PERIOD
05 006 20220408 1041 8077 9812

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY /
09 ADDRESS

10 COLLATERAL CLASSIFICATION
CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 YEAR MAKE MODEL V.I.N.
12 MOTOR VEHICLE

13 GENERAL AND INTANGIBLES (AS EACH SUCH TERM IS DEFINED IN THE PERSONAL
14 COLLATERAL PROPERTY SECURITY ACT)) DERIVED DIRECTLY OR INDIRECTLY FROM ANY
15 DESCRIPTION DEALING WITH ANY OF THE ABOVE COLLATERAL OR ANY PROCEEDS THEREOF.

16 REGISTERING
17 AGENT ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 44

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(c)11v 05/2022

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 44
(4966)

589

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
781875999

CAPTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	06	006		20220408 1041 8077 9812		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09 NAME /

ADDRESS

COLLATERAL CLASSIFICATION

CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO. FIXED MATURITY DATE
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11 MOTOR YEAR MAKE

MODEL

V.I.N.

12 VEHICLE

13 GENERAL

14 COLLATERAL

15 DESCRIPTION

16 REGISTERING
AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

45

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 45
(4967)

590

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
780823323

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED LENDER	REGISTRATION PERIOD
	01	006		20220303 1427 8077 8227	P PPSA	3

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR NAME BUSINESS NAME INSCAPE CORPORATION

ADDRESS 67 TOLL RD HOLLAND LANDING ON L9N1H2

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR NAME BUSINESS NAME

ADDRESS

SECURED PARTY / DELL FINANCIAL SERVICES CANADA LIMITED

ADDRESS 155 GORDON BAKER RD, STE 501 NORTH YORK ON M2H 3N5

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED
GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	INCLUDED		MATURITY OR	MATURITY DATE
		X		X			X

YEAR MAKE MODEL V.I.N.

MOTOR
VEHICLE

GENERAL ALL DELL AND NON DELL COMPUTER EQUIPMENT AND PERIPHERALS
COLLATERAL WHEREVER LOCATED HERETOFORE OR HEREAFTER LEASED TO DEBTOR BY SECURED
DESCRIPTION PARTY PURSUANT TO AN EQUIPMENT LEASE #200-0384463-009 TOGETHER WITH

REGISTERING AGENT REGISTRY = RECOVERY INC.

ADDRESS 1551 THE QUEENSWAY TORONTO ON M8Z 1T5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 46

CERTIFIED BY/CERTIFIÉES PAR

V. Quintanilla W.

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(en/iv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 46
(4968)

591

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
780823323

01 CREDIT PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
02 006 20220303 1427 8077 8227

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY /
09 ADDRESS

10 COLLATERAL CLASSIFICATION
CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO. FILED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 YEAR MAKE MODEL V.I.N.
12 MOTOR

13 GENERAL ALL SUBSTITUTIONS, ADDITIONS, ACCESSIONS AND REPLACEMENTS THERETO AND
14 COLLATERAL THEREOF NOW AND HEREAFTER INSTALLED IN, AFFIXED TO, OR USED IN
15 DESCRIPTION CONJUNCTION WITH SUCH EQUIPMENT AND PROCEEDS THEREOF TOGETHER WITH

16 REGISTERING
17 AGENT ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 47

CERTIFIED BY/CERTIFIÉ PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 47
(4969)

592

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
780823323

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	03	006		20220303 1427 8077 8227		

01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

02 DEBTOR
03 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 DEBTOR
07 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09 CLAIM CURRENCY

09 ADDRESS

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO. FIXED	
CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLUDED	MATURITY OR	MATURITY DATE

10

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
13 VEHICLE

13 GENERAL ALL RENTAL OR INSTALLMENT PAYMENTS, INSURANCE PROCEEDS, OTHER
14 COLLATERAL PROCEEDS AND PAYMENTS DUE OR TO BECOME DUE AND ARISING FROM OR
15 DESCRIPTION RELATING TO SUCH EQUIPMENT. PROCEEDS ALL PROCEEDS (AS DEFINED IN THE

16 REGISTERING
17 AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 48

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(c)11v 05/2022

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 48
(4970)

593

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
780823323

CAPTION	PAGE	TOTAL	MOTOR VEHICLE	REGISTRATION	REGISTERED	REGISTRATION
FINANCING	NO. OF	PAGES	SCHEDULE	NUMBER	UNDER	PERIOD
	04	006		20220303 1427 8077 8227		

01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

02 DEBTOR
03 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09

10 COLLATERAL CLASSIFICATION

CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE	AMOUNT	DATE OF	NO. FIXED
						INCLUDED		MATURITY OR	MATURITY DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
VEHICLE

13 GENERAL PERSONAL PROPERTY SECURITY ACT) OF ANY OF THE ABOVE COLLATERAL IN ANY
14 COLLATERAL FORM (INCLUDING, WITHOUT LIMITATION, GOODS, DOCUMENTS OF TITLE,
15 DESCRIPTION CHATTEL PAPER, INVESTMENT PROPERTY, SECURITIES, INSTRUMENTS, MONEY

16 REGISTERING
AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 49

CERTIFIED BY/CERTIFIÉ PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SURETÉS MOBILIÈRES

(crtiv 05/2022)

Ontario 

RUN NUMBER : 009
 RUN DATE : 2023/01/09
 ID : 20230109114544.35

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 49
 (4971)

594

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : INSCAPE CORPORATION
 FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
 780823323

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01

CAPTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	05	006		20220303 1427 8077 8227		

02

03

04

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07

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09

10

11

12

13

14

15

16

17

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

BUSINESS NAME

ADDRESS

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

BUSINESS NAME

ADDRESS

SECURED PARTY /

ADDRESS

COLLATERAL CLASSIFICATION

GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO. FILED MATURITY DATE

YEAR MAKE

MODEL

V.I.N.

AND INTANGIBLES (AS EACH SUCH TERM IS DEFINED IN THE PERSONAL
 PROPERTY SECURITY ACT)) DERIVED DIRECTLY OR INDIRECTLY FROM ANY
 DEALING WITH ANY OF THE ABOVE COLLATERAL OR ANY PROCEEDS THEREOF.

REGISTERING
 AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

50

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(crt) 05/2022

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 50
(4972)

595

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
780823323

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	06	006		20220303 1427 8077 8227		

01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

02 DEBTOR
03 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09

COLLATERAL CLASSIFICATION

CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE

10

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
VEHICLE

13 GENERAL

14 COLLATERAL

15 DESCRIPTION

16 REGISTERING
AGENT

17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 51

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY /
LE REGISTRATEUR
DES SURETES MOBILIERES

(orjiv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 51
(4973)

596

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
780036993

CAPTION FILED	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED ORDER	REGISTRATION PERIOD
	01	006		20220131 1027 8077 6931	P PPSA	3

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR NAME BUSINESS NAME INSCAPE CORPORATION

ADDRESS 67 - TOLL RD HOLLAND LANDING ON L9N1H2

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR NAME BUSINESS NAME

ADDRESS ONTARIO CORPORATION NO.

SECURED PARTY / DELL FINANCIAL SERVICES CANADA LIMITED

ADDRESS 155 GORDON BAKER RD, STE 501 NORTH YORK ON M2H 3N5

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO. FILED
GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	ENCUMBERED		MATURITY OR	MATURITY DATE
		X		X			X

YEAR MAKE MODEL V.I.N.

MOTOR VEHICLE

GENERAL ALL DELL AND NON DELL COMPUTER EQUIPMENT AND PERIPHERALS
COLLATERAL WHEREVER LOCATED HERETOFORE OR HEREAFTER LEASED TO DEBTOR BY SECURED
DESCRIPTION PARTY PURSUANT TO AN EQUIPMENT LEASE 200-0384463-008 TOGETHER WITH

REGISTERING AGENT REGISTRY = RECOVERY INC.

ADDRESS 1551 THE QUEENSWAY TORONTO ON M8Z 1T5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 52

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 52
(4974)

597

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
760036993

CAPTION	PAGE	TOTAL	MOTOR VEHICLE	REGISTRATION	REGISTERED	REGISTRATION
FILING	NO. OF	PAGES	SCHEDULE	NUMBER	INDEX	PERIOD
	02	006		20220131 1027 8077 6931		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09 ADDRESS

COLLATERAL CLASSIFICATION

GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED
					INCLUDED		MATURITY	MATURITY
							OR	DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR VEHICLE

13 GENERAL ALL SUBSTITUTIONS, ADDITIONS, ACCESSIONS AND REPLACEMENTS THERETO AND
14 COLLATERAL THEREOF NOW AND HEREAFTER INSTALLED IN, AFFIXED TO, OR USED IN
15 DESCRIPTION CONJUNCTION WITH SUCH EQUIPMENT AND PROCEEDS THEREOF TOGETHER WITH

16 REGISTERING AGENT

17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 53

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES
(en) 05/2022

Ontario 

RUN NUMBER : 009
 RUN DATE : 2023/01/09
 ID : 20230109114544.35

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 53
 (4975)

598

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : INSCAPE CORPORATION
 FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 780036993

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	03	006		20220131 1027 8077 6931		

01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

02 DEBTOR
 03 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 DEBTOR
 06 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09 FROM COLLATERAL

ADDRESS

10 COLLATERAL CLASSIFICATION

CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
 12 VEHICLE

13 GENERAL ALL RENTAL OR INSTALLMENT PAYMENTS, INSURANCE PROCEEDS, OTHER
 14 COLLATERAL PROCEEDS AND PAYMENTS DUE OR TO BECOME DUE AND ARISING FROM OR
 15 DESCRIPTION RELATING TO SUCH EQUIPMENT. PROCEEDS ALL PROCEEDS (AS DEFINED IN THE

16 REGISTERING
 16 AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 54

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SURETÉS MOBILIÈRES

(arjiv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 54
(4976)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
780036993

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER ORDER PERIOD
04 006 20220131 1027 8077 6931

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY /
09 ADDRESS

10 COLLATERAL CLASSIFICATION
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
INCLUDED MATURITY OR MATURITY DATE

11 YEAR MAKE MODEL V.I.N.
12 MOTOR VEHICLE

13 GENERAL PERSONAL PROPERTY SECURITY ACT) OF ANY OF THE ABOVE COLLATERAL IN ANY
14 COLLATERAL FORM (INCLUDING, WITHOUT LIMITATION, GOODS, DOCUMENTS OF TITLE,
15 DESCRIPTION CHATTEL PAPER, INVESTMENT PROPERTY, SECURITIES, INSTRUMENTS, MONEY

16 REGISTERING
AGENT

17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

55

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crl1fv 06/2022)

Ontario 

RUN NUMBER : 009
 RUN DATE : 2023/01/09
 ID : 20230109114544.35

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 55
 (4977)

600

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : INSCAPE CORPORATION
 FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00

FILE NUMBER
 780036993

01

CAPTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEMATIC	REGISTRATION NUMBER	REGISTERED DEBTER	REGISTRATION PERIOD
	05	006		20220131 1027 8077 6931		

02

DEBTOR

DATE OF BIRTH

FIRST GIVEN NAME

INITIAL

SURNAME

03

NAME

BUSINESS NAME

04

ADDRESS

ONTARIO CORPORATION NO.

05

DEBTOR

DATE OF BIRTH

FIRST GIVEN NAME

INITIAL

SURNAME

06

NAME

BUSINESS NAME

07

ADDRESS

ONTARIO CORPORATION NO.

08

SECURED PARTY /

09

FINANCING

ADDRESS

10

COLLATERAL CLASSIFICATION

GOODS

INVENTORY

EQUIPMENT

ACCOUNTS

OTHER

MOTOR VEHICLE

AMOUNT

DATE OF

NO. FIXED

INCLUDED

MATERIALITY

OR

MATERIALITY

DATE

DATE

DATE

DATE

DATE

DATE

11

MOTOR

YEAR MAKE

MODEL

V.I.N.

12

VEHICLE

13

GENERAL

AND INTANGIBLES (AS EACH SUCH TERM IS DEFINED IN THE PERSONAL
 PROPERTY SECURITY ACT)) DERIVED DIRECTLY OR INDIRECTLY FROM ANY
 DEALING WITH ANY OF THE ABOVE COLLATERAL OR ANY PROCEEDS THEREOF.

14

COLLATERAL

15

DESCRIPTION

16

REGISTERING

AGENT

17

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

56

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTREUR
 DES SÛRETÉS MOBILIÈRES

(en) 11v 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 56
(4978)

601

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
780036993

CAPTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	06	006		20220131 1027 8077 6931		

01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

02 DEBTOR
03 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR
06 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09 ADDRESS

COLLATERAL CLASSIFICATION		MOTOR VEHICLE	AMOUNT	DATE OF	NO. FIXED
GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER	INCLUDED		MATURITY OR	MATURITY DATE

11 MOTOR YEAR MAKE MODEL V.I.N.

12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
17 AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 57

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj)fv 05/2022)

Ontario 

RUN NUMBER : 009
 RUN DATE : 2023/01/09
 ID : 20230109114544.35

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 57
 (4979)

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : INSCAPE CORPORATION
 FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 776202354

CAPTION FILING	PAGE NO.	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED ORDER	REGISTRATION PERIOD
01	01	006		20210908 1428 8077 1110	P PPSA	3

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 03 NAME BUSINESS NAME INSCAPE CORPORATION
 04 ADDRESS 67 TOLL RD. HOLLAND LANDING ON L9N1H2
 05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
 06 NAME BUSINESS NAME
 07 ADDRESS ONTARIO CORPORATION NO.
 08 SECURED PARTY / DELL FINANCIAL SERVICES CANADA LIMITED
 09 ADDRESS 155 GORDON BAKER RD, STE 501 NORTH YORK ON M2H 3N5

09 COLLATERAL CLASSIFICATION
 10 COMPUTER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
 GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
 11 YEAR MAKE MODEL V.I.N.
 12 MOTOR VEHICLES
 13 GENERAL ALL DELL AND NON DELL COMPUTER EQUIPMENT AND PERIPHERALS
 14 COLLATERAL WHEREVER LOCATED HERETOFORE OR HEREAFTER LEASED TO DEBTOR BY SECURED
 15 DESCRIPTION PARTY PURSUANT TO AN EQUIPMENT LEASE 200-0384463-008 TOGETHER WITH
 16 REGISTERING REGISTRY = RECOVERY INC.
 17 AGENT ADDRESS 1551 THE QUEENSWAY TORONTO ON M8Z 1T5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 58

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(c) 11v 05/2022

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 58
(4980)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
776202354

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
02 006 20210908 1428 8077 1110

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY /
09 FROM CREDITORS ADDRESS

10 COLLATERAL CLASSIFICATION
CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 YEAR MAKE MODEL V.I.N.
12 MOTOR VEHICLE

13 GENERAL ALL SUBSTITUTIONS, ADDITIONS, ACCESSIONS AND REPLACEMENTS THERETO AND
14 COLLATERAL THEREOF NOW AND HEREAFTER INSTALLED IN, AFFIXED TO, OR USED IN
15 DESCRIPTION CONJUNCTION WITH SUCH EQUIPMENT AND PROCEEDS THEREOF TOGETHER WITH

16 REGISTERING
17 AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

59

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SURETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 59
(4981)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
776202354

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEME	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	03	006		20210908 1428 8077 1110		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 DEBTOR BUSINESS NAME

04 ADDRESS

ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 DEBTOR BUSINESS NAME

07 ADDRESS

ONTARIO CORPORATION NO.

08 SECURED PARTY /
LESSOR / CREDITOR

09 ADDRESS

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED
GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	INCLUDED		MATURITY OR	MATURITY DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
VEHICLE

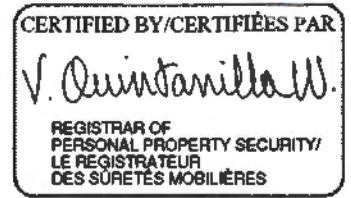
13 GENERAL ALL RENTAL OR INSTALLMENT PAYMENTS, INSURANCE PROCEEDS, OTHER
14 COLLATERAL PROCEEDS AND PAYMENTS DUE OR TO BECOME DUE AND ARISING FROM OR
15 DESCRIPTION RELATING TO SUCH EQUIPMENT. PROCEEDS ALL PROCEEDS (AS DEFINED IN THE

16 REGISTERING
AGENT

17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 60



(crj1/v 05/2022)

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 60
(4982)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
776202354

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER ORDER PERIOD
04 006 20210908 1428 8077 1110

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09

10

11 COLLATERAL CLASSIFICATION
12 CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR

13 GENERAL PERSONAL PROPERTY SECURITY ACT) OF ANY OF THE ABOVE COLLATERAL IN ANY
14 COLLATERAL FORM (INCLUDING, WITHOUT LIMITATION, GOODS, DOCUMENTS OF TITLE,
15 DESCRIPTION CHATTEL PAPER, INVESTMENT PROPERTY, SECURITIES, INSTRUMENTS, MONEY

16 REGISTERING
AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

61

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SURETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 61
(4983)

606

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
776202354

CAPTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	05	006		20210908 1428 8077 1110		

DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
---------------	------------------	---------	---------

DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
---------------	------------------	---------	---------

DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY /

ADDRESS

COLLATERAL CLASSIFICATION

GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO. FIXED MATURITY DATE
-------	-----------	-----------	----------	-------	---------------------------	--------	------------------------	----------------------------

10

YEAR MAKE

MODEL

V.I.N.

MOTOR
VEHICLE

GENERAL

COLLATERAL

DESCRIPTION

AND INTANGIBLES (AS EACH SUCH TERM IS DEFINED IN THE PERSONAL
PROPERTY SECURITY ACT)) DERIVED DIRECTLY OR INDIRECTLY FROM ANY
DEALING WITH ANY OF THE ABOVE COLLATERAL OR ANY PROCEEDS THEREOF.

REGISTERING
AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

62

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES

(orj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 62
(4984)

607

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
776202354

CAPTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	06	006		20210908 1428 8077 1110		

01 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

02 DEBTOR
03 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 DEBTOR
07 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

08 ADDRESS

09 SECURED PARTY /
10 NAME

ADDRESS

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO. FIXED
GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	INCLUDED		MATURITY OR	MATURITY DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
13 VEHICLE

14 GENERAL
15 COLLATERAL
16 DESCRIPTION

17 REGISTERING
AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 63

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(rj1fv 05/2022)

Ontario 

RUN NUMBER : 009
 RUN DATE : 2023/01/09
 ID : 20230109114544.35

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 63
 (4985)

608

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : INSCAPE CORPORATION
 FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
 773813061

SECTION	PAGE	TOTAL	MOTOR VEHICLE	REGISTRATION	REGISTERED	REGISTRATION
FILING	NO.	PAGES	SCHEDULE	NUMBER	UNDER	PERIOD
01	01	004		20210624 1426 8077 8276	P PPSA	3

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME BUSINESS NAME INSCAPE CORPORATION

04 ADDRESS 67 TOLL RD. HOLLAND LANDING ON L9N1H2

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME BUSINESS NAME

07 ADDRESS

08 SECURED PARTY / DELL FINANCIAL SERVICES CANADA LIMITED

09 ADDRESS 155 GORDON BAKER RD, STE 501 NORTH YORK ON M2H 3N5

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO. FIXED
GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	INCLUDED		MATURITY OR	MATURITY DATE

10 YEAR MAKE MODEL V.I.N.

11 MOTOR

12 VEHICLE

13 GENERAL ALL DELL AND NON DELL COMPUTER EQUIPMENT AND PERIPHERALS
 14 COLLATERAL WHEREVER LOCATED HERETOFORE OR HEREAFTER LEASED TO DEBTOR BY SECURED
 15 DESCRIPTION PARTY PURSUANT TO AN EQUIPMENT LEASE 200-0384463-006 TOGETHER WITH

16 REGISTERING REGISTRY = RECOVERY INC.
 17 AGENT

ADDRESS 1551 THE QUEENSWAY TORONTO ON M8Z 1T5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 64

CERTIFIED BY/CERTIFIÉ PAR
V. Quintanilla W.
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTRATEUR
 DES SÛRETÉS MOBILIÈRES

(c)11v 05/2022

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 64
(4986)

609

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
773813061

00

01

CAPTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	02	004		20210624 1426 8077 8276		

02

03

04

05

06

07

08

09

10

11

12

13

14

15

16

17

DATE OF BIRTH

FIRST GIVEN NAME

INITIAL

SURNAME

DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

DATE OF BIRTH

FIRST GIVEN NAME

INITIAL

SURNAME

DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY /

DEBTOR

ADDRESS

COLLATERAL CLASSIFICATION

EQUIPMENT

MOTOR VEHICLE

AMOUNT

DATE OF

NO FIXED

GOODS

INVENTORY EQUIPMENT

ACCOUNTS OTHER

EXCLUDED

MATURITY OR

MATURITY DATE

YEAR MAKE

MODEL

V.I.N.

MOTOR
VEHICLE

GENERAL

COLLATERAL

DESCRIPTION

ALL SUBSTITUTIONS, ADDITIONS, ACCESSIONS AND REPLACEMENTS THERETO AND
THEREOF NOW AND HEREAFTER INSTALLED IN, AFFIXED TO, OR USED IN
CONJUNCTION WITH SUCH EQUIPMENT AND PROCEEDS THEREOF TOGETHER WITH

REGISTERING
AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

65

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES

(c)1fv 05/2022

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 65
(4987)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
773813061

00

01

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	03	004		20210624 1426 8077 8276		

02

03

04

05

06

07

08

09

10

11

12

13

14

15

16

17

DEBTOR: DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

DEBTOR: DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY /
ITEMS CHARGED

ADDRESS

COLLATERAL CLASSIFICATION

CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
----------	-------	-----------	-----------	----------	-------	---------------------------	--------	---------------------	----	---------------------------

YEAR MAKE MODEL V.I.N.

MOTOR

VEHICLE

GENERAL

COLLATERAL

DESCRIPTION

ALL RENTAL OR INSTALLMENT PAYMENTS, INSURANCE PROCEEDS, OTHER
PROCEEDS AND PAYMENTS DUE OR TO BECOME DUE AND ARISING FROM OR
RELATING TO SUCH EQUIPMENT. PROCEEDS ALL PRESENT AND AFTER-ACQUIRED

REGISTERING

AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

66

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SURETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 66
(4988)

611

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
773813061

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
04 004 20210624 1426 8077 8276

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME

04 ADDRESS ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME

07 ADDRESS ONTARIO CORPORATION NO.

08 SECURED PARTY /
09 NAME ADDRESS

10 COLLATERAL CLASSIFICATION
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
INCLUDED MATURITY OR MATURITY DATE

11 YEAR MAKE MODEL V.I.N.
12 MOTOR VEHICLE

13 GENERAL PERSONAL PROPERTY.
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
17 AGENT ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 67

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crjtfv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 67
(4989)

612

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
772364088

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED ORDER	REGISTRATION PERIOD
01	01	006		20210510 1428 8077 5954	P PPSA	3

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.
03		BUSINESS NAME	INSCAPE CORPORATION		
04		ADDRESS	67 - TOLL RD. HOLLAND LANDING ON L9N1H2		

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME	ONTARIO CORPORATION NO.
06		BUSINESS NAME			
07		ADDRESS			

SECURED PARTY / CREDIT LENDOR	DELL FINANCIAL SERVICES CANADA LIMITED
09	155 GORDON BAKER RD, STE 501 NORTH YORK ON M2H 3N5

COLLATERAL CLASSIFICATION		MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED
GOODS	INVENTORY EQUIPMENT ACCOUNTS OTHER	INCLUDED		MATURITY OR	MATURITY DATE
10					

MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.
12			

GENERAL	ALL DELL AND NON DELL COMPUTER EQUIPMENT AND PERIPHERALS
14	WHEREVER LOCATED HERETOFORE OR HEREAFTER LEASED TO DEBTOR BY SECURED
15	PARTY PURSUANT TO AN EQUIPMENT LEASE 200-0384463-005 TOGETHER WITH

REGISTERING AGENT	REGISTRY = RECOVERY INC.
16	

ADDRESS	TORONTO	ON	M8Z 1T5
17	1551 THE QUEENSWAY		

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 68

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj11v 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 68
(4990)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
772364088

CAPTION	PAGE	TOTAL	MOTOR VEHICLE	REGISTRATION	REGISTERED	REGISTRATION
FINING	NO. OF	PAGES	SCHEDULE	NUMBER	UNDER	PERIOD
	02	006		20210510 1428 8077 5954		

DEBTOR	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
--------	---------------	------------------	---------	---------

NAME	BUSINESS NAME			
------	---------------	--	--	--

ONTARIO CORPORATION NO.

ADDRESS

DEBTOR	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
--------	---------------	------------------	---------	---------

NAME	BUSINESS NAME			
------	---------------	--	--	--

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY /

FILE CURRENCY

ADDRESS

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO. FIXED
GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	INCLUDED		MATURITY OR	MATURITY DATE

YEAR	MAKE	MODEL	V.I.N.
------	------	-------	--------

MOTOR			
-------	--	--	--

VEHICLE			
---------	--	--	--

GENERAL
COLLATERAL
DESCRIPTION

ALL SUBSTITUTIONS, ADDITIONS, ACCESSIONS AND REPLACEMENTS THERETO AND THEREOF NOW AND HEREAFTER INSTALLED IN, AFFIXED TO, OR USED IN CONJUNCTION WITH SUCH EQUIPMENT AND PROCEEDS THEREOF TOGETHER WITH

REGISTERING
AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 69

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SURETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 69
(4991)

614

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
772364088

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED ORDER	REGISTRATION PERIOD
	03	006		20210510 1428 8077 5954		

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
----------------	---------------	------------------	---------	---------

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
----------------	---------------	------------------	---------	---------

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY /

ADDRESS

COLLATERAL CLASSIFICATION

CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO. FIXED MATURITY DATE
-------------------	-----------	-----------	----------	-------	---------------------------	--------	------------------------	----------------------------

YEAR	MAKE	MODEL	V.I.N.
------	------	-------	--------

MOTOR
VEHICLES

GENERAL
COLLATERAL
DESCRIPTION

ALL RENTAL OR INSTALLMENT PAYMENTS, INSURANCE PROCEEDS, OTHER
PROCEEDS AND PAYMENTS DUE OR TO BECOME DUE AND ARISING FROM OR
RELATING TO SUCH EQUIPMENT. PROCEEDS ALL PROCEEDS (AS DEFINED IN THE

REGISTERING
AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 70

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crl)iv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 70
(4992)

615

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
772364088

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	04	006		20210510 1428 8077 5954		

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
-------------	---------------	------------------	---------	---------

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
-------------	---------------	------------------	---------	---------

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY /

ADDRESS

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED
GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	INCLUDED		MATURITY OR	MATURITY DATE

MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.
---------------	-----------	-------	--------

GENERAL COLLATERAL DESCRIPTION: PERSONAL PROPERTY SECURITY ACT) OF ANY OF THE ABOVE COLLATERAL IN ANY FORM (INCLUDING, WITHOUT LIMITATION, GOODS, DOCUMENTS OF TITLE, CHATTEL PAPER, INVESTMENT PROPERTY, SECURITIES, INSTRUMENTS, MONEY

REGISTERING AGENT	ADDRESS
-------------------	---------

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

71

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES

(orj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 71
(4993)

616

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
772364088

CAPTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	05	006		20210510 1428 8077 5954		

DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
---------------	------------------	---------	---------

DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
---------------	------------------	---------	---------

DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY /
LOAN CERTIFICATE

ADDRESS

COLLATERAL CLASSIFICATION

GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
-------	-----------	-----------	----------	-------	---------------------------	--------	---------------------	----	---------------------------

YEAR	MAKE	MODEL	V.I.N.
------	------	-------	--------

MOTOR
VEHICLE

GENERAL AND INTANGIBLES (AS EACH SUCH TERM IS DEFINED IN THE PERSONAL
COLLATERAL PROPERTY SECURITY ACT)) DERIVED DIRECTLY OR INDIRECTLY FROM ANY
DESCRIPTION DEALING WITH ANY OF THE ABOVE COLLATERAL OR ANY PROCEEDS THEREOF.

REGISTERING
AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

72

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES

(c)1/1/05/2022

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 72
(4994)

617

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
772364088

CAPTION	PAGE	TOTAL	MOTOR VEHICLE	REGISTRATION	REGISTERED	REGISTRATION
FILING	NO. OF	PAGES	SCHEDULE	NUMBER	UNDER	PERIOD
	06	006		20210510 1428 8077 5954		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09 DEBTOR

ADDRESS

COLLATERAL CLASSIFICATION

CONTAINER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE	AMOUNT	DATE OF	NO FIXED
						INCLUDED		MATURITY OR	MATURITY DATE

11 YEAR MAKE MODEL V.I.N.

12 MOTOR VEHICLE

13 GENERAL

14 COLLATERAL

15 DESCRIPTION

16 REGISTERING AGENT

17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

73

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SURETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 009
 RUN DATE : 2023/01/09
 ID : 20230109114544.35

PROVINCE OF ONTARIO
 MINISTRY OF GOVERNMENT SERVICES
 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
 ENQUIRY RESPONSE
 CERTIFICATE

REPORT : PSSR060
 PAGE : 73
 (4995)

618

TYPE OF SEARCH : BUSINESS DEBTOR
 SEARCH CONDUCTED ON : INSCAPE CORPORATION
 FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
 767976444

CAPTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	01	004		20201124 1432 8077 8431	P PPSA	3

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR NAME BUSINESS NAME INSCAPE CORPORATION

ADDRESS 67 TOLL RD. HOLLAND LANDING ON L9N 1H2

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

DEBTOR NAME BUSINESS NAME

ADDRESS

SECURED PARTY / DELL FINANCIAL SERVICES CANADA LIMITED

ADDRESS 155 GORDON BAKER RD, STE 501 NORTH YORK ON M2H 3N5

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO. FIXED
OWNER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	INCLAMER	MATURITY OR MATURITY DATE

YEAR MAKE MODEL V.I.N.

MOTOR
 VEHICLE

GENERAL ALL DELL AND NON DELL COMPUTER EQUIPMENT AND PERIPHERALS
 COLLATERAL WHEREVER LOCATED HERETOFORE OR HEREAFTER LEASED TO DEBTOR BY SECURED
 DESCRIPTION PARTY PURSUANT TO AN EQUIPMENT LEASE TOGETHER WITH ALL SUBSTITUTIONS.

REGISTERING AGENT REGISTRY = RECOVERY INC.

ADDRESS 1551 THE QUEENSWAY TORONTO ON M8Z 1T5

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 74

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla
 REGISTRAR OF
 PERSONAL PROPERTY SECURITY/
 LE REGISTREUR
 DES SÛRETÉS MOBILIÈRES

(c)11v 05/2022

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 74
(4996)

619

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
767976444

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED ORDER	REGISTRATION PERIOD
	02	004		20201124 1432 8077 8431		

02 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 DEBTOR
NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09 DEBTOR

ADDRESS

COLLATERAL CLASSIFICATION

CONSUMER	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO. FIXED MATURITY DATE

10

11 YEAR MAKE MODEL V.I.N.

12 MOTOR
VEHICLE

13 GENERAL ADDITIONS, ACCESSIONS AND REPLACEMENTS THERETO AND THEREOF NOW AND
14 COLLATERAL HEREAFTER INSTALLED IN, AFFIXED TO, OR USED IN CONJUNCTION WITH SUCH
15 DESCRIPTION EQUIPMENT AND PROCEEDS THEREOF TOGETHER WITH ALL RENTAL OR

16 REGISTERING
AGENT

17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 75

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY /
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj11v 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 75
(4997)

620

TYPE OF SEARCH : BUSINESS DESTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
767976444

CAPTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	03	004		20201124 1432 8077 8431		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

03 DEBTOR NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

06 DEBTOR NAME

BUSINESS NAME

ONTARIO CORPORATION NO.

07 ADDRESS

08 SECURED PARTY /

09 ADDRESS

COLLATERAL CLASSIFICATION				MOTOR VEHICLE	AMOUNT	DATE OF	NO. FIXED
GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	INCLUDED		MATURITY OR	MATURITY DATE

10

11 MOTOR YEAR MAKE MODEL V.I.N.

12 VEHICLE

13 GENERAL INSTALLMENT PAYMENTS, INSURANCE PROCEEDS, OTHER PROCEEDS AND PAYMENTS
14 COLLATERAL DUE OR TO BECOME DUE AND ARISING FROM OR RELATING TO SUCH EQUIPMENT.
15 DESCRIPTION PROCEEDS ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

16 REGISTERING AGENT

17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

76

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj11v 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 76
(4998)

621

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 06JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
767976444

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CAPTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED CHARGE	REGISTRATION PERIOD
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DEBTOR NAME DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

DEBTOR NAME DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY /

DEBTOR NAME

ADDRESS

COLLATERAL CLASSIFICATION

CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
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YEAR MAKE

MODEL

V.I.N.

MOTOR
VEHICLE

GENERAL

COLLATERAL

DESCRIPTION

REGISTERING
AGENT

ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED...

77

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTREUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)

Ontario 

RUN NUMBER : 009
RUN DATE : 2023/01/09
ID : 20230109114544.35

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

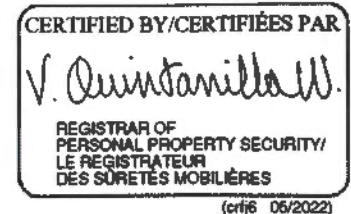
REPORT : PSSR060
PAGE : 77
(4999)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : INSCAPE CORPORATION
FILE CURRENCY : 08JAN 2023

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
787980987	20221028 1128 1590 5829			
785340846	20220728 1628 8077 2920			
784784178	20220711 1421 8077 2401			
784035081	20220616 1025 8077 1743			
783699228	20220606 1431 8077 1440			
782407431	20220427 1427 8077 0345			
782363439	20220426 1425 8077 0297			
781875999	20220408 1041 8077 9812			
780823323	20220303 1427 8077 8227			
780036993	20220131 1027 8077 6931			
776202354	20210908 1428 8077 1110			
773813061	20210624 1426 8077 8276			
772364088	20210510 1428 8077 5954			
767976444	20201124 1432 8077 8431			

14 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.



IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
INSCAPE CORPORATION, INSCAPE (NEW YORK) INC., AND INSCAPE INC.
Applicants

Court File No.: CV-23-00692784-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at **TORONTO**

APPLICATION RECORD

MILLER THOMSON LLP

Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON Canada M5H 3S1

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mfaheim@millerthomson.com
Tel: 416.595.6087

Lawyers for the Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N :

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
INSCAPE CORPORATION, INSCAPE (NEW YORK) INC., AND INSCAPE INC.

Applicants

**APPLICATION RECORD
(RETURNABLE JANUARY 12, 2023)**

January 11, 2023

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON Canada M5H 3S1

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Tel: 416.595.6087

Lawyers for the Applicants

TO THE SERVICE LIST

SERVICE LIST
(as of January 11, 2023)

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AND TO:	DELL FINANCIAL SERVICES CANADA LIMITED 155 Gordon Baker Rd. Ste 501, North York ON M2H 3N5
AND TO:	ATTORNEY GENERAL OF CANADA Department of Justice Canada Ontario Regional Office, Tax Law Section 120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1 Diane Winters 647.256.7459 Diane.winters@justice.gc.ca Lawyers for the Minister of National Revenue
AND TO:	MINISTRY OF FINANCE (ONTARIO) Legal Services Branch 777 Bay Street, 11th Floor Toronto, ON M5G 2C8 Insolvency.unit@ontario.ca
AND TO:	OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY CANADA 151 Yonge Street, 4th Floor Toronto, ON M5C 2W7

	Email: osbservice-bsfservice@ised-isde.gc.ca
AND TO:	FINANCIAL SERVICES REGULATORY AUTHORITY OF ONTARIO 25 Sheppard Ave W Suite 100, North York, ON M2N 6S6
AND TO:	ONTARIO SECURITIES COMMISSION Suite 1900, 20 Queen street West, Toronto ON M5H 3S8

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Court File No.: CV-23-00692784-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N :

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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Applicants

INDEX

TAB	DOCUMENT
1.	Notice of Application
2.	Affidavit of Eric Ehgoetz, sworn January 11, 2023
Exhibits to the Affidavit of Eric Ehgoetz, sworn January 11, 2023	
Exhibit A	Corporate Profile Report for Inscape
Exhibit B	Corporate Profile Report for Inscape Delaware
Exhibit C	Corporate Profile Report for Inscape New York
Exhibit D	Corporate structure chart of the Inscape Group
Exhibit E	United Steelworkers 1-500 union Collective Agreement dated October 1, 2016
Exhibit F	Sheet Metal Workers' International Association Collective Agreement dated June 1, 2017
Exhibit G	Full details regarding Pension Plans administered by the Inscape Group
Exhibit H	Holland Landing Lease dated January 24, 2022
Exhibit I	Jamestown Lease dated December 29, 2020
Exhibit J	Chicago Showroom Lease dated June 17, 2021

Exhibit K	NYC Showroom Lease dated October 10, 2020
Exhibit L	Washington Showroom Lease dated April 5, 2018
Exhibit M	Consolidated Audited Year End Financial Statements from April 30, 2022
Exhibit N	Hilco Loan Agreement dated October 28, 2022
Exhibit O	Hilco General Security Agreement dated October 28, 2022
Exhibit P	Hilco Guarantee dated October 28, 2022
Exhibit Q	Hilco Guarantors General Security Agreement dated October 28, 2022
Exhibit R	Certified Personal Property Registry Search dated January 9, 2023
Exhibit S	Forbearance Agreement dated January 10, 2023
Exhibit T	Take-Over Bid Circular dated November 17, 2022
Exhibit U	Directors' Circular dated November 25, 2022
Exhibit V	Monitor's consent
3.	Initial Order
4.	Blackline of Initial Order against Model Initial Order

**This is Exhibit “S” referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 11th day of January, 2023**

DocuSigned by:

Monica Fabeim

A927326440B742A

A COMMISSIONER FOR TAKING AFFIDAVITS

FORBEARANCE AGREEMENT

This Forbearance Agreement (this “**Agreement**”), dated as of the 10th day of January, 2023 (the “**Effective Date**”), is made by and among:

INSCAPE CORPORATION, a corporation incorporated under the laws of the Province of Ontario (hereinafter referred to as the “**Borrower**”)

- and -

INSCAPE (NEW YORK) INC., a corporation incorporated under the laws of the state of New York (hereinafter referred to as “**Inscape NY**”)

- and -

INSCAPE INC., a corporation incorporated under the laws of the state of Delaware (together with Inscape NY, collectively, the “**Guarantors**”)

- and -

HUK 116 LIMITED, a private limited company formed under the laws of the United Kingdom (hereinafter referred to as the “**Lender**”)

RECITALS:

A. The Lender and the Borrower are parties to a loan agreement dated October 28, 2022 (the “**Loan Agreement**”) pursuant to which the Lender made available to the Borrower a revolving demand credit facility in the maximum aggregate principal amount of \$5,000,000 (the “**Facility**”).

B. As security for all of the indebtedness and obligations due to the Lender under the Loan Agreement (the “**Obligations**”), the Borrower executed and delivered to the Lender a general security agreement dated October 28, 2022 (the “**Borrower Security**”).

C. The Obligations were guaranteed by the Guarantors pursuant to a guaranty dated October 28, 2022 (the “**Guaranty**”). As security for the Guaranty, the Guarantors executed and delivered to the Lender a general security agreement dated October 28, 2022 (the “**Guarantor Security**” and together with the Borrower Security, the “**Security**”).

D. Following financial results reported that were not satisfactory to the Lender, the Borrower is in default of its obligations under the Loan Agreement and the Lender has advised the Borrower that it will

not continue funding the Borrower except in accordance with the terms of this Agreement, subject to such amendments as may be agreed by the parties from time to time.

E. The Borrower is facing financial difficulties and is making an application to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for an initial order (the “**Initial Order**”), among other things, commencing proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended (the “**CCAA**”) and appointing Alvarez & Marsal Canada Inc. as monitor of the Borrower in the CCAA Proceedings. The Borrower intends to utilize the CCAA Proceedings to effect a sale of substantially all of the Borrower’s assets through a Court-supervised liquidation process, for the benefit of its creditors and stakeholders.

F. The Borrower has requested that the Lender: (i) forbear from exercising its rights and remedies under the Loan Agreement and the Security to allow the Borrower to utilize the CCAA Proceedings to maximize value for its creditors and stakeholders; and (ii) allow the Borrower to access the Facility in order to fund the CCAA Proceedings.

G. The Lender has agreed to forbear from exercising such rights and remedies, and to allow limited access to the Facility, subject to and in accordance with the terms and conditions of this Agreement.

NOW THEREFORE in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I

Obligor Acknowledgments

The Borrower and the Guarantors (collectively, the “**Obligors**”) hereby irrevocably and unconditionally acknowledge, covenant, represent, confirm and agree that:

Section 1.01 Recitals. Each of the foregoing recitals is true and accurate in all respects.

Section 1.02 Defaults. The Borrower is in default under the Loan Agreement by virtue of the financial results reported that were not satisfactory to the Lender, the Borrower’s financial difficulties and the commencement of the CCAA Proceedings (the “**Existing Defaults**”).

Section 1.03 Loan Documents. The Loan Agreement, the Guaranty, the Security and all other agreements, instruments and documents executed in connection with or relating to the Obligations (collectively, the “**Loan Documents**”) are in full force and effect, constitute legal, valid, binding and enforceable obligations against the Obligors in accordance with their terms, and each Obligor is hereby estopped from asserting or causing to be asserted on its behalf, any rights of defense, dispute, counterclaim, set-off, deduction or other rights, claims, demands, challenges, objections or appeals of any kind whatsoever existing as of the date of this Agreement, whether in respect of the obligations of the Obligors thereunder or the enforceability of same. The terms of the Loan Documents remain unchanged, except as explicitly modified herein.

Section 1.04 Obligations. The Obligations as of close of business on January 5, 2023 are equal to \$1,321,380, exclusive of interest, fees, costs and expenses which are payable in accordance with the terms of the Loan Agreement and which continue to accrue. The Obligations are due and owing and are not

subject to any set-off, deduction, claim, counterclaim or defence of any kind, nature, character or description whatsoever. For certainty, the Obligors acknowledge and agree that:

- (a) the Obligations are subject to interest, fees, costs and expenses which are not included in the figure noted in this Section 1.04, but which are due and owing in accordance with the terms of the Loan Agreement and other agreements between the parties and which continue to accrue;
- (b) notwithstanding that the Loan Agreement will continue to govern the Further Advances (as defined herein), the Borrower irrevocably acknowledges and agrees that the Termination Fee (as defined in the Loan Agreement) has been earned by the Lender and shall be paid on the Termination Date.

Section 1.05 Collateral. The Lender has valid, enforceable and perfected security interests in the collateral described in the Loan Documents (the “**Collateral**”), as to which there are no set-offs, deductions, claims, counterclaims or defences of any kind or character whatsoever.

Section 1.06 No Lending Obligation. The Lender has no obligation to make further loans or otherwise extend credit to the Obligors under the Loan Documents except in accordance with the terms of this Agreement.

Section 1.07 Right to Demand. Subject to this Agreement, the Lender has the right to demand immediate payment of the Obligations.

Section 1.08 Sweep of Blocked Accounts. The Obligors acknowledge that the Lender swept approximately \$2,200,000 from the Blocked Accounts (as defined in the Loan Agreement) in December 2022, in accordance with Section 2 of Schedule F of the Loan Agreement.

Section 1.09 No Waiver of Defaults. Neither this Agreement, nor any actions taken in accordance with this Agreement or the Loan Documents, shall be construed as a waiver of or consent to the Existing Defaults or any other existing or future defaults under the Loan Documents, as to which the Lender’s rights shall remain reserved.

Section 1.10 Preservation of Rights and Remedies. Upon expiration of the Forbearance Period (as defined in Section 3.01), all of the Lender’s rights and remedies under the Loan Documents, and at law and in equity, shall be available without restriction or modification, as if the forbearance had not occurred, and the obligations of the Obligors under the Loan Documents shall continue to exist.

Section 1.11 Execution and Authorization. This Agreement has been duly executed and delivered by a duly authorized officer on behalf of each Obligor, and constitutes a legal, valid and binding obligation of the Obligors enforceable in accordance with its terms.

Section 1.12 Lender Unaffected. Subject to the terms of this Agreement, the Lender shall be an unaffected creditor in the CCAA Proceedings, and neither the Borrower nor any Guarantor shall take the position that the Lender is so affected.

Section 1.13 Lender Conduct. The Lender has fully and timely performed all of its obligations and duties in compliance with the Loan Documents and applicable law and has acted in a commercially reasonable manner, in good faith and appropriately under the circumstances.

Section 1.14 Purpose of Forbearance. The purpose of this Agreement is to provide the Borrower with an opportunity to obtain creditor protection under the CCAA, to provide committed funding for the Borrower's liquidity and cash flow requirements in the contemplated CCAA Proceedings in accordance with the Cash Flow Forecast (as defined herein), and to complete the sale of substantially all of its assets in order to maximize value for the benefit of its creditors and stakeholders.

Section 1.15 Request to Forbear. The Obligors have requested the Lender's forbearance as provided herein, which shall enure to their direct and substantial benefit.

ARTICLE II

Tolling Provisions

Section 2.01 Tolling. As of the date hereof and continuing until the Termination Date (as defined herein) and thereafter until the termination of the tolling arrangements hereof in the manner provided for at Section 2.02 and whether or not demand for payment has previously been delivered by the Lender in respect of the Obligations, the Lender, the Borrower and the Guarantors hereby agree to toll and suspend the running of the applicable statutes of limitations, laches or other doctrines related to the passage of time in relation to the Obligations, the Security, and the Guaranty and any entitlements arising from the Obligations, the Security and the Guaranty and any other related matters, and each of the parties confirm that this Agreement is intended to be an agreement to suspend or extend the basic limitation period, provided by section 4 of the *Limitations Act*, 2002 (Ontario) (the "**Limitations Act**") as well as the ultimate limitation period provided by section 15 of the Limitations Act in accordance with the provisions of section 22(2) of the Limitations Act as a business agreement in accordance with the provisions of section 22(5) of the Limitations Act and any contractual time limitation on the commencement of proceedings, any claims or defences based upon such applicable statute of limitations, contractual limitations, or any time related doctrine including waiver, estoppel or laches.

Section 2.02 Termination of Tolling. The tolling provisions of this Agreement will terminate upon any party providing the others with 45 days written notice of an intention to terminate the tolling provisions hereof, and upon the expiry of such 45 day notice, and any time provided for under the statutes of limitations, laches, or any other doctrine related to the passage of time in relation to the Obligations, the Security, and the Guaranty or any entitlements arising from the Obligations, the Security, and the Guaranty and any other related matters, will recommence running as of the effective date of such notice, and, for greater certainty, the time during which the limitation period is suspended pursuant to the tolling provisions of this Agreement shall not be included in the computation of any limitation period.

ARTICLE III

Lender Forbearance, Fee

Section 3.01 Forbearance Period. Subject to compliance by the Obligors with the terms and conditions of this Agreement, the Lender hereby agrees to forbear from exercising its rights and remedies against the Obligors under the Loan Documents with respect to the Existing Defaults during the period (the "**Forbearance Period**") commencing on the Effective Date and ending on the earliest to occur of: (i) April 15, 2023 or such later date as the parties may agree; (ii) the date upon which the Obligations are repaid, in full; and (iii) the date upon which any Forbearance Default (as defined in herein) occurs, subject to the Cure Period (as defined herein). The Lender's forbearance, as provided herein, shall immediately and automatically cease without notice or further action on the earliest to occur of (i), (ii) or (iii) (the "**Termination Date**"). On and from the Termination Date, the Lender may, in its sole discretion,

exercise any and all remedies available to it under the Loan Documents by reason of the occurrence of any default or event of default thereunder or the continuation of any Existing Default.

Section 3.02 Extension of Forbearance Period. In the sole discretion of the Lender and without obligation, after the Termination Date, the Lender may renew or extend the Forbearance Period or grant additional forbearance periods.

Section 3.03 Scope of Forbearance. During the Forbearance Period, the Lender will not: (i) Demand the repayment of the Obligations or initiate proceedings to collect or enforce the Obligations; (ii) make an assignment into bankruptcy or join in filing, or support, any involuntary bankruptcy petition with respect to the Obligors under the *Bankruptcy and Insolvency Act* (the “**BIA**”), or otherwise file or participate in any insolvency, bankruptcy, reorganization, moratorium, receivership or other similar proceedings against the Obligors under the BIA, *Business Corporations Act* (Ontario) (the “**OBCA**”), Chapter 11 of the United States Bankruptcy Code, or similar statute; (iii) repossess, foreclose upon, or dispose of, any of the Collateral, through judicial proceedings or otherwise; or (iv) initiate proceedings to enforce the Guaranty.

Section 3.04 Forbearance Fee. As partial consideration for the Lender’s agreement to forbear as set forth herein, the Borrower shall pay to the Lender a forbearance fee in the amount of \$100,000 earned upon the execution of this Agreement and payable on or before April 15, 2023.

ARTICLE IV

Further Advances During Forbearance Period

Section 4.01 Further Advances. Notwithstanding the Existing Defaults, subject to the terms and conditions contained herein, the Lender shall continue to make advances (the “**Further Advances**”) to the Borrower in accordance with the cash flow forecast prepared by the Company, as attached hereto as **Schedule “A”** (the “**Cash Flow Forecast**”), provided that the Lender agrees that for any given period if actual cash flow requirements exceed Cash Flow Forecast requirements the Lender will make Further Advances to satisfy such requirements, up to no more than 20% in excess of forecast requirements in any given period. The Further Advances shall be governed by and subject to the terms and conditions of the Loan Agreement (as expressly modified herein).

Section 4.02 Interest. Interest on the Further Advances shall accrue at the Default Interest Rate (as such term is defined in the Loan Agreement), and be paid in full on the Termination Date.

Section 4.03 Security. The Further Advances shall form part of the Obligations and shall be secured by the Security.

Section 4.04 Use of Funds. The Further Advances shall be advanced and used solely in accordance with the Cash Flow Forecast, or for such other purposes as are approved by the Lender in writing.

Section 4.05 Repayment. Unless otherwise agreed to by the Lender and the Borrower in writing, the Further Advances shall be repaid, in full, on the earlier to occur of:

- (a) April 15, 2023;
- (b) the date on which the CCAA Proceedings are terminated for any reason, including if the CCAA Proceedings are converted into a proceeding under the BIA; and
- (c) the occurrence of a Forbearance Default, subject to the Cure Period.

ARTICLE V

Representations and Warranties

Each of the Obligors represents and warrants as to itself that all representations and warranties relating to it contained in the Loan Documents are true and correct as of the Effective Date, except to the extent that such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date. The Obligors further represent and warrant to the Lender as follows, and acknowledge that the Lender is relying on the accuracy of such representations and warranties:

Section 5.01 Authorization. The execution, delivery and performance of this Agreement are within its corporate power and authority and have been duly authorized by all necessary corporate action.

Section 5.02 Enforceability. This Agreement constitutes a valid and legally binding Agreement enforceable against the Obligors in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance and similar laws affecting creditors' rights generally and to general principles of equity.

Section 5.03 No Violation. The execution, delivery and performance of this Agreement do not and will not: (i) violate any law, regulation or court order to which the Obligors are subject; (ii) conflict with the Obligors' constating documents; or (iii) result in the creation or imposition of any lien, security interest or encumbrance on any property of the Obligors, whether now owned or hereafter acquired, other than security interests in favour of the Lender.

Section 5.04 Accuracy of Information. All information provided by the Obligors, or any of their respective agents, is true, correct, and complete in all material respects, as of the date provided and does not contain any untrue statements of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading.

Section 5.05 Advice of Counsel. The Obligors have freely and voluntarily entered into this Agreement with the advice of legal counsel of their choosing, or have knowingly waived the right to do so.

ARTICLE VI

Covenants

To induce the Lender to forbear from the exercise of its rights and remedies as set forth above, the Borrower and the Guarantors (where applicable) hereby covenant and agree as follows:

Section 6.01 Compliance with Loan Documents. The Obligors shall continue to perform and observe all covenants, terms and conditions and other obligations contained in all of the Loan Documents (as expressly modified herein) and this Agreement, save and except covenants, terms and conditions and other obligations in the Loan Documents:

- (a) that the Obligors cannot comply with in view of the Borrower's commencement and continuance of the CCAA Proceedings; and,
- (b) related to or arising from the Existing Defaults.

The Borrower shall provide the Lender with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute a default under any Loan Document or under this Agreement.

Section 6.02 CCAA Materials, Orders. The Borrower shall promptly provide the Lender with: (a) all materials it intends to file in the CCAA Proceedings, and shall provide the Lender and its counsel a reasonable amount of time to review same; and (b) copies of any Notice of Motion or Application to vary, supplement, revoke, terminate or discharge any order within the CCAA Proceedings, including (without limitation) any application for the granting of new or additional security.

Section 6.03 Use of Further Advances. The Borrower shall use any Further Advances strictly in accordance with the Cash Flow Forecast, or for such other purposes as the Lender may agree to in writing.

Section 6.04 Collections. Following the Effective Date, the Borrower may, with the consent of the monitor, engage, at its own expense, Credit Limits Limited for the purpose of managing the collection of the Borrower's outstanding accounts receivable. Any such engagement shall be on terms satisfactory to the Borrower, acting reasonably.

Section 6.05 Perfection of Lender's Security Interests. The Obligors shall execute and deliver to the Lender such documents and take such actions as the Lender deems necessary or advisable to perfect or protect the Lender's security interests, mortgages or liens granted by the Obligors to the Lender.

Section 6.06 Other Financial Information and Reporting. The Borrower shall be available to discuss, and shall promptly provide to the Lender, such other financial information and reporting as the Lender may reasonably request.

Section 6.07 No Additional Debt, No Further Security. Except with the prior written consent of the Lender, the Obligors shall not increase existing debt obligations or incur new debt obligations, and shall not grant security interests, mortgages, hypothecs, liens, charges, pledges or other encumbrances whatsoever to any person, firm, corporation or other legal entity.

Section 6.08 Statutory Remittances. The Borrower shall keep current all amounts owing by the Borrower to the Crown, including, without limitation, amounts owing under the *Income Tax Act* (Canada), the *Excise Tax Act* (Canada), the *Retail Sales Tax Act* (Ontario) and any other federal, provincial or municipal laws (including all provincial or municipal taxes, rates, duties, levies, fees, charges, local improvement rates, imposed charges, levies and assessments whatsoever) which could give rise to a claim in priority to the Security (collectively, the "**Priority Payables**"). The Borrower hereby authorizes and directs any entity having information in respect of the Priority Payables to release such information to the Lender or its agents to assist the Lender in evaluating the existence and extent of any indebtedness owing by the Borrower to such entity and the Borrower shall, at the request of the Lender, execute and deliver such authorizations and consents as the Lender may require in respect of same.

Section 6.09 Notice of Adverse Claims. If the Obligors shall become aware that any person or entity is asserting any lien, encumbrance, security interest or adverse claim (including any writ of seizure and sale, garnishment, judgment, execution, civil enforcement order, or similar process or any claim of control) against any of them or any of their property (each, an "**Adverse Claim**"), they shall promptly notify the Lender in writing thereof and provide to the Lender all documentation and other information it may request regarding such Adverse Claim.

Section 6.10 Notice of Forbearance Default. The Borrower shall give to the Lender prompt notice of any Forbearance Default or any event which, with notice or lapse of time or both, would constitute a Forbearance Default.

Section 6.11 Further Assurances. Promptly upon the request of the Lender, the Obligors shall take any and all actions, of any kind or nature whatsoever, and execute and deliver additional documents that relate to this Agreement and the transactions contemplated herein.

ARTICLE VII

Reaffirmation of Guaranty

Section 7.01 Reaffirmation of Guaranty. Each Guarantor hereby ratifies and reaffirms: (i) the validity, legality and enforceability of the Guaranty; (ii) that its reaffirmation of the Guaranty is a material inducement to the Lender to enter into this Agreement; and (iii) that their obligations under their Guaranty shall remain in full force and effect until all the Obligations have been paid in full.

ARTICLE VIII

Release of Claims and Waiver of Defences

Section 8.01 Release of Claims and Waiver of Defences. In further consideration of the Lender's execution of this Agreement, the Obligors, on behalf of themselves and their successors, assigns, parents, subsidiaries, affiliates, officers, directors, employees, and agents, hereby forever, fully, unconditionally and irrevocably waive and release the Lender and its successors, assigns, parents, subsidiaries, affiliates, officers, directors, employees, and agents (collectively, the "**Releasees**") from any and all claims, liabilities, obligations, debts, causes of action (whether at law, in equity or otherwise), defences, counterclaims, set-offs, of any kind, whether known or unknown, whether liquidated or unliquidated, matured or unmatured, fixed or contingent, directly or indirectly arising out of, connected with, resulting from or related to any act or omission by the Lender or any other Releasee with respect to the Loan Documents and any Collateral, other than the Lender's or any Releasee's wilful acts or omissions, on or before the date of this Agreement (collectively, the "**Claims**"). The Obligors further agree that they shall not commence, institute or prosecute any lawsuit, action or other proceeding, whether judicial, administrative or otherwise, to collect or enforce any Claim.

ARTICLE IX

Forbearance Defaults

Section 9.01 Forbearance Defaults. The occurrence of one or more of the following shall constitute a "**Forbearance Default**" under this Agreement, unless such default is existing at the time of the execution of this Agreement and the Lender is aware of such default:

- (a) The Obligors, or any of them, fail to abide by or observe any term, condition, covenant or other provision contained in this Agreement or any document related to or executed in connection with this Agreement.
- (b) A default or event of default occurs under any Loan Document or any document related to or executed in connection with any of the Loan Documents (other than the Existing

Defaults and any defaults arising as a consequence of the commencement or continuance of CCAA Proceedings or other insolvency proceedings).

- (c) Any Guarantor ceases to exist or revokes or terminates its liability under the Guaranty, or challenges the validity or enforceability of the Guaranty, or denies any further liability or obligation thereunder.
- (d) The Borrower seeks or supports any Court order (in the CCAA Proceedings or otherwise) which is adverse or potentially adverse to the interests of the Lender.
- (e) The Borrower becomes bankrupt or subject to a proceeding under the BIA, or a receiver, interim receiver, receiver and manager or trustee in bankruptcy is appointed in respect of the Borrower or any of its property.
- (f) The Borrower files any plan of reorganization, arrangement or liquidation to which the Lender does not consent.
- (g) A tax lien, warrant or levy is imposed on any Obligor or any Collateral.
- (h) Any Obligor, or any of their respective creditors commences a proceeding or other action against the Lender relating to any of the Obligations, Collateral, Loan Documents, this Agreement, or any action or omission by the Lender or their agents in connection with any of the foregoing.
- (i) Any representation or warranty of any Obligor made herein shall be false, misleading or incorrect in any material respect when made.

Section 9.02 Waiver. The Lender may waive, in writing, any Forbearance Default, in its sole and absolute discretion, but no such waiver shall constitute a waiver of any other Forbearance Default.

Section 9.03 Cure Period. Upon the occurrence of a Forbearance Default, the Obligors shall be entitled to a ten (10) day cure period (the “**Cure Period**”). If a Forbearance Default is not cured within the Cure Period, the Lender shall be entitled to all of its rights and remedies under this Agreement, the Security, at law or otherwise.

ARTICLE X

Remedies

Section 10.01 Remedies. Upon the occurrence of a Forbearance Default and the expiry of the Cure Period:

- (a) The Forbearance Period shall immediately and automatically cease, without notice to, or action by, any party, and the Lender shall have no further obligation to forbear and shall be entitled to enforce all of its rights and remedies against the Obligors.
- (b) The Lender shall be entitled to issue a demand for payment and corresponding Notice of Intention to Enforce Security under Section 244 of the BIA (a “**244 Notice**”) and upon receipt of a demand for payment and 244 Notice, the Obligors confirm that they shall consent to the immediate enforcement of the Security.

- (c) The Lender shall be entitled to exercise any or all of its rights and remedies under the Loan Documents, this Agreement, or any stipulations or other documents executed in connection with or related to this Agreement or any of the Loan Documents, or applicable law, including, without limitation, the appointment of a receiver, receiver manager, interim receiver, trustee, custodian, conservator, or other similar official for it or for all or any part of its assets.
- (d) The Obligors shall cooperate with the Lender's repossession of all personal property Collateral, which the Obligors shall immediately surrender to the Lender upon the Lender's request, at the time and place designated by the Lender.
- (e) The Obligors shall cooperate with the Lender in initiating such proceedings, or filings for the benefit of creditors, as the Lender deems necessary or desirable to satisfy the outstanding Obligations.
- (f) The Lender may set off or apply to the payment of any or all of the Obligations, any deposit balances, any or all of the Collateral or proceeds thereof, or other money which the Lender now or hereafter owes to the Obligors.

ARTICLE XI

Bankruptcy

Section 11.01 Waiver of Right to File for Bankruptcy Protection. Without the prior written consent of the Lender, the Obligors agree that they will not institute, or cause to be instituted, against them, any proceedings under any bankruptcy and insolvency laws, including under the BIA, the OBCA and Chapter 11 of the United States Bankruptcy Code (other than the CCAA Proceedings).

Section 11.02 Waiver of Automatic Stay. In the event that the Obligors, or any of them, are the subject of any voluntary or involuntary proceeding under bankruptcy and insolvency laws including the BIA, the OBCA and Chapter 11 of the United States Bankruptcy Code, the Obligors hereby unconditionally and irrevocably agree that the Lender is immediately entitled, without notice, demand or any other action, to relief from the automatic stay so as to allow the Lender to realize on its Collateral and enforce its other rights and remedies under the Loan Documents, or at law and in equity under applicable provincial, state and federal laws. The Obligors hereby consent to the immediate lifting, without notice, demand or any other action, of any such automatic stay and agree that they shall not, in any manner, contest or otherwise delay any motion filed by the Lender for relief from the automatic stay. The Lender's enforcement of this stay waiver is subject to the discretion and approval of the bankruptcy courts.

ARTICLE XII

Miscellaneous

Section 12.01 Notices. Any notices with respect to this Agreement shall be given in writing and addressed to the other parties at the addresses set out below:

- (a) if to the Lender:

HUK 116 Limited
84 Grosvenor Street

London W1K3JZ, England

Attention: Tom Jones
Email: tom.jones@hilcocapital.com

(b) if to the Borrower or the Guarantors:

Inscape Corporation
67 Toll Road
Holland Landing, ON L9N 1H2

Attention: Eric Ehgoetz
Email: eehgoetz@myinscape.com

Section 12.02 Entire Agreement. This Agreement and the Loan Documents constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein and supersede all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

Section 12.03 Amendments. The terms of this Agreement may only be waived, amended, modified or supplemented by an agreement in writing signed by all the parties hereto.

Section 12.04 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

Section 12.05 Full Force and Effect. The Loan Documents shall remain unchanged, in full force and effect, and continue to govern and control the relationship between the parties hereto, except to the extent they are inconsistent with, superseded or expressly modified herein. To the extent of any inconsistency, amendment or superseding provision, this Agreement shall govern and control.

Section 12.06 Successors and Assigns. This Agreement is binding upon and shall enure to the benefit of the parties hereto and their respective heirs, successors and assigns; provided that the Obligors may not assign any rights or delegate any obligations arising herein without the prior written consent of the Lender, and any prohibited assignment shall be absolutely void. The Lender may assign its rights and interests in this Agreement, the Loan Documents and all documents executed in connection with or related to this Agreement or the Loan Documents, at any time, without the consent of or notice to the Obligors.

Section 12.07 Governing Law. This Agreement is governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein without giving effect to any choice or conflict of law provision or rule (whether of the Province of Ontario or any other jurisdiction).

Section 12.08 Submission to Jurisdiction. Any action or proceeding arising out of this Agreement, the other Loan Documents or the transactions contemplated hereby or thereby will be instituted in the courts of the Province of Ontario, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such action or proceeding. The parties irrevocably and unconditionally waive any objection to the venue of any action or proceeding in such courts and irrevocably waive and agree not to plead or claim in

any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

Section 12.09 Currency. All references to currency herein are references to Canadian Dollars.

Section 12.10 No Waiver. No failure to exercise and no delay in exercising, on the part of the Lender, any right, remedy, power or privilege hereunder or under the Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. Further, the Lender's acceptance of payment on account of the Obligations or other performance by the Obligors after the occurrence of Forbearance Default shall not be construed as a waiver of such Forbearance Default, any other Forbearance Default, or any of the Lender's rights or remedies.

Section 12.11 Cumulative Rights. The rights and remedies under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available by law, in equity or otherwise.

Section 12.12 Reimbursement of Costs and Expenses. The Obligors agree to pay all costs, fees and expenses of the Lender (including legal fees) expended or incurred by the Lender in connection with the negotiation, preparation, administration and enforcement of this Agreement, the Loan Documents, the Obligations, any of the Collateral and all fees, costs and expenses incurred in connection with any bankruptcy or insolvency proceeding (including, without limitation, any contested matter or motion brought by the Lender or any other person). Without in any way limiting the foregoing, the Obligors hereby reaffirm their agreement under the applicable Loan Documents to pay or reimburse the Lender for certain costs and expenses incurred by the Lender.

Section 12.13 Headings. The Section headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 12.14 Counterparts; Electronic Execution. This Agreement may be executed in any number of counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission (that is, .pdf or .tiff) is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[Signature Page Follows]

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

For the Lender:

HUK 116 LIMITED

Per: 

Name: Matthew Holt

Title: Director

I have the authority to bind the corporation

For the Borrower:

INSCAPE CORPORATION

Per: 

Name: Eric Ehgoetz

Title: Chief Executive Officer

Per: 

Name: Jon Szczur

Title: Chief Financial Officer

We have the authority to bind the corporation

For the Guarantors:

INSCAPE (NEW YORK) INC.

Per: 

Name: Eric Ehgoetz

Title: Chief Executive Officer

Per: 

Name: Jon Szczur

Title: Chief Financial Officer

We have the authority to bind the corporation

INSCAPE INC.

Per: _____

Name: Eric Ehgoetz
Title: Chief Executive Officer

Per: _____

Name: Jon Szczur
Title: Chief Financial Officer

We have the authority to bind the corporation

SCHEDULE "A"
CASH FLOW FORECAST

Attached.

Private and Confidential
1/9/2023

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For Discussion Purposes Only

Inscape Corporation

Consolidated 16-Week Cash Flow Forecast ending April 21, 2023

\$CAD '000's

Cash Flow Week:	Pre-Filing		Post-Filing														16-Week Total
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	
Week Ending:	6-Jan-23	13-Jan-23	20-Jan-23	27-Jan-23	3-Feb-23	10-Feb-23	17-Feb-23	24-Feb-23	3-Mar-23	10-Mar-23	17-Mar-23	24-Mar-23	31-Mar-23	7-Apr-23	14-Apr-23	21-Apr-23	
Receipts																	
AR collections	52	156	573	521	781	521	521	781	312	208	156	156	156	156	156	-	5,206
Proceeds from sale of inventory	-	-	-	-	57	57	57	57	57	-	-	-	-	-	-	-	287
Proceeds from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	3,056	-	-	-	3,056
Sales tax and other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000	1,000
Total Receipts	52	156	573	521	838	578	578	838	370	208	156	156	3,213	156	156	1,000	9,550
Disbursements																	
Vendor payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General & admin	-	(59)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	-	-	-	-	-	-	(259)
Salaries & benefits	(43)	(793)	(139)	(215)	(5)	(132)	(5)	(101)	(5)	(70)	(5)	(54)	-	(54)	-	(27)	(1,645)
Proposed KERP	-	-	-	-	(100)	(32)	-	(52)	-	(20)	-	-	-	-	(335)	-	(539)
Insurance	(6)	(164)	-	(26)	-	(6)	-	-	(26)	(6)	-	-	(26)	-	-	-	(261)
Utilities	-	-	(50)	-	(17)	(38)	-	-	(17)	(38)	-	-	(17)	(38)	-	-	(212)
Rent	-	(35)	(134)	-	(134)	-	(134)	-	(134)	-	(134)	-	(134)	-	-	-	(840)
Taxes	-	-	-	(27)	-	-	(27)	-	-	-	(27)	-	-	-	-	-	(82)
Professional fees	-	(273)	-	(311)	-	(283)	(238)	(283)	(28)	(254)	-	(192)	(135)	-	(170)	218	(1,948)
Total Disbursements	(50)	(1,323)	(348)	(604)	(280)	(514)	(429)	(460)	(235)	(413)	(166)	(246)	(312)	(91)	(505)	191	(5,785)
Net Cash Flow	2	(1,167)	224	(83)	558	64	149	378	135	(204)	(10)	(89)	2,901	65	(348)	1,191	3,765
Opening Cash	252	254	287	511	428	986	1,049	1,199	1,577	1,712	1,508	1,498	1,408	4,309	4,374	4,026	252
Net cash flow	2	(1,167)	224	(83)	558	64	149	378	135	(204)	(10)	(89)	2,901	65	(348)	1,191	3,765
Hilco advances	-	1,200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,200
Hilco (sweeps/repayments)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Cash (Bank)	254	287	511	428	986	1,049	1,199	1,577	1,712	1,508	1,498	1,408	4,309	4,374	4,026	5,217	5,217
Hilco Facility (HUK 116)																	
Opening revolver		1,321	2,632	2,649	2,665	2,681	2,698	2,714	2,731	2,748	2,765	2,781	2,798	2,815	2,832	2,849	1,321
Accrued interest		7	13	13	14	14	14	14	14	14	14	14	14	14	14	14	202
Non-utilization interest		5	3	3	3	3	3	3	3	3	3	3	3	3	3	3	44
Net advances / (repayments)		1,200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,200
Accrued fees		100	-	-	-	-	-	-	-	-	-	-	-	-	-	250	350
Closing Revolver	1,321	2,632	2,649	2,665	2,681	2,698	2,714	2,731	2,748	2,765	2,781	2,798	2,815	2,832	2,849	3,117	3,117

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1/9/2023

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For Discussion Purposes Only

Inscap Corporation

Canada 16-Week Cash Flow Forecast ending April 21, 2023

\$CAD '000's

Cash Flow Week: Week Ending:	Pre-Filing		Post-Filing														16-Week Total
	Week 1 6-Jan-23	Week 2 13-Jan-23	Week 3 20-Jan-23	Week 4 27-Jan-23	Week 5 3-Feb-23	Week 6 10-Feb-23	Week 7 17-Feb-23	Week 8 24-Feb-23	Week 9 3-Mar-23	Week 10 10-Mar-23	Week 11 17-Mar-23	Week 12 24-Mar-23	Week 13 31-Mar-23	Week 14 7-Apr-23	Week 15 14-Apr-23	Week 16 21-Apr-23	
Receipts																	
AR collections	2	5	17	15	23	15	15	23	9	6	5	5	5	5	5	-	151
Proceeds from sale of inventory	-	-	-	-	57	57	57	57	57	-	-	-	-	-	-	-	287
Proceeds from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	2,696	-	-	-	2,696
Sales tax and other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000	1,000
Total Receipts	2	5	17	15	80	72	72	80	66	6	5	5	2,701	5	5	1,000	4,135
Disbursements																	
Vendor payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General & admin	-	(59)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	-	-	-	-	-	-	(259)
Salaries & benefits	(7)	(540)	(130)	(199)	(5)	(116)	(5)	(90)	(5)	(70)	(5)	(54)	-	(54)	-	(27)	(1,304)
Proposed KERP	-	-	-	-	(100)	(25)	-	(25)	-	(20)	-	-	-	-	(335)	-	(505)
Insurance	-	(158)	-	(26)	-	-	-	-	(26)	-	-	-	(26)	-	-	-	(236)
Utilities	-	-	(50)	-	(17)	(38)	-	-	(17)	(38)	-	-	(17)	(38)	-	-	(212)
Rent	-	-	(117)	-	(117)	-	(117)	-	(117)	-	(117)	-	(117)	-	-	-	(700)
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional fees	-	(205)	-	(311)	-	(283)	(62)	(283)	(28)	(254)	-	(192)	-	-	(170)	150	(1,637)
Total Disbursements	(7)	(961)	(322)	(561)	(263)	(486)	(208)	(422)	(217)	(406)	(121)	(246)	(159)	(91)	(505)	123	(4,853)
Net Cash Flow	(5)	(957)	(306)	(546)	(183)	(413)	(136)	(342)	(151)	(400)	(117)	(241)	2,542	(86)	(500)	1,123	(718)
Opening Cash	147	142	(815)	(1,121)	(1,667)	(1,849)	(2,263)	(2,399)	(2,741)	(2,891)	(3,292)	(3,409)	(3,650)	(1,108)	(1,195)	(1,694)	147
Net cash flow	(5)	(957)	(306)	(546)	(183)	(413)	(136)	(342)	(151)	(400)	(117)	(241)	2,542	(86)	(500)	1,123	(718)
Closing Cash (Bank)	142	(815)	(1,121)	(1,667)	(1,849)	(2,263)	(2,399)	(2,741)	(2,891)	(3,292)	(3,409)	(3,650)	(1,108)	(1,195)	(1,694)	(571)	(571)

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1/9/2023

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For Discussion Purposes Only

Inscape Corporation

U.S. 16-Week Cash Flow Forecast ending April 21, 2023

\$CAD '000's

	Pre-Filing				Post-Filing												
Cash Flow Week:	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16	16-Week
Week Ending:	6-Jan-23	13-Jan-23	20-Jan-23	27-Jan-23	3-Feb-23	10-Feb-23	17-Feb-23	24-Feb-23	3-Mar-23	10-Mar-23	17-Mar-23	24-Mar-23	31-Mar-23	7-Apr-23	14-Apr-23	21-Apr-23	Total
Receipts																	
AR collections	51	152	556	506	758	506	506	758	303	202	152	152	152	152	152	-	5,055
Proceeds from sale of inventory	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	360	-	-	-	360
Sales tax and other receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Receipts	51	152	556	506	758	506	506	758	303	202	152	152	512	152	152	-	5,415
Disbursements																	
Vendor payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General & admin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Salaries & benefits	(37)	(253)	(9)	(16)	-	(16)	-	(11)	-	-	-	-	-	-	-	-	(341)
Proposed KERP	-	-	-	-	-	(7)	-	(27)	-	-	-	-	-	-	-	-	(34)
Insurance	(6)	(6)	-	-	-	(6)	-	-	-	(6)	-	-	-	-	-	-	(25)
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	-	(35)	(17)	-	(17)	-	(17)	-	(17)	-	(17)	-	(17)	-	-	-	(140)
Taxes	-	-	-	(27)	-	-	(27)	-	-	-	(27)	-	-	-	-	-	(82)
Professional fees	-	(68)	-	-	-	-	(176)	-	-	-	-	-	(135)	-	-	68	(311)
Total Disbursements	(43)	(362)	(26)	(43)	(17)	(29)	(220)	(38)	(17)	(6)	(45)	-	(152)	-	-	68	(931)
Net Cash Flow	8	(210)	530	463	741	477	285	720	286	196	107	152	359	152	152	68	4,484
Opening Cash																	
Net cash flow	8	(210)	530	463	741	477	285	720	286	196	107	152	359	152	152	68	4,484
Closing Cash (Bank)	112	(98)	432	894	1,635	2,112	2,397	3,118	3,404	3,600	3,706	3,858	4,217	4,369	4,521	4,588	4,588

**This is Exhibit "T" referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 11th day of January, 2023**

DocuSigned by:

Monica Falsheim

A COMMISSIONER FOR TAKING AFFIDAVITS

No securities tendered to this bid will be taken up until (a) more than 50% of the outstanding securities of the class sought (excluding those securities beneficially owned, or over which control or direction is exercised by the Offeror, its affiliates or any person acting jointly or in concert with the Offeror) have been tendered to the bid, (b) at least the minimum deposit period required under applicable securities laws has elapsed, and (c) any and all other conditions of the bid have been complied with or, where permitted, waived, as applicable. If these criteria are met, the Offeror will take up securities deposited under the bid in accordance with applicable securities laws and extend its bid for an additional minimum period of 10 days to allow for further deposits of applicable securities.

This document is important and requires your immediate attention. If you are in doubt as to how to deal with it you should consult your investment advisor, stockbroker, bank manager, trust company manager, accountant, lawyer or other professional advisor.

The Offer has not been approved or disapproved by any securities regulatory authority, nor has any securities regulatory authority passed upon the fairness or merits of the Offer or upon the adequacy of the information contained in this document. Any representation to the contrary is an offence.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from, or on behalf of, Shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

November 17, 2022



HUK 121 LIMITED
a wholly-owned subsidiary of
HILCO CAPITAL LIMITED
OFFER TO PURCHASE FOR CASH
all of the issued and outstanding SVS Shares of
INSCAPE CORPORATION
other than SVS Shares owned by the Offeror or any of its affiliates
at a price of \$0.007 in cash per SVS Share

The Offer

HUK 121 Limited (the “Offeror”), a wholly-owned subsidiary of Hilco Capital Limited (“Hilco”), hereby offers (the “Offer”) to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding subordinate voting shares (“SVS Shares”) of Inscape Corporation (“Inscape”) (other than SVS Shares owned by the Offeror or any of its affiliates), and any SVS Shares that may become issued and outstanding after the date of the Offer but prior to the Expiry Time (as defined herein) upon the exercise, conversion, or exchange of options, warrants, debentures or other securities of Inscape that are exercisable for, convertible into or exchangeable for SVS Shares (“Convertible Securities”), at a price of \$0.007 in cash per SVS Share (the “Offer Price”).

The Offer is open for acceptance until 5:00 p.m. (Toronto time) on December 23, 2022 (the “Expiry Time”), unless the Offer is accelerated, extended or withdrawn.

The Board of Directors of Inscape (the “Inscape Board”), after consultation with its financial and legal advisors, and the Special Committee (as defined herein), UNANIMOUSLY DETERMINED that the Offer is in the best interests of Inscape and Inscape shareholders (the “Shareholders”) and the Offer Price is fair, from a financial point of view, to the Shareholders and, accordingly, have agreed to UNANIMOUSLY RECOMMEND that Shareholders ACCEPT the Offer and DEPOSIT their SVS Shares under the Offer.

Reasons to Accept the Offer

The Offeror believes that the Offer is compelling and that the following are reasons to accept the Offer:

- **Liquidity and Certainty of Value.** The Offer immediately crystalizes full and certain value by providing for 100% cash consideration for the SVS Shares, giving depositing Shareholders certainty of value and immediate liquidity while removing financing, market, regulatory and execution risks to Shareholders. The trading volume of the SVS Shares is very low and there is no efficient, liquid market for the SVS Shares that would allow Shareholders to realize the value of their SVS Shares. Shareholders who deposit their SVS Shares under the Offer will have the opportunity to realize cash proceeds and certainty of value for their SVS Shares.
- **Significant Funding Required.** The significant aggregate losses incurred in the immediately preceding ten fiscal quarters have made the financial viability of Inscape questionable. Inscape has been aggressively pursuing alternative sources of capital without success. Equity financing sufficient to repay debt and fund the progress of Inscape's business plan (including significant capital needed to downsize its factories and to make ongoing investments in sales and distribution), if available, may be significantly dilutive to Shareholders.
- **Impact of COVID-19.** Inscape experienced significant declines in its business and financial performance over the past few years, largely due to the impacts of the COVID-19 pandemic. COVID-19 impacted Inscape by significantly reducing the customer demand for its products and disrupting its supply logistics.
- **Risk of downward impact on SVS Share price if Offer not accepted.** If the Offer is not successful and no alternative transaction is available, the Offeror believes it is highly likely that the trading price of SVS Shares will decline to significantly lower levels.
- **Opportunity to effect a successful turnaround.** Hilco, parent to the Offeror, is a prominent international financial investor and adviser, working across a broad range of sectors and specializes in restructuring and refinancing distressed companies. The Offeror believes that it provides the best opportunity for a successful turnaround of the Inscape business, which the Offeror believes is in the best interest of all of Inscape's stakeholders. Hilco has provided Inscape with a \$5,000,000 secured demand credit facility to fulfil its working capital requirements and fund the recovery of its business.
- **Unanimous Recommendation of the Inscape Board.** The Inscape Board, after consultation with its financial and legal advisors and the Special Committee, UNANIMOUSLY DETERMINED that the Offer is in the best interests of Inscape and the Shareholders and the Offer Price is fair, from a financial point of view, to the Shareholders and, accordingly, UNANIMOUSLY RECOMMENDED that Shareholders ACCEPT the Offer and DEPOSIT their SVS Shares under the Offer.
- **Support of Shareholders.** Certain Shareholders, including all officers and directors of Inscape holding SVS Shares, have entered into hard lock-up agreements (the "**Lock-Up Agreements**") pursuant to which they have agreed to deposit under the Offer all SVS Shares held or to be acquired by them pursuant to the exercise of Inscape stock options ("**Options**"), representing in the aggregate approximately 81.1% of the issued and outstanding SVS Shares on a Fully-Diluted Basis (as defined herein), subject to certain terms and conditions of such agreements. The total number of SVS Shares to be deposited pursuant to the Lock-Up Agreements is sufficient to meet the Minimum Tender Condition (as defined herein). The Lock-Up Agreements do not permit the Locked-Up Shareholders to accept an Acquisition Proposal (as defined herein) other than the Offer.
- **Evans & Evans Fairness Opinion.** Evans & Evans Inc. provided the Inscape Board with a verbal opinion to the effect that, as of the date of such opinion, subject to the assumptions, limitations, and qualifications, which will be set out in the written opinion, the Offer Price is fair, from a financial point of view, to Shareholders.
- **Fully Financed Cash Offer.** The Offer is not subject to a financing condition. The Offeror will satisfy the funding requirements of the Offer from its cash resources.

The Depositary for the Offer is:



TSX Trust Company
100 Adelaide Street West, Suite 301
Toronto, Ontario
M5H 4H1
Attention: Corporate Actions

Telephone: (416) 682-3860
Toll Free: +1-800-387-0825
E-Mail: shareholderinquiries@tmx.com

Support Agreement

The Offeror and Inscape entered into a support agreement (the “**Support Agreement**”) on October 28, 2022, pursuant to which the Offeror has agreed that it will make the Offer and Inscape has agreed to, among other things, support the Offer and not solicit any competing Acquisition Proposals (as defined herein), all subject to the terms and conditions set out therein.

The Support Agreement provides that if Inscape receives a bona fide written Acquisition Proposal (as such term is defined in the Support Agreement) that is not prohibited by the Support Agreement, the Board will be permitted to terminate the Support Agreement in accordance with its terms. Given Inscape’s financial condition, its inability to source additional financing, and the Locked-Up Shareholders’ respective agreements to tender their Shares pursuant to the Offer, there is no realistic probability of a “white-knight” emerging and completing a transaction that is superior to the Offer.

See Section 5 of the Circular, “*Support Agreement*”.

Lock-Up Agreements

In connection with the Offer, the Offeror has entered into the Lock-Up Agreements with the Locked-Up Shareholders (as defined herein) owning 11,660,282 SVS Shares, or approximately 81.1% of the issued and outstanding SVS Shares, pursuant to which such Locked-Up Shareholders have agreed to deposit or cause to be deposited their SVS Shares to the Offer. Under the Lock-Up Agreements, the Locked-Up Shareholders are precluded from tendering or voting any of their SVS Shares in favour of any other acquisition proposal relating to Inscape and in certain circumstances are required to vote against other acquisition proposals or actions which might prevent, delay or interfere with the Offer. The Lock-Up Agreements do not permit the Locked-Up Shareholders to accept an Acquisition Proposal other than the Offer.

See Section 6 of the Circular, “*Lock-Up Agreements*”.

Cash Consideration

The SVS Shares are listed on the TSX under the symbol “INQ”. The closing price of the SVS Shares on October 28, 2022, the last trading day prior to the announcement of the Offer was \$0.20.

The Offer immediately crystallizes full and certain value by providing for 100% cash consideration for the SVS Shares, giving depositing Shareholders certainty of value and immediate liquidity while removing financing, market, regulatory and execution risks to Shareholders. Shareholders who deposit their SVS Shares under the Offer will have the opportunity to realize cash proceeds of \$0.007 in cash per SVS Share. **To the extent the aggregate consideration to be paid for the SVS Shares to each Shareholder is not a whole number, the amount shall be rounded to the nearest whole cent on a per Shareholder basis.**

Conditions to the Offer

The Offer is conditional upon, among other things, there having been properly and validly deposited pursuant to the Offer and not properly and validly withdrawn at the expiry of the initial deposit period at least 66^{2/3}% of the SVS Shares then outstanding, on a Fully-Diluted Basis, the receipt of any required regulatory approvals, and there not existing or having occurred a Material Adverse Change (as defined herein). These and other conditions of the Offer are described in Section 4 of the Offer to Purchase, “*Conditions of the Offer*”. Subject to applicable Laws (as defined herein), the Offeror reserves the right to withdraw the Offer and to not take up and pay for SVS Shares validly deposited under the Offer unless each of the conditions of the Offer is satisfied or, where permitted, waived at or prior to the Expiry Time. The Offer is not subject to any financing condition.

Questions or Inquiries – Depositary

The Offeror has engaged TSX Trust Company to act as the depositary (the “**Depositary**”) for the Offer.

If you need assistance in depositing your SVS Shares please contact the Depositary at (416) 682-3860 or +1-800-387-0825 (toll free) or by e-mail at shareholderinquiries@tmx.com.

How to Accept the Offer

Shareholders who wish to accept the Offer must properly complete and execute the accompanying Letter of Transmittal (printed on **YELLOW** paper) and deposit it, at or prior to the Expiry Time, together with certificate(s) (if any) representing their SVS Shares and all other required documents, with the Depositary at its office in Toronto, Ontario at the address indicated in the Letter of Transmittal (as defined herein), in accordance with the instructions in the Letter of Transmittal. Alternatively, Shareholders may accept the Offer by (i) following the procedures for book-entry transfer of SVS Shares set out in Section 3 of the Offer to Purchase, “*Manner of Acceptance — Acceptance by Book-Entry Transfer*”, or (ii) following the procedure for guaranteed delivery set out in Section 3 of the Offer to Purchase, “*Manner of Acceptance — Procedure for Guaranteed Delivery*”, using the accompanying notice of guaranteed delivery (printed on **PINK** paper) (the “**Notice of Guaranteed Delivery**”) or a manually executed facsimile thereof.

Shareholders whose SVS Shares are registered in the name of an investment advisor, stockbroker or other nominee should immediately contact that nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such SVS Shares under the Offer. Such nominees or other intermediaries may establish deposit cut-off times that are prior to the Expiry Time. Shareholders must instruct their nominees promptly if they wish to deposit their SVS Shares.

Questions and requests for assistance may be directed to the Depositary, whose contact details are provided on the back cover of this document. Additional copies of this document, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained without charge on request from the Depositary and are accessible on Inscape’s SEDAR profile at www.sedar.com. All website addresses contained herein, including www.sedar.com, are provided for informational purposes only and no information contained on, or accessible from, any such website is incorporated by reference herein.

No broker, dealer, salesperson or other person has been authorized to give any information or make any representation other than those contained in this document, and, if given or made, such information or representation must not be relied upon as having been authorized by the Offeror or Hilco.

All cash payments by the Offeror for SVS Shares taken up and paid for under the Offer will be made in Canadian dollars.

Shareholders will not be required to pay any fee or commission if they accept the Offer by validly depositing their SVS Shares directly with the Depositary. Shareholders should consult their investment advisor, stockbroker or other nominee to determine whether other charges will apply.

NOTICE TO SHAREHOLDERS OUTSIDE OF CANADA

The Offer is being made for the securities of a Canadian company and, while the Offer is subject to disclosure requirements under applicable Canadian Laws, investors should be aware that these requirements are different from those of the United States or other jurisdictions.

The Offer to Purchase and Circular do not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders residing in any jurisdiction in which the making or the acceptance of the Offer would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in the Offeror’s sole discretion, take such action as the Offeror may deem necessary to make the Offer in any jurisdiction and extend the Offer to Shareholders in any such jurisdiction.

Shareholders should be aware that the acceptance of, and receipt of cash pursuant to, the Offer may have tax consequences in Canada, the United States or other jurisdictions. Such consequences may not be fully described herein and such holders are urged to consult their own tax advisors. See Section 18 of the Circular, “*Certain Canadian Federal Income Tax Considerations*”.

Shareholders should be aware that the Offeror or its affiliates, directly or indirectly, may bid for or make purchases of SVS Shares during the period of the Offer otherwise than through the Offer, such as in open market purchases, as permitted by applicable Laws in Canada.

The contents of this document have not been reviewed by any regulatory authority in Canada or the United States. You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

NOTICE TO HOLDERS OF OPTIONS AND OTHER CONVERTIBLE SECURITIES

The Offer is being made only for SVS Shares and is not being made for any Options or other Convertible Securities.

The Offeror and Inscap agreed in the Support Agreement that, between the date of the Support Agreement and the Effective Time, Inscap shall: (i) not grant any additional SVS Shares, multi voting shares (“**MVS Shares**”), Options, Share Awards (as defined herein), and DSUs (as defined herein) or other rights to purchase or acquire SVS Shares or MVS Shares, or make any amendments to outstanding Options, Share Awards and DSUs without the prior written consent of the Offeror, (ii) take such actions as may be necessary to ensure that any outstanding Options, Share Awards and DSUs shall either be cancelled or otherwise dealt with in a manner satisfactory to the Offeror prior to the Effective Time and (iii) promptly notify the Offeror in writing of any exercise or cancellation of Options, RSUs, or PSUs. Such notice shall include full particulars of each such exercise or cancellation. See Section 5 of the Circular, “*Support Agreement — Outstanding Inscap Options and Share Awards*”. The Offeror understands that there are no Convertible Securities outstanding other than the Options and that all holders of Options, DSUs and Share Awards have entered into cancellation agreements with Inscap cancelling immediately prior to, and conditional upon, the completion of the Offer to Purchase, all such Options, DSUs and Share Awards.

The income tax consequences to holders of Convertible Securities of exercising, exchanging or converting such securities are not described in Section 18 of the Circular, “Certain Canadian Federal Income Tax Considerations”. Holders of Convertible Securities should consult their tax advisors for advice with respect to potential income tax consequences to them in connection with the decision whether to exercise, exchange or convert their Convertible Securities.

CURRENCY

All dollar references in the Offer to Purchase and Circular are in Canadian dollars, except where otherwise indicated.

NOTICE REGARDING INFORMATION

The information concerning Inscap contained in the Offer to Purchase and Circular has been provided by Inscap or taken from or based upon publicly available documents and records accessible on Inscap’s SEDAR profile at www.sedar.com and other public sources. Although the Offeror has no knowledge that would indicate any statements contained herein and in the Offer to Purchase and Circular and taken from or based on such information are untrue or incomplete, none of the Offeror, Hilco, their affiliates or any of their respective officers or directors assumes any responsibility for the accuracy or completeness of such information or for any failure by Inscap to disclose events or facts which may have occurred or which may affect the significance or accuracy of any such information but which are unknown to the Offeror. Unless otherwise indicated, information concerning Inscap is given as of November 17, 2022 and the Offeror and Hilco do not undertake any duty to update any such information, except as required by applicable Law.

FORWARD-LOOKING STATEMENTS

Certain statements contained in the Offer to Purchase and Circular, including Section 8 of the Circular, “*Reasons to Accept the Offer*”, Section 9 of the Circular, “*Purpose of the Offer and Plans for Inscap*”, Section 10 of the Circular, “*Source of Funds*”, Section 14 of the Circular, “*Acquisition of SVS Shares Not Deposited*”, Section 16 of the Circular, “*Regulatory Matters*” and Section 17 of the Circular “*Effect of the Offer on the Market for and Listing of SVS Shares and Status as a Reporting Issuer*” in addition to certain statements made and information contained elsewhere in this document, contain “forward-looking information” within the meaning of applicable securities Laws and are prospective in nature. Forward-looking information and statements are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties that could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “anticipates”, “assumes”, “believes”, “continue”, “contingent”, “endeavour”, “estimates”, “expects”, “exploration”, “feasibility”, “flexibility”, “forecast”, “focus”, “foresee”, “future”, “guidance”, “initiative”, “intend”, “model”, “objective”, “opportunity”,

“option”, “outlook”, “phase”, “plan”, “potential”, “predict”, “preliminary”, “project”, “propose”, “prospect”, “risk”, “seek”, “strategy”, “study”, “target”, “uncertainty” or variations and negatives of such words and phrases, or statements that certain actions, events or results “may”, “can”, “could”, “should”, “would”, “might”, “likely”, “probably”, “shall” or “will” be taken, occur or be achieved.

Forward-looking statements include, but are not limited to, statements regarding: the Offer, including the anticipated timing, mechanics, funding, completion, settlement, results and effects of the Offer; the Offeror’s and Hilco’s plans for Inscape; the ability of the Offeror and Hilco to complete the transactions contemplated by the Offer; reasons to accept the Offer; the purpose of the Offer; the value inherent in Inscape’s business; treatment of Inscape stakeholders; expectations regarding the process for obtaining any required regulatory consents; the tax treatment of Shareholders; intentions to delist the SVS Shares and to cause Inscape to cease to be a reporting issuer; and the completion and effects of a Compulsory Acquisition (as defined herein), a Subsequent Acquisition Transaction (as defined herein).

Although the Offeror and Hilco believe that the expectations reflected in such forward-looking information and statements are reasonable, such information and statements involve risks and uncertainties, and undue reliance should not be placed on such information and statements. Material factors or assumptions that were applied in formulating the forward-looking information contained herein include, without limitation, the expectations and beliefs of the Offeror and Hilco that the Offer will be successful, that all required regulatory consents and approvals will be obtained and all other conditions to completion of the transaction will be satisfied or waived, and the ability to achieve goals. The Offeror and Hilco caution that the foregoing list of material factors and assumptions is not exhaustive. Many of these assumptions are based on factors and events that are not within the control of the Offeror or Hilco, and there is no assurance that they will prove correct. Important factors that could cause actual results, performance or achievements of the Offeror or Hilco to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements include, among other things, actions taken by Inscape or by security holders of Inscape in respect of the Offer; that the conditions of the Offer may not be satisfied or waived by the Offeror at the expiry of the initial deposit period; the ability of the Offeror to acquire at least 66^{2/3}% of the SVS Shares, on a Fully-Diluted Basis, through the Offer; the termination of the Support Agreement in accordance with the provisions thereof; the decision or ability (or inability) of the Offeror to complete a Compulsory Acquisition or Subsequent Acquisition Transaction; the ability to obtain regulatory consents or approvals and meet other closing conditions to any possible transaction; potential adverse reactions or changes to business relationships resulting from the announcement, pendency or completion of the Offer or any subsequent transaction; competitive responses to the announcement or completion of the Offer; unexpected costs, liabilities, charges or expenses resulting from the Offer; litigation relating to the Offer; any changes in general economic and/or industry-specific conditions; geopolitical risk including but not limited to legislative or regulatory changes; changes in Inscape’s tax treatment; changes in interest rates, currency rates or material prices; opposition to the Offer and/or other disruptions; the COVID-19 pandemic; government opposition; changes in capital or securities markets; and that are no misrepresentations in Inscape’s publicly available information.

These are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of the Offeror’s forward-looking statements. Other unknown and unpredictable factors could also impact its results. Many of these risks and uncertainties relate to factors beyond the Offeror’s and Hilco’s ability to control or estimate precisely. Consequently, there can be no assurance that the actual results or developments anticipated by the Offeror or Hilco will be realized or, even if substantially realized, that they will have the expected consequences for, or effects on, Inscape, the Offeror or Hilco, or their respective future results and performance.

Forward-looking information and statements in the Offer to Purchase and Circular are based on the Offeror’s and Hilco’s beliefs and opinions at the time the statements are made, and there should be no expectation that these forward-looking statements will be updated or supplemented as a result of new information, estimates or opinions, future events or results or otherwise, and the Offeror and Hilco disavow and disclaim any obligation to do so except as required by applicable Law. Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of the Offeror or any of its affiliates or Inscape.

TABLE OF CONTENTS

NOTICE TO SHAREHOLDERS OUTSIDE OF CANADA	v
NOTICE TO HOLDERS OF OPTIONS AND OTHER CONVERTIBLE SECURITIES	vi
CURRENCY	vi
NOTICE REGARDING INFORMATION	vi
FORWARD-LOOKING STATEMENTS	vi
QUESTIONS AND ANSWERS ABOUT THE OFFER.....	2
GLOSSARY	9
SUMMARY	16
OFFER TO PURCHASE.....	24
1. The Offer	24
2. Time for Acceptance	25
3. Manner of Acceptance	25
4. Conditions of the Offer	30
5. Extension, Variation or Change in the Offer	33
6. Take-Up of and Payment for Deposited SVS Shares	34
7. Withdrawal of Deposited SVS Shares.....	35
8. Return of Deposited SVS Shares.....	37
9. Changes in Capitalization; Adjustments; Liens	37
10. Notices and Delivery.....	37
11. Mail Service Interruption	38
12. Market Purchases and Sales of SVS Shares	38
13. Other Terms of the Offer.....	39
CIRCULAR.....	41
1. The Offeror and Hilco	41
2. Inscape	41
3. Certain Information Concerning Securities of Inscape	42
4. Background to the Offer.....	43
5. Support Agreement	44
6. Lock-Up Agreements	54
7. Interim Loan Agreement	56
8. Reasons to Accept the Offer.....	57
9. Purpose of the Offer and Plans for Inscape	58
10. Source of Funds.....	59
11. Ownership of and Trading in Securities of Inscape	59
12. Commitments to Acquire Securities of Inscape	60
13. Other Material Facts.....	60
14. Acquisition of SVS Shares Not Deposited.....	60
15. Agreements, Commitments or Understandings.....	64
16. Regulatory Matters.....	65
17. Effect of the Offer on the Market for and Listing of SVS Shares and Status as a Reporting Issuer	65
18. Certain Canadian Federal Income Tax Considerations	66
19. Depositary	70
20. Financial Advisor	71
21. Statutory Rights.....	71
22. Expenses of the Offer	71
23. Legal Matters	71
24. Directors' Approval	71
CONSENT OF EVANS & EVANS, INC.	72
CERTIFICATE OF HUK 121 Limited	C-1

QUESTIONS AND ANSWERS ABOUT THE OFFER

The following are some of the questions that you, as a shareholder of Inscap, may have and the Offeror's answers to those questions. The information contained in these questions and answers is a summary only and is not meant to be a substitute for the more detailed description and information contained elsewhere in the Offer to Purchase and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery. Shareholders are urged to read the Offer to Purchase and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery in their entirety. Terms defined in the Glossary and not otherwise defined in these questions and answers have the respective meanings given to them in the Glossary, unless the context otherwise requires. Cross-references have been included in these questions and answers to other sections of the Offer to Purchase and Circular where you will find more complete descriptions of the topics mentioned below.

The information concerning Inscap contained in the Offer to Purchase and Circular (including these questions and answers) has been provided by Inscap or taken from or based upon publicly available documents and records accessible on Inscap's SEDAR profile at www.sedar.com and other public sources. Although neither the Offeror nor Hilco has any knowledge that would indicate that any statements contained herein concerning Inscap taken from or based upon such documents and records are untrue or incomplete, neither the Offeror nor Hilco, nor any of their directors or officers, assumes any responsibility for the accuracy or completeness of such information, or for any failure by Inscap to disclose events or facts which may have occurred or which may affect the significance or accuracy of any such information but which are unknown to the Offeror or Hilco.

WHAT IS THE OFFER?

The Offeror is offering, subject to the terms and conditions set forth in the Offer to Purchase and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, \$0.007 in cash per SVS Share.

The closing price of the SVS Shares on October 28, 2022, the last trading day prior to the announcement of the Offer was \$0.20. The Offer immediately crystallizes full and certain value by providing for 100% cash consideration for the SVS Shares, giving depositing Shareholders certainty of value and immediate liquidity while removing financing, market, regulatory and execution risks to Shareholders. Shareholders who deposit their SVS Shares under the Offer will have the opportunity to realize cash proceeds of \$0.007 in cash per SVS Share. **To the extent the aggregate consideration to be paid for the SVS Shares to each Shareholder is not a whole number, the amount shall be rounded to the nearest whole cent on a per Shareholder basis.**

See Section 1 of the Offer to Purchase, "*The Offer*".

WHO IS OFFERING TO PURCHASE MY SVS SHARES?

The Offeror is a holding company that is wholly owned by Hilco. Hilco and the Offeror were incorporated under the laws of England and Wales. Hilco is a subsidiary of the U.S.-based group, Hilco Global. Hilco is a prominent financial investor, lender and adviser, working in a broad range of sectors across the United Kingdom, Western Europe, Canada and Australia and typically invests in non-core subsidiaries, underperforming businesses, retirement sales and consumer brands. Hilco and the Offeror do not hold any SVS Shares.

See Section 1 of the Circular, "*The Offeror and Hilco*".

WHICH SECURITIES ARE SUBJECT TO THE OFFER?

The Offeror is offering to purchase all of the issued and outstanding SVS Shares. The Offer is also being made for SVS Shares that may become outstanding after the date of the Offer, but before the expiration of the Offer, upon exercise, conversion or exchange of any Convertible Securities. The Offeror understands that there are no Convertible Securities outstanding other than the Options and that all holders of Options, DSUs and Share Awards have entered into cancellation agreements with Inscap cancelling immediately prior to, and conditional upon, the completion of the Offer to Purchase, all such Options, DSUs and Share Awards.

The Offer is being made only for SVS Shares and not for any Convertible Securities (including, without limitation, Options). Holders of Convertible Securities who wish to accept the Offer must, to the extent permitted by the

terms of the security and applicable Law, exercise, convert or exchange such Convertible Securities in order to obtain certificate(s) or other evidence representing SVS Shares and deposit those SVS Shares in accordance with the terms of the Offer. Any such exercise, conversion or exchange must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Convertible Securities will have certificate(s) or other evidence representing the SVS Shares received on such exercise, conversion or exchange available for deposit at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to in Section 3 of the Offer to Purchase, “*Manner of Acceptance*”.

The Offeror understands that, assuming the exercise, conversion, cancellation or exchange of all Convertible Securities pursuant to the terms of the Support Agreement, 14,380,701 SVS Shares would be subject to the Offer, such number being all of the issued and outstanding SVS Shares on a Fully-Diluted Basis following cancellation of the outstanding Options.

See Section 1 of the Offer to Purchase, “*The Offer*”.

WHY ARE YOU MAKING THE OFFER?

The Offeror is making the Offer because it wants to acquire the entire equity interest in Inscape. If at least 66^{2/3}% of the outstanding SVS Shares, on a Fully-Diluted Basis, are deposited at the expiry of the initial deposit period and the other conditions to the Offer are satisfied or waived, the Offeror will take up and pay for SVS Shares deposited under the Offer, which would provide the Offeror with control of Inscape. If the conditions of the Offer are satisfied or waived at or prior to the Expiry Time and the Offeror takes up and pays for the SVS Shares validly deposited under the Offer, the Offeror intends to acquire any SVS Shares not deposited under the Offer through a Compulsory Acquisition, if available, or to propose a Subsequent Acquisition Transaction, in each case for consideration per SVS Share at least equal in value to and in the same form as the consideration paid by the Offeror per SVS Share under the Offer.

See Section 4 of the Circular, “*Background to the Offer*”, Section 8 of the Circular, “*Reasons to Accept the Offer*”, Section 9 of the Circular, “*Purpose of the Offer and Plans for Inscape*”, and Section 14 of the Circular, “*Acquisition of SVS Shares Not Deposited*”.

DO YOU HAVE THE RESOURCES TO PAY FOR THE SVS SHARES?

Yes. The Offer is not subject to any financing condition. The Offeror will satisfy the funding requirements of the Offer from its cash resources.

See Section 10 of the Circular, “*Source of Funds*”.

WHY ACCEPT THE OFFER?

The Offeror believes that the Offer is compelling and that the following are reasons to accept the Offer:

- **Liquidity and Certainty of Value.** The Offer immediately crystalizes full and certain value by providing for 100% cash consideration for the SVS Shares, giving depositing Shareholders certainty of value and immediate liquidity while removing financing, market, regulatory and execution risks to Shareholders. The trading volume of the SVS Shares is very low and there is no efficient, liquid market for the SVS Shares that would allow Shareholders to realize the value of their SVS Shares. Shareholders who deposit their SVS Shares under the Offer will have the opportunity to realize cash proceeds and certainty of value for their SVS Shares.
- **Significant Funding Required.** The significant aggregate losses incurred in the immediately preceding ten fiscal quarters have made the financial viability of Inscape questionable. Inscape has been aggressively pursuing alternative sources of capital without success. Equity financing sufficient to repay debt and fund the progress of Inscape’s business plan (including significant capital needed to downsize its factories and to make ongoing investments in sales and distribution), if available, may be significantly dilutive to Shareholders.

- **Impact of COVID-19.** Inscape experienced significant declines in its business and financial performance over the past few years, largely due to the impacts of the COVID-19 pandemic. COVID-19 impacted Inscape by significantly reducing the customer demand for its products and disrupting its supply logistics.
- **Risk of downward impact on SVS Share price if Offer not accepted.** If the Offer is not successful and no alternative transaction is available, the Offeror believes it is highly likely that the trading price of SVS Shares will decline to significantly lower levels.
- **Opportunity to effect a successful turnaround.** Hilco, parent to the Offeror, is a prominent international financial investor and adviser, working across a broad range of sectors and specializes in restructuring and refinancing distressed companies. The Offeror believes that it provides the best opportunity for a successful turnaround of the Inscape business, which the Offeror believes is in the best interest of all of Inscape's stakeholders. Hilco has provided Inscape with a \$5,000,000 secured demand credit facility to fulfil its working capital requirements and fund the recovery of its business.
- **Unanimous Recommendation of the Inscape Board.** The Inscape Board, after consultation with its financial and legal advisors and the Special Committee, UNANIMOUSLY DETERMINED that the Offer is in the best interests of Inscape and the Shareholders and the Offer Price is fair, from a financial point of view, to the Shareholders and, accordingly, UNANIMOUSLY RECOMMENDED that Shareholders ACCEPT the Offer and DEPOSIT their SVS Shares under the Offer.
- **Support of Shareholders.** Certain Shareholders, including all officers and directors of Inscape holding SVS Shares, have entered into the Lock-Up Agreements pursuant to which they have agreed to deposit under the Offer all SVS Shares held or to be acquired by them pursuant to the exercise of Options, representing in the aggregate approximately 81.1% of the issued and outstanding SVS Shares on a Fully-Diluted Basis, subject to certain terms and conditions of such Lock-Up Agreements. The total number of SVS Shares to be deposited pursuant to the Lock-Up Agreements is sufficient to meet the Minimum Tender Condition. The Lock-Up Agreements do not permit the Locked-Up Shareholders to accept an Acquisition Proposal other than the Offer.
- **Evans & Evans Fairness Opinion.** Evans & Evans provided the Inscape Board with a verbal opinion to the effect that, as of the date of such opinion, subject to the assumptions, limitations, and qualifications, which will be set out in the written opinion, the Offer Price is fair, from a financial point of view, to Shareholders.
- **Fully Financed Cash Offer.** The Offer is not subject to a financing condition. The Offeror will satisfy the funding requirements of the Offer from its cash resources.

See Section 8 of the Circular, "*Reasons to Accept the Offer*".

WHAT DOES THE INSCAPE BOARD THINK OF THE OFFER?

The Inscape Board unanimously determined that the Offer is in the best interests of Inscape and the Shareholders and that the Offer Price is fair, from a financial point of view, to the Shareholders. The Inscape Board has unanimously determined to recommend that Shareholders accept the Offer and deposit their SVS Shares.

HOW DID THE INSCAPE BOARD DETERMINE THE FAIRNESS OF THE OFFER?

The Inscape Board received a verbal opinion on October 28, 2022 from Evans & Evans, Inscape's financial advisor, that based upon such matters as were considered relevant, and subject to the limitations and qualifications set out in such opinion, as of the date of such opinion, the Offer Price is fair, from a financial point of view, to Shareholders, all as more fully described in the written opinion to be provided by Evans & Evans and included in the Directors' Circular.

WHAT ARE THE CONDITIONS OF THE OFFER?

The Offer is conditional upon the specified conditions being satisfied, or where permitted, waived at 5:00 p.m. (Toronto time) on December 23, 2022 or such earlier or later time during which SVS Shares may be deposited under the Offer, excluding the 10-day Mandatory Extension Period or any extension thereafter, including:

- (a) there shall have been properly and validly deposited pursuant to the Offer and not properly and validly withdrawn at the expiry of the initial deposit period at least 66^{2/3}% of the SVS Shares then outstanding, on a Fully-Diluted Basis;
- (b) there shall not exist or have occurred any Material Adverse Change (i) since the date of the Support Agreement or (ii) prior to the date of the Support Agreement that has not previously been disclosed to the public generally; and
- (c) any requisite government or regulatory consents, authorizations, waivers, permits, reviews, orders, rulings, decisions, approvals, clearances, or exemptions necessary to complete the Offer shall have been obtained or concluded or, in the case of waiting or suspensory periods, expired or been terminated.

The Offer is subject to certain other conditions in addition to those listed above. A more detailed discussion of the conditions of the Offer can be found in Section 4 of the Offer to Purchase, “*Conditions of the Offer*”.

The Offer is not subject to any financing condition.

HOW LONG DO I HAVE TO DECIDE WHETHER TO DEPOSIT SVS SHARES UNDER THE OFFER?

You have until 5:00 p.m. (Toronto time) on December 23, 2022 to deposit your SVS Shares under the Offer, unless the Offer is accelerated, extended or withdrawn. In accordance with Law, if not withdrawn, the Offeror will extend the Offer for an additional period of 10 days following the expiry of the initial deposit period and may extend the Offer for one or more Optional Extension Periods. The Offeror and the Inscape Board have agreed to reduce the initial deposit period to 35 days and the Offeror and Inscape have issued a joint deposit period news release on November 17, 2022 in this regard in accordance with applicable Law.

See Section 2 of the Offer to Purchase, “*Time for Acceptance*”.

CAN YOU EXTEND THE OFFER?

Yes. The Offeror may elect, in its sole discretion, to extend the Offer from time to time prior to the Expiry Time.

In accordance with applicable Laws and if at the expiry of the initial deposit period the Offeror takes up SVS Shares validly deposited, the Offeror will extend the period during which SVS Shares may be deposited under the Offer for a 10-day Mandatory Extension Period following the expiry of the initial deposit period and may extend the deposit period after such 10-day Mandatory Extension Period for one or more Optional Extension Periods. If the Offeror extends the Offer, it will notify the Depositary and publicly announce such extension or acceleration and, if required by Law, mail you a copy of the notice of variation.

See Section 5 of the Offer to Purchase, “*Extension, Variation or Change in the Offer*”.

HOW DO I ACCEPT THE OFFER AND DEPOSIT MY SVS SHARES?

Registered Shareholders who wish to accept the Offer must properly complete and execute the accompanying Letter of Transmittal, and deposit it, together with any certificate(s) (if any) representing their SVS Shares at or prior to the Expiry Time at the office of the Depositary specified in the Letter of Transmittal. Detailed rules and instructions are contained in the Letter of Transmittal. Alternatively, Shareholders may follow the procedure for guaranteed delivery described in Section 3 of the Offer to Purchase, “*Manner of Acceptance — Procedure for Guaranteed Delivery*”, using the accompanying Notice of Guaranteed Delivery.

Shareholders will not be required to pay any fee or commission if they accept the Offer by validly depositing their SVS Shares directly with the Depositary.

Beneficial Shareholders whose SVS Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact such nominee for assistance in validly depositing their SVS Shares if they wish to accept the Offer.

Shareholders are invited to contact TSX Trust, the Depositary, by telephone at (416) 682-3860 or at +1-800-387-0825 (toll free) or by e-mail at shareholderinquiries@tmx.com for further information regarding how to accept the Offer.

See Section 3 of the Offer to Purchase, “*Manner of Acceptance*”.

IF I ACCEPT THE OFFER, WHEN WILL I RECEIVE THE OFFER CONSIDERATION?

If the conditions of the Offer are satisfied or waived and the Offeror takes up your SVS Shares, the consideration for the SVS Shares that you deposited under the Offer will be delivered to the Depositary as representative for you as a registered Shareholder or your nominee as soon as practicable and in any event no later than three (3) business days after the SVS Shares are taken up.

If the Offeror takes up such SVS Shares, the Offeror will extend the period during which SVS Shares may be deposited under the Offer for the 10-day Mandatory Extension Period following the expiry of the initial deposit period and may extend the deposit period for Optional Extension Periods. The Offeror will take up and pay for any SVS Shares validly deposited under the Offer during the Mandatory Extension Period and any Optional Extension Period within 10 days of any such deposit.

See Section 5 of the Offer to Purchase, “*Extension, Variation or Change in the Offer*” and Section 6 of the Offer to Purchase, “*Take-Up of and Payment for Deposited SVS Shares*”.

CAN I WITHDRAW MY PREVIOUSLY DEPOSITED SVS SHARES?

Yes. You may withdraw SVS Shares previously deposited by you (i) at any time before the SVS Shares have been taken up by the Offeror under the Offer, (ii) if your SVS Shares have not been paid for by the Offeror within three (3) business days after having been taken up, and (iii) in certain other circumstances.

See Section 7 of the Offer to Purchase, “*Withdrawal of Deposited SVS Shares*”.

HOW DO I WITHDRAW PREVIOUSLY DEPOSITED SVS SHARES?

To withdraw SVS Shares that have been deposited, you must deliver a written notice of withdrawal with the required information to the Depositary while you still have the right to withdraw the SVS Shares. If SVS Shares have been validly deposited pursuant to the procedures for book-entry transfer, as set out under Section 3 of the Offer to Purchase, “*Manner of Acceptance — Acceptance by Book-Entry Transfer*”, any notice of withdrawal must specify the name and number of the account at CDS to be credited with the withdrawn SVS Shares and otherwise comply with the procedures of CDS.

See Section 7 of the Offer to Purchase, “*Withdrawal of Deposited SVS Shares*”.

IF I DO NOT DEPOSIT MY SVS SHARES BUT THE OFFER IS SUCCESSFUL, WHAT WILL HAPPEN TO MY SVS SHARES?

If the conditions of the Offer are otherwise satisfied or waived and the Offeror takes up and pays for the SVS Shares validly deposited under the Offer, the Offeror intends to enter into one or more transactions to enable the Offeror or an affiliate of the Offeror to acquire all SVS Shares not acquired under the Offer. The Offeror expressly reserves the right not to propose a Compulsory Acquisition or Subsequent Acquisition Transaction. Should the Offeror take up SVS Shares under the terms of the Offer and is subsequently unable to, or determines at its option

not to, effect a Compulsory Acquisition or propose a Subsequent Acquisition Transaction, Shareholders who did not deposit their SVS Shares pursuant to the Offer will continue to hold their SVS Shares.

See Section 9 of the Circular, *“Purpose of the Offer and Plans for Inscape”*, and Section 14 of the Circular, *“Acquisition of SVS Shares Not Deposited”*.

FOLLOWING THE OFFER, WILL INSCAPE CONTINUE AS A PUBLIC COMPANY?

If the Offeror does not complete a Compulsory Acquisition or Subsequent Acquisition Transaction, Inscape’s obligations as a reporting issuer under applicable Canadian securities Laws will continue and Inscape may remain a listed issuer subject to the rules and regulations of the TSX.

The purchase of SVS Shares by the Offeror under the Offer will reduce the number of SVS Shares that might otherwise trade publicly and will reduce the number of holders of SVS Shares and, depending on the number of SVS Shares acquired by the Offeror, could materially adversely affect the liquidity and market value of any remaining SVS Shares held by the public.

The rules and regulations of the TSX establish certain criteria which, if not met, could lead to the cessation of trading and delisting of the SVS Shares from the TSX. Among such criteria are the number of holders of SVS Shares and the number of SVS Shares publicly held. If a sufficient number of SVS Shares are purchased under the Offer, the SVS Shares may fail to meet the criteria for continued listing on the TSX and, in that event, the SVS Shares may be delisted from the TSX after completion of the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction.

See Section 14 of the Circular, *“Acquisition of SVS Shares Not Deposited — Impact on Shareholders if a Compulsory Acquisition or Subsequent Acquisition Transaction is not completed”*, and Section 17 of the Circular, *“Effect of the Offer on the Market for and Listing of SVS Shares and Status as a Reporting Issuer”*.

DO I HAVE DISSENT OR APPRAISAL RIGHTS IN CONNECTION WITH THE OFFER?

No. Shareholders who do not validly deposit their SVS Shares under the Offer will not be entitled to any right of dissent or appraisal in connection with the Offer. However, Shareholders who do not validly deposit their SVS Shares under the Offer may have certain rights of dissent in the event the Offeror elects to acquire such SVS Shares by way of a Compulsory Acquisition or Subsequent Acquisition Transaction, including the right to seek judicial determination of the fair value of their SVS Shares.

See Section 14 of the Circular, *“Acquisition of SVS Shares Not Deposited”*.

WILL I HAVE TO PAY ANY FEES OR COMMISSIONS?

Shareholders will not be required to pay any fee or commission if they accept the Offer by validly depositing their SVS Shares directly with the Depositary. Shareholders should consult their investment advisor, stockbroker or other nominee to determine whether other charges will apply.

WHAT IS THE MARKET VALUE OF MY SVS SHARES AS OF A RECENT DATE?

The closing price of the SVS Shares on October 28, 2022, the last trading day prior to the announcement of the Offer was \$0.20. The Offer immediately crystallizes full and certain value by providing for 100% cash consideration for the SVS Shares, giving depositing Shareholders certainty of value and immediate liquidity while removing financing, market, regulatory and execution risks to Shareholders. Shareholders who deposit their SVS Shares under the Offer will have the opportunity to realize cash proceeds of \$0.007 in cash per SVS Share. **To the extent the aggregate consideration to be paid for the SVS Shares to each Shareholder is not a whole number, the amount shall be rounded to the nearest whole cent on a per Shareholder basis.**

See Section 3 of the Circular, *“Certain Information Concerning Securities of Inscape”*.

HOW WILL CANADIAN RESIDENTS AND NON-RESIDENTS OF CANADA BE TAXED FOR CANADIAN FEDERAL INCOME TAX PURPOSES?

Generally, a Resident Holder who disposes of SVS Shares to the Offeror under the Offer will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, less any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the SVS Shares to the Resident Holder immediately before the disposition.

Generally, a Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on the disposition of SVS Shares pursuant to the Offer unless at the time of disposition such SVS Shares constitute “taxable Canadian property” for the Non-Resident Holder and are not “treaty-protected property”, all within the meaning of the Tax Act.

The foregoing is a very brief summary of certain principal Canadian federal income tax considerations and is qualified in its entirety by Section 18 of the Circular, “*Certain Canadian Federal Income Tax Considerations*”. Shareholders should consult their own tax advisors for advice concerning the income tax consequences to them of disposing of their SVS Shares under the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction.

WHOM CAN I CALL WITH QUESTIONS?

You can call or e-mail TSX Trust, the Depositary by telephone at (416) 682-3860 or at +1-800-387-0825 (toll free) or by e-mail at shareholderinquiries@tmx.com if you have questions or requests for additional copies of the Offer to Purchase and Circular.

GLOSSARY

This Glossary forms a part of the Offer to Purchase and Circular. In the Offer to Purchase and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, unless otherwise specified or the subject matter or context is inconsistent therewith, the following terms shall have the meanings set out below, and grammatical variations thereof shall have the corresponding meanings:

“Acquisition Proposal” means, other than the Contemplated Transactions, any offer, proposal, inquiry or public announcement, whether written or oral, from any person or group of persons other than the Offeror (or an affiliate of the Offeror) relating to any:

- (a) take-over bid, tender offer, exchange offer or other similar transaction that, if consummated, would result in a person or group of persons beneficially owning 20% or more of any class of voting or equity securities of Inscap or of any of its Subsidiaries whose assets, individually or in the aggregate, represent 20% or more of the consolidated assets of Inscap (based on the consolidated financial statements of Inscap most recently filed on SEDAR), or securities convertible into or exercisable or exchangeable for 20% or more of any class of voting or equity securities of Inscap or such a Subsidiary;
- (b) amalgamation, plan of arrangement, share exchange, debt exchange, business combination, merger, consolidation, recapitalization, reorganization, or other similar transaction or series of related transactions involving Inscap or any of the Subsidiaries whose assets, individually or in the aggregate, represent 20% or more of the consolidated assets of Inscap (based on the consolidated financial statements of Inscap most recently filed on SEDAR), or any liquidation, dissolution or winding-up of Inscap or such a Subsidiary;
- (c) direct or indirect sale or disposition of assets (or any alliance, joint venture, lease, long-term supply arrangement, licence or other arrangement having the same economic effect as a sale or disposition) representing, individually or in the aggregate, 20% or more of the consolidated assets of Inscap;
- (d) direct or indirect sale, issuance or acquisition of SVS Shares or any other voting or equity interests of Inscap (or securities convertible into or exercisable or exchangeable for SVS Shares or such other voting or equity interests) representing 20% or more of the issued and outstanding voting or equity interests (or rights or interests therein or thereto) of Inscap or any direct or indirect sale, issuance or acquisition of voting or equity interests (or securities convertible into or exercisable or exchangeable for voting or equity interests) of any Subsidiary of Inscap representing 20% or more of the issued and outstanding voting or equity interests of such Subsidiary (or rights or interests therein or thereto); or
- (e) any other similar transaction or series of transactions involving Inscap or its Subsidiaries;

“affiliate” in the context of the statutory procedures under the OBCA described in the Offer to Purchase and Circular, included any Person or entity that constitutes an affiliate under the OBCA and otherwise includes any Person or entity that constitutes and affiliate within the meaning given to it in NI 62-104;

“allowable capital loss” has the meaning given to it in Section 18 of the Circular, *“Certain Canadian Federal Income Tax Considerations — Shareholders Resident in Canada — Sale Pursuant to the Offer”*;

“associate” has the meaning ascribed thereto in Section 1 of the OSA;

“Board Recommendation” has the meaning given to it in Section 5 of the Circular, *“Support Agreement”*;

“Book-Entry Confirmation” means confirmation of a book-entry transfer of a Shareholder’s SVS Shares into the Depository’s account at CDS;

“business combination” has the meaning given to it in MI 61-101;

“**Business Day**” means any day, other than (a) a Saturday, Sunday or statutory holiday in the Province of Ontario and (b) a day on which banks are generally closed in the Province of Ontario;

“**CDS**” means CDS Clearing and Depository Services Inc. or its nominee, which at the date hereof is CDS & Co.;

“**CDSX**” means the CDS on-line tendering system pursuant to which book-entry transfers may be effected;

“**Change of Recommendation**” has the meaning given to it in Section 5 of the Circular, “*Support Agreement — Termination of the Support Agreement*”;

“**Circular**” means the circular accompanying and forming part of the Offer;

“**Compulsory Acquisition**” has the meaning given to it in Section 14 of the Circular, “*Acquisition of SVS Shares Not Deposited — Compulsory Acquisition*”;

“**Confidentiality Agreement**” means the confidentiality agreement entered into by Inscape and Hilco Capital Limited on August 9, 2022 as amended (or amended and restated) from time to time;

“**Conflicted Director**” means a member of the Inscape Board who is a Representative of a person that has made an Acquisition Proposal or of an affiliate of such person, or who has otherwise declared an interest in, and refrained from voting in respect of, the Contemplated Transactions;

“**Contemplated Transactions**” means (i) the Offer and the take-up of SVS Shares by the Offeror pursuant to the Offer, (ii) any Compulsory Acquisition, any Subsequent Acquisition Transaction or any subsequent amalgamation, merger or other business combination between the Offeror (or any of its affiliates) and Inscape that may be undertaken by the Offeror (or any of its affiliates), and (iii) any other actions with respect to any other transactions contemplated by the Support Agreement;

“**Convertible Securities**” means, collectively, any agreement, option, warrant, right or other security or conversion privilege issued or granted by Inscape that is exercisable or convertible into, or exchangeable for, or otherwise carries the right of the holder to purchase or otherwise acquire SVS Shares, including pursuant to one or more multiple exercises, conversions and/or exchanges;

“**Court**” means the Ontario Superior Court of Justice;

“**COVID-19**” means the novel coronavirus disease (COVID-19) or any evolution thereof;

“**Depository**” means TSX Trust, which can be contacted by telephone toll free at (416) 682-3860 within North America and at +1-800-387-0825 (toll free) or by e-mail at shareholderinquiries@tmx.com.

“**Deposited SVS Shares**” has the meaning given to it in Section 3 of the Offer to Purchase, “*Manner of Acceptance — Dividends and Distributions*”;

“**Director**” means a director of Inscape;

“**Directors’ Circular**” means the directors’ circular to be issued by the Inscape Board in response to the Offer;

“**Dissenting Offeree**” has the meaning given to it in Section 14 of the Circular, “*Acquisition of SVS Shares Not Deposited — Compulsory Acquisition*”;

“**Distributions**” has the meaning given to it in Section 3 of the Offer to Purchase – “*Manner of Acceptance — Dividends and Distributions*”;

“**DSU Plan**” means Inscape’s 2005 DSU plan;

“**DSUs**” means deferred share unit awards made under the DSU Plan;

“**Effective Time**” means the time at which the Offeror first takes up SVS Shares deposited to the Offer;

“Eligible Institution” means a Canadian Schedule I chartered bank, or an eligible guarantor institution with membership in an approved Medallion signature guarantee program, including certain trust companies in Canada, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Medallion Signature Program (MSP);

“Evans & Evans” means Evans & Evans, Inc., the financial advisor to Inscape.

“Expiry Time” means 5:00 p.m. (Toronto time) on December 23, 2022 or such earlier or later time or times and date or dates to which the Offer may be abridged or extended from time to time in accordance with to Section 5 of the Offer to Purchase, *“Extension, Variation or Change in the Offer”*;

“Fully-Diluted Basis” means, with respect to the number of outstanding SVS Shares at any time, the number of SVS Shares that would be outstanding if all Convertible Securities, whether vested or unvested, were exercised, exchanged or converted;

“Government Official” means any person qualifying as a public official or public employee under the laws of the Province of Ontario or the federal laws of Canada or any other relevant jurisdiction including, but not limited to, (i) a person holding an official position, such as an employee, officer or director, with any Governmental Entity or state-owned or controlled enterprise; (ii) any individual “acting in an official capacity”, such as a delegation of authority, from a Governmental Entity to carry out official responsibilities; and (iii) an official of a public international organization such as the United Nations, the World Bank, the International Monetary Fund or regional development banks;

“Governmental Entity” or **“Governmental Entities”** means:

- (a) any domestic or foreign federal, provincial, territorial, regional, state, municipal or other government, governmental department, quasi-government, administrative, judicial or regulatory authority (including any Securities Regulatory Authorities), agency, minister or ministry, board, body, bureau, commission (including any securities commission), instrumentality court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) thereof, any taxing authority, any ministry or department or agency of any of the foregoing;
- (b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any court;
- (c) any stock exchange; or
- (d) any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing entities established to perform a duty or function on its behalf;

“Hilco” means Hilco Capital Limited, a company incorporated under the laws of England and Wales;

“Holder” has the meaning given to it in Section 18 of the Circular, *“Certain Canadian Federal Income Tax Considerations”*;

“IFRS” means International Financial Reporting Standards in effect from time to time;

“includes” or **“including”** means “includes, without limitation,” or “including, without limitation,”;

“initial deposit period” has the meaning ascribed thereto in NI 62-104;

“Inscape Board” means the board of directors of Inscape;

“Inscape Public Documents” means, collectively, all of the documents which have been filed by or on behalf of Inscape on SEDAR since April 30, 2021;

“Inscape Strategic Alternatives Process” has the meaning given to it in Section 4 of the Circular, *“Background to the Offer”*;

“Inscape” means Inscape Corporation, a corporation amalgamated and existing under the OBCA;

“insider” has the meaning given to it in subsection 1(1) of the OSA;

“Interim Loan Agreement” means that loan agreement between the Lender and Inscape dated October 28, 2022, pursuant to which the Lender made the Interim Loan available to Inscape on the terms set out therein;

“Interim Loan” means a secured revolving demand facility for up to \$5,000,000, provided by the Lender to Inscape pursuant to the Interim Loan Agreement;

“Interim Period” means the period from the date of the Support Agreement until the earlier of the Effective Time and the time that the Support Agreement is terminated in accordance with its terms;

“jointly or in concert” has the meaning ascribed thereto in NI 62-104;

“Law” or **“Laws”** means any and all federal, provincial, territorial, regional, local, municipal or other law, statute, constitution, principle of common law, resolution, ordinance, proclamation, directive, code, edict, order, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Entity;

“Lender” means HUK 116 Limited, a company incorporated under the laws of England and Wales and a wholly owned subsidiary of Hilco;

“Letter of Transmittal” means the letter of transmittal in the form accompanying the Offer (printed on YELLOW paper);

“Locked-Up Shareholders” means Eric Ehgoetz, Jonathan Szczur, Tania Bortolotto, David LaSalle, Bullish Management Ltd., Pender Growth Fund Inc., Pender Fund Capital Management Ltd., as trustee and manager of, Pender Small Cap Opportunities Fund, Pender Fund Capital Management Ltd., as trustee and manager of, Pender Alternative Special Situations Fund and Perlus Microcap Fund L.P.;

“Lock-Up Agreements” has the meaning given to it in Section 6 of the Circular, *“Lock-Up Agreements”*;

“Mandatory Extension Period” has the meaning given to it in 5 of the Offer to Purchase, *“Extension, Variation or Change in the Offer”*;

“Material Adverse Change” means any change, effect, event, occurrence or state of facts that, individually or in the aggregate with other such changes, effects, events, occurrences or states of fact, is, or would reasonably be expected to be, material and adverse to the condition (financial or otherwise), properties, assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), obligations (whether absolute, accrued, conditional or otherwise), capitalization, businesses, operations or results of operations of Inscape and its Subsidiaries taken as a whole, whether before or after giving effect to the transactions contemplated by the Support Agreement, except any change, effect, event, occurrence or state of facts resulting from, relating to or arising in connection with:

- (a) the announcement of the Support Agreement or the Contemplated Transactions;
- (b) any changes in general political, economic or financial conditions or in credit, banking, currency, commodities or capital markets generally;
- (c) any changes in applicable Laws (including Laws relating to Taxes (as defined in the Support Agreement)) or in the interpretation, application or non-application of Laws by Governmental Entities and not specifically relating to that person, taken as a whole;
- (d) any change in the mining industry in general, including any change in the price of nickel, copper or chromite on a current or forward basis;

- (e) a change in the market trading price or trading volume of securities of Inscape (it being understood that the causes underlying such change in market price or trading volume may be taken into account in determining whether a Material Adverse Change has occurred);
- (f) any change in applicable generally accepted accounting principles, including IFRS;
- (g) any climatic and other natural events or conditions, including any natural disaster, or human-made disaster or any calamity, national or international;
- (h) any epidemic, pandemic or outbreak of illness (including COVID-19) or other health crisis or public health event, or the material worsening of any of the foregoing or the implementation of any COVID-19 measures;
- (i) the commencement or continuation of any act of war, armed hostilities or acts of terrorism; or
- (j) compliance with the terms of the Support Agreement or actions or inactions of Inscape or its Subsidiaries to which the Offeror has expressly consented in writing;

provided that, in the case of a change, effect, event, occurrence or state of facts referred to in clause(s) (b), (c), (d), (f), (g), (h) or (i) above, such change, effect, event, occurrence or state of facts does not disproportionately adversely affect Inscape and its Subsidiaries, taken as a whole, compared to other companies of similar size operating in the industry and geography in which Inscape and its Subsidiaries operate;

“**MI 61-101**” means Multilateral Instrument 61-101 — *Protection of Minority Security Holders in Special Transactions*;

“**Minimum Tender Condition**” has the meaning given to it in Section 4 of the Offer to Purchase, “*Conditions of the Offer*”;

“**MVS Shares**” means the multiple voting shares in the capital of Inscape;

“**NI 62-104**” means National Instrument 62-104 — *Take-Over Bids and Issuer Bids*;

“**Non-Resident Holder**” has the meaning given to it in Section 18 of the Circular, “*Certain Canadian Federal Income Tax Considerations — Shareholders Not Resident in Canada*”;

“**Notice of Guaranteed Delivery**” means the notice of guaranteed delivery in the form accompanying the Offer (printed on PINK paper);

“**OBCA**” means the *Business Corporations Act* (Ontario);

“**Offer Documents**” means the Offer to Purchase and Circular, Letter of Transmittal, Notice of Guaranteed Delivery and other ancillary documents with respect to the Offer;

“**Offer Price**” has the meaning given to it in Section 1 of the Offer to Purchase, “*The Offer*”;

“**Offer to Purchase and Circular**” means the Offer to Purchase and Circular, including the Questions and Answers about the Offer, the Summary and the Glossary;

“**Offer**” or “**Offer to Purchase**” means the offer to purchase SVS Shares made hereby to the Shareholders pursuant to the terms and subject to the conditions set out herein;

“**Offeror’s Notice**” has the meaning given to it in Section 14 of the Circular, “*Acquisition of SVS Shares Not Deposited — Compulsory Acquisition*”;

“**Offeror**” means HUK 121 Limited, a company incorporated under the laws of England and Wales and a wholly-owned subsidiary of Hilco;

“Option Plan” means the amended and restated option plan of Inscape, re-approved by Shareholders on September 17, 2020, and any other plan, agreement or arrangement which provides for the issuance of options to acquire SVS Shares;

“Optional Extension Periods” has the meaning given to it in Section 6 of the Offer to Purchase, *“Take-Up of and Payment for Deposited SVS Shares”*;

“Options” means outstanding options to acquire SVS Shares under the Option Plan;

“Ordinary Course of Business” means, with respect to an action taken by Inscape or its Subsidiaries, that such action is consistent with the past practice of Inscape and its Subsidiaries (including with respect to frequency and quantity) and is taken in the ordinary course of the normal day to-day operations of the business of Inscape and its Subsidiaries;

“OSA” means the *Securities Act* (Ontario), as amended from time to time;

“Performance and Restricted Share Unit Plan” means the Inscape’s 2009 Performance and Restricted Share Unit Plan;

“Proposed Amendments” has the meaning given to it in Section 18 of the Circular, *“Certain Canadian Federal Income Tax Considerations”*;

“PSUs” means performance share unit awards made under the Performance and Restricted Share Unit Plan;

“Purchased Securities” has the meaning given to it in Section 3 of the Offer to Purchase, *“Manner of Acceptance — Power of Attorney”*;

“Regulatory Approvals” means all sanctions, rulings, consents, orders, exemptions, permits and other approvals of Governmental Entities that are required to complete the Contemplated Transactions, and the expiration or early termination of any waiting period under any Laws that is necessary to complete the Contemplated Transactions;

“Representative” means, in respect of a person, its subsidiaries and each of its and their respective directors, officers, employees, agents and other representatives (including any financial, legal or other advisors);

“Resident Holder” has the meaning given to it in Section 18 of the Circular, *“Certain Canadian Federal Income Tax Considerations — Shareholders Resident in Canada”*;

“Right to Match Period” has the meaning given to it in Section 5 of the Circular, *“Support Agreement — Superior Proposals, Right to Match, etc.”*;

“RSUs” means restricted share unit awards made under the Performance and Restricted Share Unit Plan;

“Securities Regulatory Authorities” means the TSX and the applicable securities commissions or similar regulatory authorities in each of the provinces of Canada;

“SEDAR” means the System for Electronic Document Analysis and Retrieval described in National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval* and available for public view at www.sedar.com;

“Share Awards” means, collectively, the RSUs and PSUs;

“Shareholders” means the holders of SVS Shares other than the Offeror, Hilco and their respective affiliates;

“Special Committee” means the special committee of the Inscape Board established to evaluate the Offer;

“Subsequent Acquisition Transaction” has the meaning given to it in Section 14 of the Circular, *“Acquisition of SVS Shares Not Deposited — Subsequent Acquisition Transaction”*;

“**Subsidiaries**” has the meaning ascribed thereto in Section 1.1. of National Instrument 45-106 — *Prospectus Exemptions*;

“**Superior Proposal**” means an unsolicited *bona fide* written Acquisition Proposal from an arm’s length third-party to acquire not less than all of the SVS Shares (other than SVS Shares beneficially owned by the person making such Acquisition Proposal) or all or substantially all of the assets of Inscape on a consolidated basis that:

- (a) did not result from a breach of the non-solicitation covenants in Section 6.1 of the Support Agreement or any agreement between the person making such Acquisition Proposal and Inscape;
- (b) complies with all applicable Laws;
- (c) is not subject to a financing condition or contingency and in respect of which the Inscape Board, excluding any Conflicted Director in respect of such Acquisition Proposal, has determined in good faith (after consultation with its financial advisors) is fully funded or that adequate arrangements have been made to ensure that the required funds or other consideration will be available to complete such Acquisition Proposal;
- (d) is not subject to any due diligence or access condition;
- (e) the Inscape Board, excluding any Conflicted Director in respect of such Acquisition Proposal, has determined in good faith (after consultation with its outside legal counsel) (A) is reasonably capable of completion without undue delay taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal and the person making such Acquisition Proposal; (B) would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable from a financial point of view to the Shareholders than the Offer (taking into consideration any adjustment to the terms and conditions of the Offer proposed by the Offeror pursuant to Section 6.2(c) of the Support Agreement); and (C) that failure to recommend such Acquisition Proposal to the Shareholders would be inconsistent with the fiduciary duties of the Inscape Board under applicable Law;

“**Support Agreement**” means the support agreement entered into on October 28, 2022 between Inscape and the Offeror, as amended from time to time;

“**SVS Shares**” means the subordinate voting shares in the capital of Inscape;

“**take up**”, in reference to SVS Shares, means to accept such SVS Shares for payment by giving written notice of such acceptance to the Depositary, and “**taking up**” and “**taken up**” have corresponding meanings;

“**Take-Up Time**” has the meaning given to it in Section 3 of the Offer to Purchase, “*Manner of Acceptance — Power of Attorney*”;

“**Tax Act**” has the meaning given to it in Section 18 of the Circular, “*Certain Canadian Federal Income Tax Considerations*”;

“**taxable capital gain**” has the meaning given to it in Section 18 of the Circular, “*Certain Canadian Federal Income Tax Considerations — Shareholders Resident in Canada — Sale Pursuant to the Offer*”;

“**Termination Payment**” has the meaning given to it in Section 5 of the Circular, “*Support Agreement — Termination Payment*”;

“**TSX Trust**” means TSX Trust Company;

“**TSX**” means the Toronto Stock Exchange and any successor thereto; and

“**U.S. Exchange Act**” means the United States Securities Exchange Act of 1934, as amended.

SUMMARY

The following is a summary only and is qualified in its entirety by the detailed provisions contained elsewhere in the Offer to Purchase and Circular, the Letter of Transmittal and the Notice of Guarantee Delivery. Shareholders are urged to read the Offer to Purchase and Circular, the Letter of Transmittal and the Notice of Guarantee Delivery in their entirety. Terms defined in the Glossary and not otherwise defined in this Summary have the respective meanings given to them in the Glossary, unless the context otherwise requires.

THE OFFER

The Offeror hereby offers to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding SVS Shares (other than SVS Shares owned by the Offeror or any of its affiliates) and any SVS Shares that may become issued and outstanding after the date of the Offer but before the Expiry Time upon the exercise, exchange or conversion of Options or other Convertible Securities, at a price of \$0.007 in cash per SVS Share, without any interest and less any required withholding taxes. To the extent the aggregate consideration to be paid for the SVS Shares to each Shareholder is not a whole number, the amount shall be rounded to the nearest whole cent on a per Shareholder basis. See Section 1 of the Offer to Purchase, “*The Offer*”. The Offer is being made only for SVS Shares and is not being made for any Options or other Convertible Securities. The Offeror understands that there are no Convertible Securities outstanding other than the Options and that all holders of Options, DSUs and Share Awards have entered into cancellation agreements with Inscape cancelling immediately prior to, and conditional upon, the completion of the Offer to Purchase, all such Options, DSUs and Share Awards.

The Offeror and Inscape agreed in the Support Agreement that, between the date of the Support Agreement and the Effective Time, Inscape shall: (i) not grant any additional SVS Shares, MVS Shares, Options, Share Awards, and DSUs or other rights to purchase or acquire SVS Shares or MVS Shares, or make any amendments to outstanding Options, Share Awards and DSUs without the prior written consent of the Offeror, (ii) take such actions as may be necessary to ensure that any outstanding Options, Share Awards and DSUs shall either be cancelled or otherwise dealt with in a manner satisfactory to the Offeror prior to the Effective Time and (iii) promptly notify the Offeror in writing of any exercise or cancellation of Options, RSUs or PSUs. Such notice shall include full particulars of each such exercise or cancellation. See Section 5 of the Circular, “*Support Agreement — Outstanding Inscape Options and Share Awards*”. The Offeror understands that there are no Convertible Securities outstanding other than the Options.

The obligation of the Offeror to take up and pay for SVS Shares pursuant to the Offer is subject to certain conditions. See Section 4 of the Offer to Purchase, “*Conditions of the Offer*”.

TIME FOR ACCEPTANCE

The Offer is open for acceptance until 5:00 p.m. (Toronto time) on December 23, 2022, unless the Offer is accelerated, extended or withdrawn in accordance with its terms. See Section 5 of the Offer to Purchase, “*Extension, Variation or Change in the Offer*”. The Offeror and the Inscape Board have agreed to reduce the initial deposit period to 35 days and the Offeror and Inscape have issued a joint deposit period news release on November 17, 2022 in this regard in accordance with applicable Law.

In accordance with applicable Laws and if at the expiry of the initial deposit period the Offeror takes up SVS Shares validly deposited, the Offeror will extend the Offer for the Mandatory Extension Period. The Offeror may also extend the Offer for one or more Optional Extension Periods. The Offeror will take up and pay for any SVS Shares validly deposited under the Offer during the Mandatory Extension Period and any Optional Extension Period within 10 days of any such deposit. See Section 6 of the Offer to Purchase, “*Take-Up of and Payment for Deposited SVS Shares*”.

THE OFFEROR AND HILCO

The Offeror is a holding company that is wholly owned by Hilco. Hilco and the Offeror were incorporated under the laws of England and Wales. Hilco is a subsidiary of the U.S.-based group, Hilco Global. Hilco is a prominent financial investor, lender and adviser, working in a broad range of sectors across the United Kingdom, Western

Europe, Canada and Australia, and typically invests in non-core subsidiaries, underperforming businesses, retirement sales and consumer brands. Hilco and the Offeror do not hold any SVS Shares.

See Section 1 of the Circular, *“The Offeror and Hilco”*.

INSCAPE

Inscape’s operations began in Upstate New York in 1888 as Office Specialty, a full-service provider of premium quality office furniture. Currently, Inscape offers a complete range of innovative products to meet the needs of all office environments. Inscape operates primarily in North America and has segmented North America into five geographic regions for the purpose of sales management (Canada, North-Eastern U.S., South-Eastern U.S., Central U.S. and Western U.S.). Inscape continues to develop its extended sales organization with new sales representatives, independent representatives and dealers. The Inscape’s head office is located in Holland Landing, Ontario. Inscape’s products are manufactured in two facilities: a 313,000 square foot plant in Holland Landing, Ontario and a 30,000 square foot plant in Jamestown, New York, and both facilities are leased under long-term lease agreements.

See Section 2 of the Circular, *“Inscape”*.

PURPOSE OF THE OFFER

The purpose of the Offer is to enable the Offeror to acquire (and Hilco to indirectly acquire through the Offeror), on the terms and subject to the conditions of the Offer, control of Inscape.

See Section 9 of the Circular, *“Purpose of the Offer and Plans for Inscape”*, and Section 14 of the Circular, *“Acquisition of SVS Shares Not Deposited”*.

RECOMMENDATION OF THE INSCAPE BOARD

The Special Committee, after consultation with its financial and legal advisors, unanimously determined that the Offer Price to be received under the Offer is fair, from a financial point of view, to the Shareholders and that it would be in the best interests of Inscape and the Shareholders for Inscape to support and facilitate the Offer, to enter into the Support Agreement and to take all reasonable action to support the Offer and to recommend acceptance of the Offer to the Shareholders and recommended to the Inscape Board that the Inscape Board determine that the Offer is fair, from a financial point of view, to Shareholders and is in the best interests of Inscape and the Shareholders and recommend that Shareholders accept the Offer and deposit their SVS Shares to the Offer. The Inscape Board, after consultation with the Inscape Board’s financial and legal advisors and the Special Committee, UNANIMOUSLY DETERMINED that the Offer is in the best interests of Inscape and that the Offer Price is fair, from a financial point of view, to the Shareholders and, accordingly, have agreed to UNANIMOUSLY RECOMMEND that Shareholders ACCEPT the Offer and DEPOSIT their SVS Shares under the Offer. For a discussion of the factors that the Inscape Board considered in making its recommendations, please see the Directors’ Circular, a copy of which is required to be delivered to Shareholders in connection with the Offer and will be accessible on Inscape’s SEDAR profile at www.sedar.com. Neither the Offeror nor Hilco will independently verify the accuracy or completeness of the information contained in the Directors’ Circular.

For further information, see the Circular, including Section 5 of the Circular, *“Support Agreement”*.

The Inscape Board received a verbal opinion on October 28, 2022 from Evans & Evans, Inscape’s financial advisor, that based upon such matters as were considered relevant, and subject to the limitations and qualifications set out in such opinion, as of the date of such opinion, the Offer Price is fair, from a financial point of view, to Shareholders, all as more fully described in the written opinion to be provided by Evans & Evans and included in the Directors’ Circular.

REASONS TO ACCEPT THE OFFER

The Offeror believes that the Offer is compelling and that the following are reasons to accept the Offer:

- **Liquidity and Certainty of Value.** The Offer immediately crystalizes full and certain value by providing for 100% cash consideration for the SVS Shares, giving depositing Shareholders certainty of value and immediate liquidity while removing financing, market, regulatory and execution risks to Shareholders. The trading volume of the SVS Shares is very low and there is no efficient, liquid market for the SVS Shares that would allow Shareholders to realize the value of their SVS Shares. Shareholders who deposit their SVS Shares under the Offer will have the opportunity to realize cash proceeds and certainty of value for their SVS Shares.
- **Significant Funding Required.** The significant aggregate losses incurred in the immediately preceding ten fiscal quarters have made the financial viability of Inscape questionable. Inscape has been aggressively pursuing alternative sources of capital without success. Equity financing sufficient to repay debt and fund the progress of Inscape's business plan (including significant capital needed to downsize its factories and to make ongoing investments in sales and distribution), if available, may be significantly dilutive to Shareholders.
- **Risk of downward impact on SVS Share price if Offer not accepted.** If the Offer is not successful and no alternative transaction is available, the Offeror believes it is highly likely that the trading price of SVS Shares will decline to significantly lower levels.
- **Opportunity to effect a successful turnaround.** Hilco, parent to the Offeror, is a prominent international financial investor and adviser, working across a broad range of sectors and specializes in restructuring and refinancing distressed companies. The Offeror believes that it provides the best opportunity for a successful turnaround of the Inscape business, which the Offeror believes is in the best interest of all of Inscape's stakeholders. Hilco has provided Inscape with a \$5,000,000 secured demand credit facility to fulfil its working capital requirements and fund the recovery of its business.
- **Unanimous Recommendation of the Inscape Board.** The Inscape Board, after consultation with its financial and legal advisors and the Special Committee, UNANIMOUSLY DETERMINED that the Offer Price is in the best interests of Inscape and the Shareholders and the Offer Price is fair, from a financial point of view, to the Shareholders and, accordingly, UNANIMOUSLY RECOMMENDED that Shareholders ACCEPT the Offer and DEPOSIT their SVS Shares under the Offer.
- **Support of Shareholders.** Certain Shareholders, including certain officers and directors of Inscape, have entered into the Lock-Up Agreements pursuant to which they have agreed to deposit under the Offer all SVS Shares held or to be acquired by them pursuant to the exercise of Options, representing in the aggregate approximately 81.1% of the issued and outstanding SVS Shares on a Fully-Diluted Basis, subject to certain terms and conditions of such Lock-Up Agreements. The total number of SVS Shares to be deposited pursuant to the Lock-Up Agreements is sufficient to meet the Minimum Tender Condition. The Lock-Up Agreements do not permit the Locked-Up Shareholders to accept an Acquisition Proposal other than the Offer.
- **Evans & Evans Fairness Opinion.** Evans & Evans provided the Inscape Board with a verbal opinion to the effect that, as of the date of such opinion, subject to the assumptions, limitations, and qualifications, which will be set out in the written opinion, the Offer Price is fair, from a financial point of view, to Shareholders.
- **Fully Financed Cash Offer.** The Offer is not subject to a financing condition. The Offeror will satisfy the funding requirements of the Offer from its cash resources.

See Section 8 of the Circular, "*Reasons to Accept the Offer*".

CONDITIONS OF THE OFFER

The Offer is conditional upon, among other things, there shall have been properly and validly deposited pursuant to the Offer and not properly and validly withdrawn at the expiry of the initial deposit period at least 66^{2/3}% of the SVS Shares then outstanding, on a Fully-Diluted Basis. See Section 4 of the Offer to Purchase, “*Conditions of the Offer*” for all of the conditions of the Offer.

It is important to be aware that the Offer is not subject to any financing condition.

Notwithstanding any other provision of the Offer, but subject to applicable Laws, the Offeror will have the right to withdraw the Offer or extend the Offer, and shall not be required to take up and pay for any SVS Shares validly deposited under the Offer, unless the conditions described in Section 4 of the Offer to Purchase, “*Conditions of the Offer*”, are satisfied or, where permitted, waived at or prior to the Expiry Time.

THE OFFEROR’S SOURCE OF FUNDING FOR THE OFFER

The Offeror estimates that, if the Offeror acquires all SVS Shares (on a Fully-Diluted Basis), other than any SVS Shares beneficially owned or controlled by Hilco, the Offeror or any other person acting jointly or in concert with the Offeror, the total amount required for the purchase will be approximately \$100,000 plus related fees and expenses associated with the Offer. The Offeror will satisfy the funding requirements of the Offer from its cash resources. To the extent the aggregate consideration to be paid for the SVS Shares to each Shareholder is not a whole number, the amount shall be rounded to the nearest whole cent on a per Shareholder basis.

See Section 10 of the Circular, “*Source of Funds*”.

SUPPORT AGREEMENT

On October 28, 2022, Inscape entered into the Support Agreement with the Offeror, which sets out, among other things, the terms and conditions of the Offeror’s obligation to make the Offer. Pursuant to the Support Agreement, Inscape has agreed to, among other things, support the Offer and not solicit any competing Acquisition Proposals.

See Section 5 of the Circular, “*Support Agreement*”.

LOCK-UP AGREEMENTS

In connection with the Offer, the Offeror has entered into the Lock-Up Agreements with the Locked-Up Shareholders owning 11,660,282 SVS Shares, or approximately 81.1% of the issued and outstanding SVS Shares, pursuant to which such Locked-Up Shareholders have agreed to deposit or cause to be deposited their SVS Shares to the Offer. Under the Lock-Up Agreements, the Locked-Up Shareholders are precluded from tendering or voting any of their SVS Shares in favour of any other acquisition proposal relating to Inscape and in certain circumstances are required to vote against other acquisition proposals or actions which might prevent, delay or interfere with the Offer. The Lock-Up Agreements do not permit the Locked-Up Shareholders to accept an Acquisition Proposal other than the Offer.

See Section 6 of the Circular, “*Lock-Up Agreements*”.

MANNER OF ACCEPTANCE

A Shareholder who wishes to accept the Offer must properly complete and execute the accompanying Letter of Transmittal (printed on **YELLOW** paper) and deposit it, at or prior to the Expiry Time, together with the certificate(s) (if any) representing their SVS Shares and all other required documents, with the Depositary at its office in Toronto, Ontario at the address indicated in the Letter of Transmittal in accordance with the instructions in the Letter of Transmittal. See Section 3 of the Offer to Purchase, “*Manner of Acceptance — Letter of Transmittal*”.

If a Shareholder wishes to accept the Offer and validly deposit its SVS Shares under the Offer and any certificates representing such Shareholder’s SVS Shares are not immediately available, or if the certificates and all other

required documents cannot be provided to the Depositary at or prior to the Expiry Time, such SVS Shares nevertheless may be validly deposited under the Offer in compliance with the procedures for guaranteed delivery using the accompanying Notice of Guaranteed Delivery (printed on **PINK** paper), or a manually executed facsimile thereof, in accordance with the instructions in the Notice of Guaranteed Delivery. See Section 3 of the Offer to Purchase, “*Manner of Acceptance — Procedure for Guaranteed Delivery*”.

Shareholders may accept the Offer by following the procedures for book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depositary at its office in Toronto, Ontario at the address indicated in the Letter of Transmittal at or prior to the Expiry Time. Shareholders accepting the Offer through book-entry transfer must make sure such documents are received by the Depositary at or prior to the Expiry Time. See Section 3 of the Offer to Purchase, “*Manner of Acceptance — Acceptance by Book-Entry Transfer*”.

Shareholders will not be required to pay any fee or commission if they accept the Offer by validly depositing their SVS Shares directly with the Depositary. Shareholders should consult their investment advisor, stockbroker or other nominee to determine whether other charges will apply.

Shareholders whose SVS Shares are registered in the name of an investment advisor, stockbroker or other nominee should immediately contact that nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such SVS Shares under the Offer. Such nominees or other intermediaries may establish deposit cut-off times that are prior to the Expiry Time. Shareholders must instruct their investment advisors, stockbrokers or other nominees promptly if they wish to deposit their SVS Shares.

Shareholders should contact TSX Trust, the Depositary, or a broker or dealer for assistance in accepting the Offer and in validly depositing SVS Shares with the Depositary. TSX Trust can be contacted by telephone at (416) 682-3860 or at +1-800-387-0825 (toll free) or by e-mail at shareholderinquiries@tmx.com.

TAKE-UP OF AND PAYMENT FOR DEPOSITED SVS SHARES

If all of the conditions of the Offer described in Section 4 of the Offer to Purchase, “*Conditions of the Offer*”, have been satisfied or, where permitted, waived by the Offeror at or prior to the Expiry Time, the Offeror will take up the SVS Shares validly deposited under the Offer and not properly withdrawn immediately after the Expiry Time and will pay for the SVS Shares taken up as soon as possible but in any event not later than three (3) business days (as defined under applicable Canadian securities Laws) after they are taken up.

In accordance with applicable Laws and if at the Expiry Time the Offeror takes up SVS Shares validly deposited, the Offeror will extend the Offer for the Mandatory Extension Period. The Offeror may also extend the Offer for one or more Optional Extension Periods following the Mandatory Extension Period. The Offeror will take up and pay for any SVS Shares validly deposited under the Offer during the Mandatory Extension Period and any Optional Extension Period within 10 days of any such deposit. See Section 6 of the Offer to Purchase, “*Take-Up of and Payment for Deposited SVS Shares*”.

WITHDRAWAL OF DEPOSITED SVS SHARES

SVS Shares validly deposited under the Offer may be withdrawn by or on behalf of the depositing Shareholder at any time before the SVS Shares have been taken up by the Offeror under the Offer and in the other circumstances described in Section 7 of the Offer to Purchase, “*Withdrawal of Deposited SVS Shares*”. Except, as so indicated or as otherwise required by applicable Laws, deposits of SVS Shares are irrevocable.

To properly withdraw previously deposited SVS Shares, Shareholders must send a written notice of withdrawal to the Depositary prior to the occurrence of certain events and within the time periods set forth in Section 7 of the Offer to Purchase, “*Withdrawal of Deposited SVS Shares*”. The notice must contain the specific information outlined in Section 7 of the Offer to Purchase, “*Withdrawal of Deposited SVS Shares*”. If a Shareholder’s investment advisor, stockbroker or other nominee has deposited SVS Shares on the Shareholder’s behalf and the

Shareholder wishes to properly withdraw such SVS Shares, the Shareholder must arrange for such nominee to timely withdraw such SVS Shares.

ACQUISITION OF SVS SHARES NOT DEPOSITED

If the Offeror takes up and pays for the SVS Shares validly deposited under the Offer, the Offeror intends to enter into one or more transactions to enable the Offeror or an affiliate of the Offeror to acquire all SVS Shares not acquired under the Offer. If, by the Expiry Time or within 120 days after the date of the Offer, whichever period is the shorter, the Offeror takes up and pays for not less than 90% of the outstanding SVS Shares under the Offer, on a Fully-Diluted Basis, other than SVS Shares held at the date of the Offer by or on behalf of the Offeror, or an affiliate or associate of the Offeror (as those terms are defined in the OBCA), then the Offeror may, at its option, acquire the remainder of the SVS Shares by way of a Compulsory Acquisition pursuant to Part XV of the OBCA.

If the Offeror acquires less than 90% of the SVS Shares under the Offer other than SVS Shares held at the date of the Offer by or on behalf of the Offeror and its affiliates and associates (as such terms are defined in the OBCA), if the right of Compulsory Acquisition described above is not available for any reason, or if the Offeror chooses not to avail itself of such statutory right, the Offeror may pursue other means of acquiring the remaining SVS Shares not deposited under the Offer pursuant to a Subsequent Acquisition Transaction. If the Offeror were to proceed with a Subsequent Acquisition Transaction, it is the Offeror's intention that the consideration to be paid to Shareholders pursuant to any such Subsequent Acquisition Transaction would be equal in amount to and in the same form as that payable under the Offer and that the Subsequent Acquisition Transaction would be completed no later than 120 days after the Expiry Time. The Offeror, however, expressly reserves the right not to propose a Compulsory Acquisition or Subsequent Acquisition Transaction. If the Offeror proposes a Subsequent Acquisition Transaction, the Offeror intends to cause SVS Shares acquired under the Offer to be voted in favour of any such Subsequent Acquisition Transaction and, where permitted by MI 61-101, to be counted as part of any minority approval required in connection with any such Subsequent Acquisition Transaction. The timing and details of a Subsequent Acquisition Transaction, if any, will necessarily depend on a variety of factors, including the number of SVS Shares acquired pursuant to the Offer. If, after taking up SVS Shares under the Offer, the Offeror owns at least two-thirds ($66\frac{2}{3}\%$) of the issued and outstanding SVS Shares on a Fully-Diluted Basis and sufficient votes are cast by "minority" holders to constitute a "minority approval" pursuant to MI 61-101, the Offeror should own a sufficient number of SVS Shares to be able to effect a Subsequent Acquisition Transaction.

Under the terms of the Support Agreement, there is no obligation on the Offeror to undertake a Compulsory Acquisition or any form of Subsequent Acquisition Transaction to acquire the remaining SVS Shares following the Offer. If the Offeror takes up SVS Shares under the terms of the Offer and is subsequently unable to, or determines at its option not to, effect a Compulsory Acquisition or propose a Subsequent Acquisition Transaction, Shareholders who did not deposit their SVS Shares pursuant to the Offer will continue to hold their SVS Shares. As a result of the Minimum Tender Condition, if the Offeror takes up SVS Shares under the Offer, the Offeror and its affiliates will hold at least $66\frac{2}{3}\%$ of the issued and outstanding SVS Shares. Therefore, subject to the provisions of MI 61-101, the Offeror and its affiliates will have beneficial ownership over a sufficient number of SVS Shares to approve any action requiring the approval of the holders of a majority of the SVS Shares, including the election of directors. It is possible that the Offeror and its affiliates acquire control over greater than $66\frac{2}{3}\%$ of the SVS Shares which, subject to MI 61-101, would permit them to approve any action which requires a special resolution under the OBCA. Furthermore, if the Offeror does not complete a Compulsory Acquisition or Subsequent Acquisition Transaction, Inscape's obligations as a reporting issuer under applicable Canadian securities Laws will continue and Inscape may remain a listed issuer subject to the rules and regulations of the TSX. For a discussion of the implications of not depositing your SVS Shares, see Section 14 of the Circular, "*Acquisition of SVS Shares Not Deposited*".

STOCK EXCHANGE LISTING

The SVS Shares are listed on the TSX under the symbol "INQ". The purchase of SVS Shares by the Offeror under the Offer will reduce the number of SVS Shares that might otherwise trade publicly and will reduce the number of holders of SVS Shares and, depending on the number of SVS Shares acquired by the Offeror, could materially adversely affect the liquidity and market value of any remaining SVS Shares held by the public. See Section 3 of the Circular, "*Certain Information Concerning Securities of Inscape*".

The rules and regulations of the TSX establish certain criteria that, if not met, could lead to the cessation of trading and delisting of the SVS Shares from the TSX. Among such criteria are the number of holders of SVS Shares, the number of SVS Shares publicly held and the aggregate market value of the SVS Shares publicly held. In addition, if a sufficient number of SVS Shares are purchased under the Offer, the Offeror may seek to delist the SVS Shares from the TSX after completion of the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction. Depending upon the number of SVS Shares purchased pursuant to the Offer and the then applicable trading price of the SVS Shares, it is possible that the SVS Shares will fail to meet the criteria for continued listing on the TSX. If this were to happen, the SVS Shares could be delisted and this could, in turn, adversely affect the market or result in a lack of an established market for the SVS Shares. Furthermore, Inscope may apply to have the SVS Shares voluntarily delisted from the TSX, in which case section 720 of the TSX Company Manual may, subject to TSX discretion, require minority shareholder approval of delisting.

If the Offeror proceeds with a Compulsory Acquisition or a Subsequent Acquisition Transaction, the Offeror may cause Inscope to apply to delist the SVS Shares from the TSX as soon as practicable after completion of the Offer and such Compulsory Acquisition or Subsequent Acquisition Transaction. See Section 17 of the Circular, *“Effect of the Offer on the Market for and Listing of SVS Shares and Status as a Reporting Issuer”*.

DISSENT OR APPRAISAL RIGHTS

Shareholders will not have dissent or appraisal rights in connection with the Offer. However, Shareholders who do not deposit their SVS Shares to the Offer may have rights of dissent in the event that the Offeror acquires their SVS Shares by way of a Compulsory Acquisition or Subsequent Acquisition Transaction.

See Section 14 of the Circular, *“Acquisition of SVS Shares Not Deposited”*.

CERTAIN TAX CONSIDERATIONS

If you are in any doubt as to your tax position or are subject to taxation in any jurisdiction other than Canada, you should consult an appropriate professional advisor immediately.

Certain Canadian Federal Income Tax Considerations

Generally, a Shareholder who is resident in Canada, who deals at arm’s length with the Offeror, Hilco and Inscope, who is not affiliated with the Offeror, Hilco or Inscope, who did not acquire SVS Shares pursuant to an employee compensation plan, who holds SVS Shares as capital property and who sells such SVS Shares to the Offeror under the Offer will realize a capital gain (or capital loss) equal to the amount by which the cash received, net of any reasonable costs of disposition, exceeds (or is less than) the aggregate adjusted cost base to the Shareholder of such SVS Shares.

Generally, Shareholders who are non-residents of Canada for the purposes of the Tax Act and who do not use or hold their SVS Shares in connection with carrying on a business in Canada will not be subject to tax in Canada in respect of any capital gain realized on the sale of SVS Shares to the Offeror under the Offer, unless those shares constitute “taxable Canadian property” to such Shareholder within the meaning of the Tax Act and that gain is not otherwise exempt from tax under the Tax Act pursuant to an exemption contained in any applicable income tax treaty or convention.

The foregoing is a very brief summary of certain Canadian federal income tax consequences and is qualified in its entirety by Section 18 of the Circular, *“Certain Canadian Federal Income Tax Considerations”*, which provides a summary of the principal Canadian federal income tax considerations generally applicable to Shareholders. Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale of SVS Shares pursuant to the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction. Holders of Convertible Securities should consult their own tax advisors having regard to their own personal circumstances.

See Section 18 of the Circular, *“Certain Canadian Federal Income Tax Considerations”*.

DEPOSITARY

The Offeror has engaged TSX Trust to act as the Depositary to receive deposits of certificates representing SVS Shares and accompanying Letters of Transmittal deposited under the Offer at its office in Toronto, Ontario at the address indicated in the Letter of Transmittal. In addition, the Depositary will receive Notices of Guaranteed Delivery at its office in Toronto, Ontario at the address indicated in the Notice of Guaranteed Delivery. The Depositary will also be responsible for giving certain notices. The Depositary will act as the agent of persons who have validly deposited SVS Shares in acceptance of the Offer for the purposes of receiving payment from the Offeror and transmitting such payment to such persons. The Depositary will also facilitate book-entry transfers of SVS Shares. The Depositary will receive reasonable and customary compensation from the Offeror for its services in connection with the Offer and will be reimbursed for certain out-of-pocket expenses. See Section 3 of the Offer to Purchase, “*Manner of Acceptance*” and Section 19 of the Circular, “*Depositary*”.

Shareholders should contact the Depositary or a broker or dealer for assistance in accepting the Offer and in validly depositing SVS Shares with the Depositary.

TSX Trust, the Depositary, can be contacted by telephone at (416) 682-3860 or at +1-800-387-0825 (toll free) or by e-mail at shareholderinquiries@tmx.com.

Full contact details for the Depositary are provided on the last page of this document. See Section 19 of the Circular, “*Depositary*”.

Shareholders should also contact their investment advisors, stockbrokers and other nominees, or their lawyers or other professional advisors, for assistance concerning the Offer.

Shareholders will not be required to pay any fee or commission if they accept the Offer by validly depositing their SVS Shares directly with the Depositary.

OFFER TO PURCHASE

The accompanying Circular, which is incorporated into and forms part of the Offer to Purchase, contains important information that should be read carefully before making a decision with respect to the Offer. Unless the context otherwise requires, terms used but not defined in the Offer to Purchase have the respective meanings given to them in the accompanying Glossary.

November 17, 2022

TO: THE SHAREHOLDERS OF INSCAPE CORPORATION

1. The Offer

The Offeror hereby offers to purchase, on the terms and subject to the conditions of the Offer, all of the issued and outstanding SVS Shares (other than SVS Shares owned by the Offeror or any of its affiliates), and any SVS Shares that may become issued and outstanding after the date of the Offer but before the Expiry Time of the Offer upon the exercise, exchange or conversion of Options or other Convertible Securities, at a price of \$0.007 in cash per SVS Share (the “**Offer Price**”). The Offer is being made only for SVS Shares and is not being made for any Options or other Convertible Securities. **To the extent the aggregate consideration to be paid for the SVS Shares to each Shareholder is not a whole number, the amount shall be rounded to the nearest whole cent on a per Shareholder basis.**

The Offeror and Inscope agreed in the Support Agreement that, between the date of the Support Agreement and the Effective Time, Inscope shall: (i) not grant any additional SVS Shares, MVS Shares, Options, Share Awards, and DSUs or other rights to purchase or acquire SVS Shares or MVS Shares, or make any amendments to outstanding Options, Share Awards and DSUs without the prior written consent of the Offeror, (ii) take such actions as may be necessary to ensure that any outstanding Options, Share Awards and DSUs shall either be cancelled or otherwise dealt with in a manner satisfactory to the Offeror prior to the Effective Time and (iii) promptly notify the Offeror in writing of any exercise or cancellation of Options, RSUs or PSUs. Such notice shall include full particulars of each such exercise or cancellation. See Section 5 of the Circular, “*Support Agreement — Outstanding Inscope Options and Share Awards*”. The Offeror understands that there are no Convertible Securities outstanding other than the Options.

The obligation of the Offeror to take up and pay for SVS Shares pursuant to the Offer is subject to certain conditions. See Section 4 of the Offer to Purchase, “*Conditions of the Offer*”.

All cash payments by the Offeror for SVS Shares taken up and paid for under the Offer will be made in Canadian dollars. To the extent the aggregate consideration to be paid for the SVS Shares to each Shareholder is not a whole number, the amount shall be rounded to the nearest whole cent on a per Shareholder basis.

Shareholders who do not validly deposit their SVS Shares under the Offer will not be entitled to any right of dissent or appraisal in connection with the Offer. However, Shareholders who do not validly deposit their SVS Shares under the Offer may have certain rights of dissent in the event the Offeror elects to acquire such SVS Shares by way of a Compulsory Acquisition or Subsequent Acquisition Transaction, including the right to seek judicial determination of the fair value of their SVS Shares. See Section 14 of the Circular, “*Acquisition of SVS Shares Not Deposited*”.

Shareholders should contact TSX Trust, the Depositary, or their investment advisor, stockbroker or other nominee for assistance in accepting the Offer and in validly depositing SVS Shares with the Depositary.

TSX Trust, the Depositary, can be contacted by telephone at (416) 682-3860 or at +1-800-387-0825 (toll free) or by e-mail at shareholderinquiries@tmx.com.

Shareholders will not be required to pay any fee or commission if they accept the Offer by validly depositing their SVS Shares directly with the Depositary.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

2. Time for Acceptance

The Offer is open for acceptance from the date of the Offer until 5:00 p.m. (Toronto time) on December 23, 2022, or such later time or times and date or dates as may be fixed by the Offeror from time to time pursuant to Section 5 of the Offer to Purchase, “*Extension, Variation or Change in the Offer*”, unless the Offer is withdrawn by the Offeror. The Offeror and the Inscape Board have agreed to reduce the initial deposit period to 35 days and the Offeror and Inscape have issued a joint deposit period news release on November 17, 2022 in this regard in accordance with applicable Law.

If the Offeror takes up SVS Shares validly deposited under the Offer and not properly withdrawn immediately after the expiry of the initial deposit period, the Offeror will extend the Offer for the Mandatory Extension Period. The Offeror may also extend the Offer for one or more Optional Extension Periods following the Mandatory Extension Period. See Section 6, “*Take-Up of and Payment for Deposited SVS Shares*”.

Shareholders whose SVS Shares are registered in the name of an investment advisor, stockbroker or other nominee should immediately contact that nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such SVS Shares under the Offer. Such nominees or other intermediaries may establish deposit cut-off times that are prior to the Expiry Time. Shareholders must instruct their nominees promptly if they wish to deposit their SVS Shares.

3. Manner of Acceptance

Letter of Transmittal

The Offer may be accepted by Shareholders delivering to the Depositary at its office in Toronto, Ontario at the address indicated in the Letter of Transmittal (printed on **YELLOW** paper) accompanying the Offer, so as to be received at or prior to the Expiry Time:

- (a) certificate(s) representing the SVS Shares in respect of which the Offer is being accepted;
- (b) a Letter of Transmittal in the form accompanying the Offer or a manually executed facsimile thereof, properly completed and executed in accordance with the instructions set out in the Letter of Transmittal (including signature guarantee if required); and
- (c) all other documents required by the terms of the Offer and the Letter of Transmittal.

The Offeror understands that CDS will be issuing instructions to its participants as to the method of validly depositing such SVS Shares under the terms of the Offer.

Shareholders will not be required to pay any fee or commission if they accept the Offer by validly depositing their SVS Shares directly with the Depositary.

The signature on the Letter of Transmittal must be guaranteed by an Eligible Institution or in some other manner acceptable to the Depositary (except that no guarantee is required for the signature of a depositing Shareholder that is an Eligible Institution) if it is signed by a person other than the registered owner(s) of the SVS Shares being deposited, or if the SVS Shares not purchased are to be returned to a person other than such registered owner(s) or sent to an address other than the address of the registered owner(s) as shown on the registers of Inscape, or if payment is to be issued in the name of a person other than the registered owner(s) of the SVS Shares being deposited. If a Letter of Transmittal is executed by a person other than the registered holder of the SVS Shares represented by the certificate(s) deposited therewith, or if the cash payable is to be delivered to a person other than the registered holder, then the certificate(s) must be endorsed or be accompanied by an appropriate share

transfer power of attorney duly and properly completed by the registered holder, with the signature on the endorsement panel or share transfer power of attorney guaranteed by an Eligible Institution.

In all cases, the Offer will be deemed to be accepted only if the Depositary has actually received these documents at its office in Toronto, Ontario at the address indicated in the Letter of Transmittal at or prior to the Expiry Time. Alternatively, SVS Shares held by a Shareholder may be validly deposited under the Offer in compliance with the procedures for guaranteed delivery set out below under the heading “*Manner of Acceptance — Procedure for Guaranteed Delivery*” or in compliance with the procedures for book-entry transfers set out below under the heading “*Manner of Acceptance — Acceptance by Book-Entry Transfer*”.

Procedure for Guaranteed Delivery

If a Shareholder wishes to validly deposit SVS Shares pursuant to the Offer and (i) any certificates representing such SVS Shares are not immediately available or (ii) such certificates and all other required documents cannot be delivered to the Depositary at or prior to the Expiry Time, such SVS Shares may nevertheless be validly deposited under the Offer provided that all of the following conditions are met:

- (a) the deposit is made by or through an Eligible Institution;
- (b) a properly completed and executed Notice of Guaranteed Delivery (printed on **PINK** paper) in the form accompanying the Offer, or a manually executed facsimile thereof, including the guarantee of delivery by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery, is received by the Depositary at its office in Toronto, Ontario at the address indicated in the Notice of Guaranteed Delivery at or prior to the Expiry Time; and
- (c) the certificate(s) representing all Deposited SVS Shares in proper form for transfer, together with a Letter of Transmittal, or a manually executed facsimile thereof, properly completed and duly executed as required by the instructions set out in the Letter of Transmittal (including signature guarantee if required) and all other documents required by the terms of the Offer and the Letter of Transmittal, are received by the Depositary at its office in Toronto, Ontario at the address indicated in the Letter of Transmittal prior to 5:00 p.m. (Toronto time) on the second trading day on the TSX after the Expiry Time.

The Notice of Guaranteed Delivery must be delivered by courier, e-mailed (with original to follow) or mailed to the Depositary at its office in Toronto, Ontario at the address indicated in the Notice of Guaranteed Delivery at or prior to the Expiry Time and must include a guarantee by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery. Delivery of the Notice of Guaranteed Delivery to an address or e-mail address other than those specified in the Notice of Guaranteed Delivery does not constitute delivery for purposes of satisfying a guaranteed delivery.

Acceptance by Book-Entry Transfer

Shareholders whose SVS Shares are held through CDS may accept the Offer by following the procedures for a book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depositary at its office in Toronto, Ontario at the address indicated in the Letter of Transmittal at or prior to the Expiry Time. The Depositary has established an account at CDS for the purpose of the Offer. Any financial institution that is a participant in CDS may make a book-entry transfer of a Shareholder's SVS Shares into the Depositary's account in accordance with CDS procedures for such transfer. Delivery of SVS Shares to the Depositary by means of a book-entry transfer will constitute a valid deposit of such SVS Shares under the Offer.

Shareholders, through their respective CDS participants, who utilize CDSX to accept the Offer through a book-entry transfer of their holdings into the Depositary's account with CDS shall be deemed to have completed and submitted a Letter of Transmittal and to be bound by the terms thereof and therefore such instructions received by the Depositary are considered a valid deposit under and in accordance with the terms of the Offer.

General

In all cases, the Offer will be deemed to be accepted by a Shareholder only if the Depositary has actually received the requisite documents at its office in Toronto, Ontario at the address indicated in the Letter of Transmittal at or prior to the Expiry Time. In all cases, payment to the Shareholder from the Depositary for SVS Shares validly deposited and taken up by the Offeror will be made only after timely receipt by the Depositary of (i) any certificates representing the SVS Shares (or, in the case of a book-entry transfer to the Depositary, a Book-Entry Confirmation for the SVS Shares), (ii) a Letter of Transmittal, or a manually executed facsimile thereof, properly completed and duly executed, covering those SVS Shares with the signatures guaranteed, if required, in accordance with the instructions set out in the Letter of Transmittal, or in the case of SVS Shares validly deposited by book-entry transfer, a Book-Entry Confirmation, and (iii) all other required documents.

The method of delivery of certificate(s) representing SVS Shares, the Letter of Transmittal, the Notice of Guaranteed Delivery and all other required documents is at the option and risk of the person depositing such documents. The Offeror recommends that Shareholders deliver all such documents by registered mail, with return receipt requested and that proper insurance be obtained. It is suggested that any such mailing be made sufficiently in advance of the Expiry Time to permit delivery to the Depositary before the Expiry Time. Delivery will only be effective upon actual physical receipt by the Depositary.

All questions as to the validity, form, eligibility (including timely receipt) and acceptance of any SVS Shares deposited pursuant to the Offer will be determined by the Offeror in its sole discretion. Depositing Shareholders agree that such determination shall be final and binding. The Offeror reserves the absolute right to reject any and all deposits which it determines not to be in proper form or which may be unlawful to accept under the Laws of any applicable jurisdiction. The Offeror reserves the absolute right to waive any defects or irregularities in any deposit of any SVS Shares. There shall be no duty or obligation on the Offeror, Hilco, the Depositary or any other person to give notice of any defects or irregularities in any deposit and no liability shall be incurred by any of them for failure to give any such notice. The Offeror's interpretation of the terms and conditions of the Offer, the Circular, the Letter of Transmittal, the Notice of Guaranteed Delivery and any other related documents will be final and binding.

The Offeror reserves the right to permit the Offer to be accepted in a manner other than that set out in this Section 3.

Under no circumstance will interest accrue or any amount be paid by the Offeror or the Depositary by reason of any delay in making payments for SVS Shares to any person on account of SVS Shares accepted for payment under the Offer.

Shareholders will not be required to pay any fee or commission if they accept the Offer by validly depositing their SVS Shares directly with the Depositary.

Shareholders whose SVS Shares are registered in the name of an investment advisor, stockbroker or other nominee should immediately contact that nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such SVS Shares under the Offer. Such nominees or other intermediaries may establish deposit cut-off times that are prior to the Expiry Time. Shareholders must instruct their nominees promptly if they wish to deposit their SVS Shares.

Participants of CDS should contact TSX Trust, the Depositary, or their investment advisor, stockbroker or other nominee for assistance in accepting the Offer and in validly depositing SVS Shares with the Depositary.

Dividends and Distributions

Subject to the terms and conditions of the Offer and subject, in particular, to SVS Shares being properly withdrawn by or on behalf of a depositing Shareholder, and except as provided below, by accepting the Offer pursuant to the procedures set out herein, a Shareholder assigns to the Offeror all right, title and interest in and to the SVS Shares covered by the Letter of Transmittal or book-entry transfer (collectively, the **"Deposited SVS Shares"**) and in

and to all rights and benefits arising from such Deposited SVS Shares including any and all dividends, distributions, payments, securities, property or other interests that may be declared, paid, accrued, issued, distributed, made or transferred on or in respect of the Deposited SVS Shares or any of them on and after the date of the Offer, including any dividends, distributions or payments on such dividends, distributions, payments, securities, property or other interests (collectively, the “**Distributions**”).

Notwithstanding such assignment, if, on or after the date of the Offer, Inscape should declare, set aside or pay any dividend or declare, make or pay any other distribution or payment on or declare, allot, reserve or issue any securities, rights or other interests with respect to any SVS Share, which is or are payable or distributable to Shareholders on a record date prior to the date of transfer into the name of the Offeror or its nominee or transferee on the securities register maintained by or on behalf of Inscape in respect of SVS Shares accepted for purchase under the Offer, then (and without prejudice to its rights under Section 4 of the Offer to Purchase, “*Conditions of the Offer*”): (i) in the case of any such cash dividends, distributions or payments that in an aggregate amount do not exceed the purchase price per SVS Share payable, the amount of the dividends, distributions or payments will be received and held by the depositing Shareholder for the account of the Offeror until the Offeror pays for such SVS Shares and the purchase price per SVS Share payable by the Offeror pursuant to the Offer will be reduced by the amount of any such dividend, distribution or payment, and (ii) in the case of any such cash dividends, distributions or payments that in an aggregate amount exceeds the purchase price per SVS Share payable by the Offeror pursuant to the Offer, or in the case of any non-cash dividend, distribution, payment, securities, property, rights, assets or other interests, the whole of any such dividend, distribution, payment, securities, property, rights, assets or other interests (and not simply the portion that exceeds the purchase price per SVS Share payable by the Offeror under the Offer) will be received and held by the depositing Shareholder for the account of the Offeror and will be promptly remitted and transferred by the depositing Shareholder to the Depositary for the account of the Offeror, accompanied by appropriate documentation of transfer. Pending such remittance, the Offeror will be entitled to all rights and privileges as the owner of any such dividend, distribution, payment, securities, property, rights, assets or other interests and may withhold the entire purchase price payable by the Offeror under the Offer or deduct from the consideration payable by the Offeror under the Offer the amount or value thereof, as determined by the Offeror in its sole discretion. See also Section 9 of the Offer to Purchase “*Changes in Capitalization; Adjustments; Liens*”.

The declaration or payment of any such dividend or distribution may have tax consequences not described under Section 18 of the Circular, “*Certain Canadian Federal Income Tax Considerations*”. Shareholders should consult their own tax advisors as to the tax consequences of the declaration or payment of any such dividend or distribution.

Power of Attorney

The execution of a Letter of Transmittal (or, in the case of SVS Shares deposited by book-entry transfer, the making of the book-entry transfer) irrevocably constitutes and appoints, effective at and after the time (the “**Take-Up Time**”) that the Offeror takes up the Deposited SVS Shares, each director and officer of the Offeror or Hilco, and any other person designated by the Offeror in writing, as the true and lawful agent, attorney, attorney-in-fact and proxy of the holder of the Deposited SVS Shares (which Deposited SVS Shares upon being taken up are, together with any Distributions thereon, hereinafter referred to as the “**Purchased Securities**”) (or on whose behalf a book-entry transfer is made) with respect to such Purchased Securities, with full power of substitution (such powers of attorney, being coupled with an interest, being irrevocable), in the name of and on behalf of such Shareholder:

- (a) to register or record the transfer and/or cancellation of such Purchased Securities, to the extent consisting of securities, on the appropriate securities registers maintained by or on behalf of Inscape;
- (b) for so long as any such Purchased Securities are registered or recorded in the name of such Shareholder, to exercise any and all rights of such Shareholder including, without limitation, the right to vote, to execute and deliver (provided the same is not contrary to applicable Laws), as and when requested by the Offeror or Hilco, any and all instruments of proxy, authorizations or consents in form and on terms satisfactory to the Offeror and Hilco in respect of any or all

Purchased Securities, to revoke any such instruments, authorizations or consents given prior to or after the Take-Up Time, and to designate in any such instruments, authorizations or consents any person or persons as the proxyholder of such Shareholder in respect of such Purchased Securities for all purposes including, without limitation, in connection with any meeting or meetings (whether annual, special or otherwise, or any adjournments thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Inscape;

- (c) to execute, endorse and negotiate, for and in the name of and on behalf of such Shareholder, any and all cheques or other instruments representing any Distributions payable to or to the order of, or endorsed in favour of, such Shareholder; and
- (d) to exercise any other rights of a Shareholder with respect to such Purchased Securities, all as set out in the Letter of Transmittal.

A Shareholder accepting the Offer under the terms of the Letter of Transmittal (including by book-entry transfer) revokes any and all other authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise, previously conferred or agreed to be conferred by the Shareholder at any time with respect to the Deposited SVS Shares or any Distributions. Such depositing Shareholder agrees that no subsequent authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise will be granted with respect to the Deposited SVS Shares or any Distributions by or on behalf of the depositing Shareholder unless the Deposited SVS Shares are not taken up and paid for under the Offer or are properly withdrawn in accordance with Section 7 of the Offer to Purchase, “*Withdrawal of Deposited SVS Shares*”.

A Shareholder accepting the Offer under the terms of the Letter of Transmittal (including by book-entry transfer) also agrees not to vote any of the Purchased Securities at any meeting (whether annual, special or otherwise or any adjournments thereof, including any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Inscape and, except as may otherwise be agreed with the Offeror and Hilco, not to exercise any of the other rights or privileges attached to the Purchased Securities, and agrees to execute and deliver to the Offeror any and all instruments of proxy, authorizations or consents in respect of all or any of the Purchased Securities, and agrees to designate or appoint in any such instruments of proxy, authorizations or consents, the person or persons specified by the Offeror as the proxy or the proxy nominee or nominees of the holder of the Purchased Securities. Upon such appointment, all prior proxies and other authorizations (including all appointments of any agent, attorney or attorney-in-fact) or consents given by the holder of such Purchased Securities with respect thereto will be revoked and no subsequent proxies or other authorizations or consents may be given by such person with respect thereto.

Further Assurances

A Shareholder accepting the Offer covenants under the terms of the Letter of Transmittal (including by book-entry transfer) to execute, upon request of the Offeror, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Purchased Securities to the Offeror. Each authority therein conferred or agreed to be conferred is, to the extent permitted by applicable Laws, irrevocable and may be exercised during any subsequent legal incapacity of such Shareholder and shall, to the extent permitted by applicable Laws, survive the death or incapacity, bankruptcy or insolvency of the Shareholder and all obligations of the Shareholder therein shall be binding upon the heirs, executors, administrators, attorneys, personal representatives, successors and assigns of such Shareholder.

Formation of Agreement; Shareholder’s Representations and Warranties

The acceptance of the Offer pursuant to the procedures set out above constitutes a binding agreement between a depositing Shareholder and the Offeror, effective immediately following the time at which the Offeror takes up the SVS Shares validly deposited by such Shareholder, in accordance with the terms and conditions of the Offer and the Letter of Transmittal. This agreement includes a representation and warranty by the depositing Shareholder to the Offeror and Hilco that (i) the person signing the Letter of Transmittal or on whose behalf a book-entry transfer is made has full power and authority to deposit, sell, assign and transfer the Deposited SVS

Shares and all rights and benefits arising from such Deposited SVS Shares including any Distributions, (ii) the person signing the Letter of Transmittal or on whose behalf a book-entry transfer is made owns the Deposited SVS Shares and any Distributions deposited under the Offer, (iii) the Deposited SVS Shares and Distributions have not been sold, assigned or transferred, nor has any agreement been entered into to sell, assign or transfer any of the Deposited SVS Shares or Distributions, to any other person, (iv) the deposit of the Deposited SVS Shares and Distributions complies with applicable Laws, and (v) when the Deposited SVS Shares and Distributions are taken up and paid for by the Offeror, the Offeror will acquire good title thereto (and to any Distributions), free and clear of all security interests, liens, restrictions, charges, encumbrances, claims and rights of others.

A Shareholder will be deemed not to have accepted the Offer if such Shareholder does not make the above representations when submitting its Letter of Transmittal. The Offeror reserves the right, in its sole discretion, to investigate, in relation to any acceptance, whether the representations could have been truthfully given by the relevant Shareholder and, if such investigation is made and as a result the Offeror determines that such representation could not have been so given, such acceptance shall not be valid.

4. Conditions of the Offer

Notwithstanding any other provision of the Offer, but subject to applicable Laws, the Offeror will not take up, purchase or pay for, any SVS Shares unless, there shall have been properly and validly deposited pursuant to the Offer and not properly and validly withdrawn at the expiry of the initial deposit period at least 66^{2/3}% of the SVS Shares then outstanding, on a Fully-Diluted Basis (the “**Minimum Tender Condition**”). In the event that the Minimum Tender Condition is not satisfied at the expiry of the initial deposit period, the Offeror shall have the right to withdraw or terminate the Offer or to extend the period of time during which the Offer is open for acceptance. The Minimum Tender Condition cannot be waived by the Offeror.

In addition to (and not in limitation of) the Offeror’s right to extend, withdraw, terminate or amend the Offer at any time in its sole and absolute discretion pursuant to Section 5 of the Offer to Purchase, “*Extension, Variation or Change in the Offer*” (and subject to the provisions of the Support Agreement), the Offeror will not be required to take up and/or, subject to applicable Laws, pay for (and may, subject to applicable Laws, postpone taking up and paying for) the SVS Shares properly and validly deposited and not properly and validly withdrawn under the Offer, unless all of the following conditions are satisfied or waived by the Offeror in whole or in part at any time in its sole and absolute discretion at or prior to the Expiry Time:

- (a) there shall not exist or have occurred any Material Adverse Change (i) since the date of the Support Agreement or (ii) prior to the date of the Support Agreement that has not previously been disclosed to the public generally;
- (b) any requisite government or regulatory consents, authorizations, waivers, permits, reviews, orders, rulings, decisions, approvals, clearances, or exemptions (including, without limitation, those of any stock exchange or other securities regulatory authorities) that are necessary to complete the Offer or, if applicable, a Compulsory Acquisition or Subsequent Acquisition Transaction, or to prevent the occurrence of a Material Adverse Change as a result of the completion of the Offer, a Compulsory Acquisition or Subsequent Acquisition Transaction, shall have been obtained or concluded on terms and conditions satisfactory to the Offeror, acting reasonably, or, in the case of waiting or suspensory periods, expired or been terminated;
- (c) there exists no Event of Default (as defined under the Interim Loan Agreement) under the Interim Loan;
- (d) the Offeror shall have determined, acting reasonably, that (i) no act, action, suit, proceeding or litigation shall have been threatened, taken or commenced by or before, and no judgement or order shall have been issued by, any Government Official or Governmental Entity or any other person in any case, whether or not having the force of Law, and (ii) no applicable Laws shall have been proposed, enacted, promulgated, amended or applied, in either case:

- (i) to cease trade, enjoin, prohibit or impose material limitations or conditions on or make materially more costly the making of the Offer, the purchase by or the sale to the Offeror of the SVS Shares pursuant to the Offer, the right of the Offeror to own or exercise full rights of ownership over the SVS Shares to be acquired pursuant to the Offer, or the consummation of any Compulsory Acquisition or Subsequent Acquisition Transaction or which could have any such effect;
 - (ii) prohibiting or limiting the ownership or operation by the Offeror of any material portion of the business or assets of Inscape or its Subsidiaries or compelling the Offeror or its affiliates to dispose of or hold separate any material portion of the business or assets of Inscape or any of its Subsidiaries;
 - (iii) which has caused or resulted in, or could reasonably be expected to cause or result in, a Material Adverse Change;
 - (iv) which would materially and adversely delay or affect the ability of the Offeror to proceed with the Offer, or the consummation of any Compulsory Acquisition or Subsequent Acquisition Transaction, and/or take up and pay for any SVS Shares deposited under the Offer;
 - (v) which would result in a material impairment on the ability of the Offeror to continue operating the business of Inscape and the Subsidiaries in substantially the same manner as they were operated immediately prior to the date of the Support Agreement; or
 - (vi) otherwise challenging, preventing, enjoining, frustrating, prohibiting, materially limiting, conditioning or restricting the transactions contemplated by the Support Agreement;
- (e) the Offeror shall have determined that there does not exist any prohibition at Law against the Offeror making the Offer or taking up and paying for any SVS Shares deposited under the Offer or completing any Compulsory Acquisition or Subsequent Acquisition Transaction;
- (f) Inscape shall have taken all corporate or other actions necessary to ensure that all outstanding Options will have been exercised or cancelled on terms and conditions satisfactory to the Offeror, acting reasonably, as at the expiry of the initial deposit period for the Offer;
- (g) at the expiry of the initial deposit period:
- (i) Inscape shall have complied in all respects with its covenants in Section 6.1 of the Support Agreement and in all material respects with all of its other covenants and obligations in the Support Agreement to be complied with prior to the expiry of the initial deposit period and the Offeror shall have received a certificate of the Chief Executive Officer and the Chief Financial Officer of Inscape (in each case without personal liability) addressed to the Offeror and dated as of the date of the expiry of the initial deposit period confirming the same, such certificate to be in form and substance satisfactory to the Offeror, acting reasonably; and
 - (ii) (A) the representations and warranties of Inscape set forth in the Support Agreement (other than those set forth in paragraph 3 of Schedule C to the Support Agreement) shall be true and correct (without giving effect to any Material Adverse Change or materiality qualifiers contained therein) as of the expiry of the initial deposit period as if made at and as of such time (except for those representations and warranties expressly stated to speak at or as of an earlier time, in which case those representations and warranties shall be true and correct as of such earlier time), except where any inaccuracy in any of the representations and warranties, individually or in the aggregate, would not reasonably be expected to cause or result in a Material Adverse

Change or would not reasonably be expected to prevent, or materially impede, restrict or delay, the acquisition of SVS Shares pursuant to the Offer; and (B) the representations and warranties set forth in paragraph 3 of Schedule C to the Support Agreement shall be true and correct in all respects, as of the expiry of the initial deposit period and the Offeror shall have received a certificate of the Chief Executive Officer and the Chief Financial Officer of Inscope (in each case without personal liability) addressed to the Offeror and dated as of the date of the expiry of the initial deposit period confirming the same, such certificate to be in form and substance satisfactory to the Offeror, acting reasonably;

- (h) the Inscope Board shall not have authorized the issuance of any securities (including SVS Shares, MVS Shares, Options, DSUs, RSUs, PSUs or other equity incentive awards) and no dividends or distributions of any kind shall have been declared or paid to the Shareholders;
- (i) the Lock-Up Agreements are in full force and effect and have not been terminated; and
- (j) the Support Agreement shall not have been terminated by the Offeror or Inscope in accordance with its terms.

The foregoing conditions are for the exclusive benefit of the Offeror and may be asserted by the Offeror regardless of the circumstances giving rise to any such assertion, including any action or inaction by the Offeror. The Offeror may waive any of the foregoing conditions, other than the Minimum Tender Condition, in whole or in part, at any time and from time to time, without prejudice to any other rights which the Offeror may have, subject to the terms of the Support Agreement. The failure by the Offeror at any time to exercise any of the foregoing rights shall not be deemed to be a waiver of any such right, and each such right shall be deemed to be an ongoing right which may be asserted at any time and from time-to-time.

Any waiver of a condition or the withdrawal of the Offer shall be effective upon written notice or other communication confirmed in writing by the Offeror to that effect to the Depositary at its principal office in Toronto, Ontario. The Offeror, forthwith after giving any such notice, shall make a public announcement of such waiver or withdrawal, shall cause the Depositary, if required by Law, as soon as practicable thereafter to notify the Shareholders thereof in the manner set forth in Section 10 of the Offer to Purchase, “*Notices and Delivery*”, and shall provide a copy of the aforementioned notice to the TSX and any other applicable Securities Regulatory Authority. If the Offer is withdrawn, the Offeror shall not be obligated to take up or pay for any SVS Shares properly and validly deposited under the Offer and the Depositary will promptly return all certificates representing deposited SVS Shares, Letters of Transmittal, Notices of Guaranteed Delivery and related documents in its possession to the parties by whom they were deposited at the Offeror’s expense. See Section 8 of the Offer to Purchase, “*Return of Deposited SVS Shares*”.

The Offer is being made only for SVS Shares and is not made for any Options or any other Convertible Securities.

The Offeror and Inscope agreed in the Support Agreement that, between the date of the Support Agreement and the Effective Time, Inscope shall: (i) not grant any additional SVS Shares, MVS Shares, Options, Share Awards, and DSUs or other rights to purchase or acquire SVS Shares or MVS Shares, or make any amendments to outstanding Options, Share Awards and DSUs without the prior written consent of the Offeror, (ii) take such actions as may be necessary to ensure that any outstanding Options, Share Awards and DSUs shall either be cancelled or otherwise dealt with in a manner satisfactory to the Offeror prior to the Effective Time and (iii) promptly notify the Offeror in writing of any exercise or cancellation of Options, RSUs, or PSUs. Such notice shall include full particulars of each such exercise or cancellation. See Section 5 of the Circular, “*Support Agreement — Outstanding Inscope Options and Share Awards*”. The Offeror understands that there are no Convertible Securities outstanding other than the Options.

5. Extension, Variation or Change in the Offer

The Offer is open for acceptance from the date of the Offer until, but not after, the Expiry Time, subject to extension or variation in accordance with the terms of the Offer, unless the Offer is withdrawn by the Offeror. In addition, if the Offeror takes up SVS Shares validly deposited under the Offer at the expiry of the initial deposit period, the Offer will be extended and will be open for acceptance for an additional period of not less than 10 days (the “**Mandatory Extension Period**”).

Subject to the limitations set out below and to Section 4 of the Offer to Purchase, “*Conditions of the Offer*”, the Offeror may, in its sole discretion, at any time and from time to time while the Offer is open for acceptance (or at any other time if permitted by applicable Laws), extend the Expiry Time or vary the Offer where permitted by applicable Laws by giving written notice (or other communication subsequently confirmed in writing, provided that such confirmation is not a condition of the effectiveness of the notice) of any extension or variation to the Depositary at its principal office in Toronto, Ontario, and by causing the Depositary, if required by applicable Laws, as soon as practicable thereafter to communicate such notice in the manner set out in Section 10 of the Offer to Purchase, “*Notices and Delivery*”, to all registered Shareholders whose SVS Shares have not been taken up prior to the extension or variation and to all holders of Convertible Securities. The Offeror shall, as soon as practicable after giving notice of an extension or variation to the Depositary, make a public announcement of the extension or variation to the extent and in the manner required by applicable Laws and provide a copy of the notice thereof to the TSX and any other applicable Securities Regulatory Authority. Any notice of extension or variation will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depositary at its principal office in Toronto, Ontario.

Notwithstanding the foregoing, the Offeror shall not, without the prior written consent of Inscap, (i) increase the Minimum Tender Condition; (ii) impose additional conditions to the Offer; (iii) decrease the cash consideration per SVS Share; (iv) decrease the number of SVS Shares in respect of which the Offer is made; (v) change the form of consideration payable (other than to add additional consideration); or (vi) otherwise vary the Offer in a manner adverse to Shareholders.

The Offeror and the Inscap Board have agreed to reduce the initial deposit period to 35 days and the Offeror and Inscap have issued a joint deposit period news release on November 17, 2022 in this regard in accordance with applicable Law. The Offeror will ensure that there remain at least 10 days prior to the expiry of the initial deposit period at such time as it exercises its right to shorten the initial deposit period.

Where the terms of the Offer are varied (other than a variation consisting solely of a waiver of one or more conditions of the Offer and any extension of the Offer resulting from such waiver, other than the Mandatory Extension Period), the Offer will not expire before 10 days after the notice of such variation has been given to the Shareholders, unless otherwise permitted by applicable Laws and subject to abridgement or elimination of that period pursuant to such orders or other forms of relief as may be granted by Securities Regulatory Authorities.

If, before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal with respect to the Offer, a change occurs in the information contained in the Offer or the Circular, a notice of change, or a notice of variation that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or an affiliate of the Offeror), the Offeror will give written notice of such change to the Depositary at its principal office in Toronto, Ontario, and will cause the Depositary, if required by applicable Laws, as soon as practicable thereafter, to provide notice of such change in the manner set out in Section 10 of the Offer to Purchase, “*Notices and Delivery*”, to all registered Shareholders whose SVS Shares have not been taken up under the Offer at the date of the occurrence of the change and to all holders of Convertible Securities. As soon as practicable after giving notice of the change in information to the Depositary, the Offeror will make a public announcement of the change in information to the extent and in the manner required by applicable Laws and provide a copy of the notice thereof to the TSX and any other applicable Securities Regulatory Authorities. Any notice of change in information will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depositary at its principal office in Toronto, Ontario.

In addition, notwithstanding the foregoing, if the Offeror makes a material change in the terms of the Offer or the information concerning the Offer, or if it waives a material condition of the Offer, the Offeror will disseminate additional Offer to Purchase and Circular and extend the Offer to the extent required by Rule 14e-1 under the U.S. Exchange Act. Under the U.S. Exchange Act, the minimum period during which an offer must remain open following material changes in the terms of such offer, other than a change in consideration offered, percentage of securities sought or inclusion of or changes to a dealer's soliciting fee, will depend upon the facts and circumstances, including the materiality, of the changes. Generally, in the SEC's view, an offer should remain open for a minimum of five (5) U.S. business days from the date the material change is first published, sent or given to shareholders and, if material changes are made with respect to information that approaches the significance of the consideration offered, percentage of securities sought or a dealer's soliciting fee, a minimum of 10 business days in the U.S. is required to allow for adequate dissemination of information to shareholders and investor response.

Accordingly, if, prior to the Expiry Time, the Offeror decreases the number of SVS Shares being sought, increases or decreases the consideration offered pursuant to the Offer or increases or decreases a dealer's soliciting fee, and if the Offer is scheduled to expire at any time earlier than the tenth U.S. business day from the date that notice of such increase or decrease is first published, sent or given to Shareholders, the Offer will be extended at least until the expiration of such tenth business day in the United States. The requirement to extend the Offer will not apply to the extent that the number of business days in the United States remaining between the occurrence of the change and the then scheduled Expiry Time equals or exceeds the minimum extension period that would be required because of such amendment.

Notwithstanding the foregoing, but subject to applicable Laws, the Offer may not be extended by the Offeror if all of the terms and conditions of the Offer, except those waived by the Offeror, have been fulfilled or complied with, unless the Offeror first takes up all SVS Shares validly deposited under the Offer and not properly withdrawn.

During any extension or in the event of any variation of the Offer or change in information, all SVS Shares previously validly deposited and not taken up or properly withdrawn will remain subject to the Offer and may be taken up by the Offeror in accordance with the terms hereof, subject to Section 7 of the Offer to Purchase, "*Withdrawal of Deposited SVS Shares*". An extension of the Expiry Time, a variation of the Offer or a change in information does not, unless otherwise expressly stated, constitute a waiver by the Offeror of its rights under Section 4 of the Offer to Purchase, "*Conditions of the Offer*".

If the consideration being offered for the SVS Shares under the Offer is increased, the increased consideration will be paid to all depositing Shareholders whose SVS Shares are taken up under the Offer, whether or not such SVS Shares were taken up before the increase.

6. Take-Up of and Payment for Deposited SVS Shares

If all of the conditions described in Section 4 of the Offer to Purchase, "*Conditions of the Offer*", have been satisfied or, where permitted, waived by the Offeror at or prior to the expiry of the initial deposit period, the Offeror will take up the SVS Shares validly deposited under the Offer and not properly withdrawn immediately after the expiry of the initial deposit period and will pay for the SVS Shares taken up as soon as possible but in any event not later than three (3) business days (as defined under applicable Canadian securities Laws) after they are taken up. In accordance with applicable Laws and if at the expiry of the initial deposit period the Offeror takes up SVS Shares validly deposited, the Offeror will extend the Offer for the Mandatory Extension Period. The Offeror may also extend the Offer for one or more additional periods following the Mandatory Extension Period (the "**Optional Extension Periods**"). The Offeror will take up and pay for any SVS Shares validly deposited under the Offer during the Mandatory Extension Period and any Optional Extension Period within 10 days of any such deposit.

The Offeror will be deemed to have taken up and accepted for payment SVS Shares validly deposited and not properly withdrawn under the Offer if, as and when the Offeror gives written notice, or other communication confirmed in writing, to the Depositary at its principal office in Toronto, Ontario to that effect. Subject to applicable Laws, the Offeror expressly reserves the right, in its sole discretion to, on, or after the expiry of the

initial deposit period, delay taking up and paying for any SVS Shares or to terminate or withdraw the Offer and not take up or pay for any SVS Shares if any condition specified in Section 4 of the Offer to Purchase, “*Conditions of the Offer*”, is not satisfied or, where permitted, waived, by giving written notice thereof, or other communication confirmed in writing, to the Depositary at its principal office in Toronto, Ontario.

The Offeror will pay for SVS Shares validly deposited under the Offer and not properly withdrawn by providing the Depositary with sufficient funds (by bank transfer or other means satisfactory to the Depositary) for transmittal to depositing Shareholders. Under no circumstances will interest accrue or be paid by the Offeror or the Depositary to persons depositing SVS Shares on the purchase price of SVS Shares purchased by the Offeror, regardless of any delay in making payments for SVS Shares.

The Depositary will act as the agent of persons who have validly deposited SVS Shares in acceptance of the Offer for the purposes of receiving payment from the Offeror and transmitting such payment to such persons, and receipt of payment by the Depositary will be deemed to constitute receipt of payment by persons validly depositing SVS Shares under the Offer.

All cash payments by the Offeror for SVS Shares taken up and paid for under the Offer will be made in Canadian dollars.

Settlement with each Shareholder who has validly deposited (and not properly withdrawn) SVS Shares under the Offer will be made by the Depositary issuing or causing to be issued a cheque payable in Canadian funds in the amount to which the person depositing SVS Shares is entitled. Unless otherwise directed by the Letter of Transmittal, the cheque will be issued in the name of the registered holder of the SVS Shares so validly deposited. Unless the person depositing the SVS Shares makes specific alternative arrangements with the Depositary, the cheque will be forwarded by first class mail to such person at the address specified in the Letter of Transmittal. If no such address is specified, the cheque will be sent to the address of the registered holder as shown on the securities register maintained by or on behalf of Inscap. Cheques mailed in accordance with this paragraph will be deemed to be delivered at the time of mailing. Pursuant to applicable Laws, the Offeror may, in certain circumstances, be required to make withholdings from the amount otherwise payable to a Shareholder.

Shareholders will not be required to pay any fee or commission if they accept the Offer by validly depositing their SVS Shares directly with the Depositary. However, an investment advisor, stockbroker or other nominee through whom a Shareholder owns SVS Shares may charge a fee to validly deposit any such SVS Shares on behalf of the Shareholder. Shareholders should consult their investment advisors, stockbrokers or other nominees to determine whether any charges will apply.

7. Withdrawal of Deposited SVS Shares

Except as otherwise stated in this Section 7 or as otherwise required by applicable Laws, all deposits of SVS Shares under the Offer are irrevocable. Unless otherwise required or permitted by applicable Laws, any SVS Shares validly deposited in acceptance of the Offer may be properly withdrawn by or on behalf of the depositing Shareholder:

- (a) at any time before the SVS Shares have been taken up by the Offeror under the Offer;
- (b) if the SVS Shares have not been paid for by the Offeror within three (3) business days (as defined under applicable Canadian securities Laws) after having been taken up; or
- (c) at any time before the expiration of 10 days from the date upon which either:
 - (i) a notice of change relating to a change which has occurred in the information contained in the Offer to Purchase or the Circular, a notice of change or a notice of variation that would reasonably be expected to affect the decision of a Shareholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or of an affiliate of the Offeror), in the event that such change occurs before the Expiry Time

or after the Expiry Time but before the expiry of all rights of withdrawal in respect of the Offer; or

- (ii) a notice of variation concerning a variation in the terms of the Offer (other than a variation consisting solely of an increase in the consideration offered for the SVS Shares where the Expiry Time is not extended for more than 10 days, or a variation consisting solely of a waiver of one or more conditions of the Offer, or both)

is mailed, delivered or otherwise properly communicated (subject to abridgement of that period pursuant to such order or orders or other forms of relief as may be granted by applicable courts or Securities Regulatory Authorities) and only if such validly deposited SVS Shares have not been taken up by the Offeror at the date of the notice.

Withdrawals of SVS Shares validly deposited under the Offer must be effected by a written notice of withdrawal made by or on behalf of the depositing Shareholder and must be actually received by the Depositary at the place of deposit of the applicable SVS Shares (or Notice of Guaranteed Delivery in respect thereof) within the time limits indicated above. Notices of withdrawal must: (i) be made by a method that provides the Depositary with a written or printed copy, (ii) be signed by or on behalf of the person who signed the Letter of Transmittal accompanying (or Notice of Guaranteed Delivery in respect of) the SVS Shares which are to be withdrawn, and (iii) specify such person's name, the number of SVS Shares to be withdrawn, the name of the registered holder and the certificate number shown on each certificate representing the SVS Shares to be withdrawn. Any signature in a notice of withdrawal must be guaranteed by an Eligible Institution in the same manner as in a Letter of Transmittal (as described in the instructions set out therein), except in the case of SVS Shares deposited for the account of an Eligible Institution.

If SVS Shares have been validly deposited pursuant to the procedures for book-entry transfer, as set out in Section 3 of the Offer to Purchase, "*Manner of Acceptance — Acceptance by Book-Entry Transfer*", any notice of withdrawal must specify the name and number of the account at CDS to be credited with the withdrawn SVS Shares and otherwise comply with the procedures of CDS.

A withdrawal of SVS Shares validly deposited under the Offer can only be accomplished in accordance with the foregoing procedures. The withdrawal will take effect only upon actual receipt by the Depositary of the properly completed and executed written notice of withdrawal.

Investment advisors, stockbrokers, or other nominees may set deadlines for the withdrawal of SVS Shares validly deposited under the Offer that are earlier than those specified above. Shareholders should contact their investment advisor, stockbroker or other nominee for assistance. Such nominees or other intermediaries may establish deposit cut-off times that are prior to the Expiry Time. Shareholders must instruct their nominees promptly if they wish to deposit their SVS Shares.

All questions as to the validity (including timely receipt) and form of notices of withdrawal will be determined by the Offeror in its sole discretion and such determination will be final and binding. There is no duty or obligation of the Offeror, Hilco, the Depositary or any other person to give notice of any defect or irregularity in any notice of withdrawal and no liability shall be incurred or suffered by any of them for failure to give such notice.

If the Offeror extends the period of time during which the Offer is open, is delayed in taking up or paying for SVS Shares or is unable to take up or pay for SVS Shares for any reason, then, without prejudice to the Offeror's other rights, SVS Shares validly deposited under the Offer may, subject to applicable Laws, be retained by the Depositary on behalf of the Offeror until such SVS Shares are properly withdrawn by Shareholders in accordance with this Section 7 or pursuant to applicable Laws.

Withdrawals cannot be rescinded and any SVS Shares properly withdrawn will be deemed not validly deposited for the purposes of the Offer, but may be re-deposited at any subsequent time at or prior to the Expiry Time by following any of the procedures described in Section 3 of the Offer to Purchase, "*Manner of Acceptance*".

In addition to the foregoing rights of withdrawal, Shareholders in the provinces of Canada are entitled to one or more statutory rights of rescission, price revision or to damages in certain circumstances. See Section 21 of the Circular, “*Statutory Rights*”.

8. Return of Deposited SVS Shares

Any Deposited SVS Shares that are not taken up and paid for by the Offeror pursuant to the terms and conditions of the Offer for any reason will be returned, at the Offeror’s expense, to the depositing Shareholder as soon as practicable after the Expiry Time or withdrawal of the Offer, by either (i) sending any certificates representing the SVS Shares not purchased by first-class insured mail to the address of the depositing Shareholder specified in the Letter of Transmittal or, if such name or address is not so specified, in such name and to such address as shown on the securities register maintained by or on behalf of Inscape, or (ii) in the case of SVS Shares validly deposited by book-entry transfer of such SVS Shares pursuant to the procedures set out in Section 3 of the Offer to Purchase, “*Manner of Acceptance — Acceptance by Book-Entry Transfer*”, such SVS Shares will be credited to the depositing holder’s account maintained with CDS.

9. Changes in Capitalization; Adjustments; Liens

If, on or after the date of the Offer, Inscape should divide, combine, reclassify, consolidate, convert or otherwise change any of the SVS Shares or its capitalization, issue any SVS Shares, or issue, grant or sell any Convertible Securities, or disclose that it has taken or intends to take any such action, then the Offeror may, in its sole discretion and without prejudice to its rights under Section 4 of the Offer to Purchase, “*Conditions of the Offer*”, make such adjustments as it considers appropriate to the purchase price and other terms of the Offer (including the type of securities offered to be purchased and the amount payable therefor) to reflect such division, combination, reclassification, consolidation, conversion, issuance, grant, sale or other change. See Section 5 of the Offer to Purchase, “*Extension, Variation or Change in the Offer*”.

SVS Shares and any Distributions acquired under the Offer shall be transferred by the Shareholder and acquired by the Offeror free and clear of all liens, restrictions, charges, encumbrances, claims and equities and together with all rights and benefits arising therefrom, including the right to any and all dividends, distributions, payments, securities, property, rights, assets or other interests which may be accrued, declared, paid, issued, distributed, made or transferred on or after the date of the Offer on or in respect of the SVS Shares, whether or not separated from the SVS Shares. See Section 3 of the Offer to Purchase, “*Manner of Acceptance — Dividends and Distributions*”.

10. Notices and Delivery

Without limiting any other lawful means of giving notice, and unless otherwise specified by applicable Laws, any notice to be given by the Offeror or the Depositary under the Offer will be deemed to have been properly given if it is mailed by first class mail, postage prepaid, to the registered Shareholders (and to registered holders of Convertible Securities) at their respective addresses as shown on the register maintained by or on behalf of Inscape in respect of the SVS Shares or Convertible Securities, as the case may be, and, unless otherwise specified by applicable Laws, will be deemed to have been received on the first business day following the date of mailing. For this purpose, “business day” means any day other than a Saturday, Sunday or statutory holiday in the jurisdiction to which the notice is mailed. These provisions apply notwithstanding any accidental omission to give notice to any one or more Shareholders and notwithstanding any interruption of mail services following mailing. Except as otherwise permitted by applicable Laws, if mail service is interrupted or delayed following mailing, the Offeror intends to make reasonable efforts to disseminate the notice by other means, such as publication. Except as otherwise required or permitted by applicable Laws, if post offices in Canada are not open for the deposit of mail, any notice which the Offeror or the Depositary may give or cause to be given to Shareholders under the Offer will be deemed to have been properly given and to have been received by Shareholders if (i) it is given to the TSX for dissemination through its facilities, (ii) it is published once in the National Edition of *The Globe and Mail* or the *National Post* and in Québec in *Le Devoir*, in French, or (iii) it is given to the Canada Newswire Service for dissemination through its facilities.

The Offer to Purchase and Circular and the accompanying Letter of Transmittal and Notice of Guaranteed Delivery will be mailed to registered Shareholders (and to registered holders of Convertible Securities) by first class mail, postage prepaid, or made in such other manner as is permitted by applicable Laws and the Offeror will use its reasonable efforts to furnish such documents to investment advisors, stockbrokers and other nominees and similar persons whose names, or the names of whose nominees, appear in the register maintained by or on behalf of Inscope in respect of the SVS Shares or, if security position listings are available, who are listed as participants in a clearing agency's security position listing, for subsequent transmittal to the beneficial owners of SVS Shares where such listings are received.

These securityholder materials are being sent to both registered and non-registered owners of securities. If you are a non-registered owner, and the Offeror or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable regulatory requirements from the intermediary holding such SVS Shares on your behalf.

Wherever the Offer calls for documents to be delivered by or on behalf of Shareholders to the Depositary, such documents will not be considered delivered unless and until they have been physically received at the address listed for the Depositary specified in the Letter of Transmittal or in the Notice of Guaranteed Delivery, as applicable. Wherever the Offer calls for documents to be delivered to an applicable office of the Depositary, such documents will not be considered delivered unless and until they have been physically received at its office in Toronto, Ontario at the address indicated in the Letter of Transmittal or Notice of Guaranteed Delivery, as applicable.

11. Mail Service Interruption

Notwithstanding the provisions of the Offer to Purchase and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, cheques and any other relevant documents will not be mailed if the Offeror determines that delivery thereof by mail may be delayed. Persons entitled to cheques or any other relevant documents which are not mailed for the foregoing reason may take delivery thereof at the office of the Depositary to which any certificate or certificates for deposited SVS Shares were delivered until such time as the Offeror has determined that delivery by mail will no longer be delayed. The Offeror shall provide notice of any such determination not to mail made under this Section 11 as soon as reasonably practicable after the making of such determination and in accordance with Section 10 of the Offer to Purchase, "*Notices and Delivery*". Notwithstanding Section 6 of the Offer to Purchase, "*Take-Up of and Payment for Deposited SVS Shares*", cheques and any other relevant documents not mailed for the foregoing reason will be conclusively deemed to have been delivered on the first day upon which they are available for delivery to the depositing Shareholder at the Toronto, Ontario office of the Depositary.

12. Market Purchases and Sales of SVS Shares

Except as set forth below, the Offeror reserves the right to, and may, acquire or cause an affiliate to acquire beneficial ownership of SVS Shares by making purchases through the facilities of the TSX at any time, and from time to time, prior to the Expiry Time subject to and in accordance with applicable Laws. In no event will the Offeror make any such purchases of SVS Shares through the facilities of the TSX until the third business day (as defined under applicable Canadian securities Laws) following the date of the Offer. The aggregate number of SVS Shares acquired in this manner will not exceed 5% of the SVS Shares outstanding on the date of the Offer and the Offeror will issue and file a press release containing the information prescribed by applicable Laws immediately after the close of business of the TSX on each day on which such SVS Shares have been purchased.

Purchases pursuant to Section 2.2(3) of NI 62-104 shall not be counted in any determination as to whether the Minimum Tender Condition has been fulfilled. The Offeror does not currently intend to purchase SVS Shares in the market during the period of the Offer.

Although the Offeror has no present intention to sell SVS Shares taken up under the Offer, the Offeror reserves the right to make or enter into arrangements, commitments or understandings at or prior to the Expiry Time to sell any of such SVS Shares after the Expiry Time, subject to applicable Laws and to compliance with Section 2.7(2) of NI 62-104.

For the purposes of this Section 12, the “**Offeror**” includes the Offeror, Hilco, their respective affiliates and any person acting jointly or in concert with the Offeror or Hilco.

13. Other Terms of the Offer

- (a) The Offer and all contracts resulting from acceptance thereof shall be governed by and construed in accordance with the Laws of the Province of Ontario and the federal Laws of Canada applicable therein. Each party to any agreement resulting from the acceptance of the Offer unconditionally and irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Ontario and all courts competent to hear appeals therefrom.
- (b) The Offeror reserves the right to transfer to one or more affiliates of the Offeror the right to purchase all or any portion of the SVS Shares validly deposited pursuant to the Offer, but any such transfer will not relieve the Offeror of its obligations under the Offer and will in no way prejudice the rights of persons depositing SVS Shares to receive payment for SVS Shares validly deposited and accepted for payment under the Offer.
- (c) In any jurisdiction in which the Offer is required to be made by a licensed broker or dealer, the Offer shall be made on behalf of the Offeror by brokers or dealers licensed under the Laws of such jurisdiction.
- (d) No broker, dealer or other person has been authorized to give any information or make any representation on behalf of the Offeror not contained herein or in the accompanying Circular, and, if given or made, such information or representation must not be relied upon as having been authorized. No broker, dealer or other person shall be deemed to be the agent of the Offeror or the Depositary for the purposes of the Offer.
- (e) The provisions of the Summary, the Glossary, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery accompanying the Offer to Purchase, including the instructions contained therein, as applicable, form part of the terms and conditions of the Offer.
- (f) The Offeror, in its sole discretion, shall be entitled to make a final and binding determination of all questions relating to the interpretation of the terms and conditions of the Offer (including, without limitation, the satisfaction of the conditions of the Offer), the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, the validity of any acceptance of the Offer and the validity of any withdrawals of SVS Shares.
- (g) The Offer to Purchase and Circular do not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Shareholders residing in any jurisdiction in which the making or the acceptance of the Offer would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in the Offeror’s sole discretion, take such action as the Offeror may deem necessary to make the Offer in any jurisdiction and extend the Offer to Shareholders in any such jurisdiction.
- (h) The Offeror reserves the right to waive any defect in acceptance with respect to any particular SVS Shares or any particular Shareholder. There shall be no duty or obligation of the Offeror, Hilco, the Depositary or any other person to give notice of any defect or irregularity in the deposit of SVS Shares or in any notice of withdrawal and, in each case, no liability shall be incurred or suffered by any of them for failure to give such notice.

DATED: November 17, 2022

HUK 121 LIMITED

(signed) "Matthew Holt"

Name: Matthew Holt

Title: Director

The Offer to Purchase and the accompanying Circular together constitute the take-over bid circular required under applicable Canadian securities Laws with respect to the Offer. Shareholders are urged to refer to the accompanying Circular for additional information relating to the Offer.

CIRCULAR

The Circular is furnished in connection with the accompanying Offer to Purchase all of the issued and outstanding SVS Shares (other than SVS Shares owned by the Offeror or any of its affiliates). The terms and conditions of the Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery are incorporated into and form part of the Circular. Shareholders should refer to the Offer to Purchase for details of the terms and conditions of the Offer, including details as to payment and withdrawal rights. Unless the context otherwise requires, terms used but not defined in the Circular have the respective meanings given to them in the accompanying Glossary.

No securities deposited to this bid will be taken up until (a) at least 66^{2/3}% of the SVS Shares then outstanding, on a Fully-Diluted Basis shall have been properly and validly deposited pursuant to the Offer and not properly and validly withdrawn at the expiry of the initial deposit period, (b) at least the minimum deposit period required under applicable securities laws has elapsed, and (c) any and all other conditions of the bid have been complied with or, where permitted, waived, as applicable. If these criteria are met, the Offeror will take up securities deposited under the bid in accordance with applicable securities laws and extend its bid for an additional minimum period of 10 days to allow for further deposits of applicable securities.

1. The Offeror and Hilco

The Offeror is a holding company that is wholly owned by Hilco. Hilco and the Offeror were incorporated under the laws of England and Wales. Hilco is a subsidiary of the U.S.-based group, Hilco Global. Hilco is a prominent financial investor, lender and adviser, working in a broad range of sectors across the United Kingdom, Western Europe, Canada and Australia, and typically invests in non-core subsidiaries, underperforming businesses, retirement sales and consumer brands. Hilco and the Offeror do not hold any SVS Shares.

Over the last 21 years, Hilco has been involved in many high-profile retail turnaround projects, taking on underperforming and/or declining operations and restructuring them to extend their lifecycle, streamline operations and grow revenues and profitability. At present, Hilco is managing a number of portfolio investments ranging from \$50 million to \$2 billion of turnover. Hilco has extensive experience of working with companies to enhance profitability and successfully deliver ambitious business plans. Its team includes a wide range of professionals covering all aspects of operational and financial improvement, including retail operations, merchandising, human resources, information technology, logistics, finance and property.

Hilco Capital is part of Hilco Global, a diversified financial services company serving as an adviser, agent and capital partner. Hilco Global is owned by its management and a Canadian Pension Fund with net assets of \$420 billion, Caisse de dépôt et placement du Québec (CDPQ), also holds a minority stake.

2. Inscape

Inscape's operations began in Upstate New York in 1888 as Office Specialty, a full-service provider of premium quality office furniture. Currently, Inscape offers a complete range of innovative products to meet the needs of all office environments. Inscape operates primarily in North America and has segmented North America into five geographic regions for the purpose of sales management (Canada, North-Eastern U.S., South-Eastern U.S., Central U.S. and Western U.S.). Inscape continues to develop its extended sales organization with new sales representatives, independent representatives and dealers. The Inscape's head office is located in Holland Landing, Ontario. Inscape's products are manufactured in two facilities: a 313,000 square foot plant in Holland Landing, Ontario and a 30,000 square foot plant in Jamestown, New York, and both facilities are leased under long-term lease agreements.

The registered and head office of Inscape is located at Holland Landing, Ontario. The SVS Shares are listed on the TSX under the symbol "INQ".

3. Certain Information Concerning Securities of Inscape

Share Capital of Inscape

Inscape's authorized share capital consists of an unlimited number of SVS Shares and 7,670,881 MVS Shares. The Offer is being made only for SVS Shares and is not made for any MVS Shares, Options or other Convertible Securities. There are no MVS Shares currently outstanding.

Holders of SVS Shares are entitled to: (i) to receive notice of any meetings of the shareholders of Inscape, to attend and to cast one vote per SVS Share at all such meetings, (ii) receive on a *pro rata* basis such dividends, if any, as and when declared by the Inscape Board at its discretion from funds legally available therefor; and (iii) upon the liquidation, dissolution or winding up of Inscape, receive on a *pro rata* basis the net assets of Inscape following payment of debts and liabilities. The SVS Shares do not carry any pre-emptive, subscription, redemption, retraction or conversion rights, nor do they contain any sinking or purchase fund provisions.

As of November 17, 2022, there were 14,380,701 SVS Shares issued and outstanding, nil MVS Shares issued and outstanding and 405,179 Options, 344,623 Share Awards, and nil DSUs outstanding. At the date of the Offer, the Offeror does not hold any SVS Shares. It is anticipated that all of the outstanding Options, DSUs and Share Awards will be cancelled immediately prior to, and conditional upon, the completion of the Offer to Purchase pursuant to cancellation agreements entered into between Inscape and the holders of such Options, DSUs and Share Awards.

Based on the above information, the Offeror understands that, assuming the exercise, conversion, cancellation or exchange of all Convertible Securities pursuant to the terms of the Support Agreement, 14,380,701 SVS Shares would be subject to the Offer, such number being all of the issued and outstanding SVS Shares on a Fully-Diluted Basis following cancellation of the outstanding Options.

The SVS Shares are traded on the TSX. On October 28, 2022 (the last trading day on the TSX prior to the announcement of the Offer), the closing price of the SVS Shares on the TSX was \$0.20 on the TSX. The following tables set forth, for the periods indicated, the reported high and low daily closing trading prices and the aggregate volume of trading of the SVS Shares on the TSX.

	Trading of SVS Shares on the TSX		
	High (\$)	Low (\$)	Volume (#)
October, 2021	1.02	0.91	119,535
November, 2021	0.92	0.90	22,566
December, 2021	1.30	0.95	12,909
January, 2022	1.30	0.98	45,339
February, 2022	1.04	0.90	14,878
March, 2022	0.95	0.84	8,857
April, 2022	0.80	0.75	14,668
May, 2022	0.75	0.75	5,225
June, 2022	0.75	0.75	N/A
July, 2022	0.65	0.455	10,000
August, 2022	0.45	0.45	536
September, 2022	0.40	0.145	34,700
October, 2022	0.31	0.080	68,517
November 1 – 15, 2022	0.08	0.015	6,969

Source: TSX

Options and Share Awards

The Offeror and Inscape agreed in the Support Agreement that, between the date of the Support Agreement and the Effective Time, Inscape shall: (i) not grant any additional SVS Shares, MVS Shares, Options, Share Awards, and DSUs or other rights to purchase or acquire SVS Shares or MVS Shares, or make any amendments to outstanding Options, Share Awards and DSUs without the prior written consent of the Offeror, (ii) take such actions as may be necessary to ensure that any outstanding Options, Share Awards and DSUs shall either be cancelled or otherwise dealt with in a manner satisfactory to the Offeror prior to the Effective Time and (iii) promptly notify the Offeror in writing of any exercise or cancellation of Options, RSUs, or PSUs. Such notice shall include full particulars of each such exercise or cancellation. See Section 5 of the Circular, “*Support Agreement — Outstanding Inscape Options and Share Awards*”. The Offeror understands that there are no Convertible Securities outstanding other than the Options.

4. Background to the Offer

The Support Agreement is the result of negotiations among Hilco, the Special Committee and their respective advisors. The following is a summary of the principal events leading to the signing of Support Agreement and related agreements.

During the past year, Inscape has been aggressively pursuing alternative sources of capital, but with no success. Given Inscape’s going concern uncertainty stemming from its current losses from operations, as well as its inability to find new sources of funds, and the difficulties presented from outside market forces such as the contract office furniture industry’s overall recovery from the impact of the COVID-19 pandemic and return to office protocols, the Inscape Board resolved to engage a third-party financial and market advisor for consideration of strategic alternatives.

On February 28, 2022 Inscape entered into a letter agreement with Stump & Co. (“**Stump**”) with respect to an exploration of a strategic alternatives, including a possible sale of Inscape (the “**Inscape Strategic Alternatives Process**”). The Inscape Strategic Alternatives Process was commenced but, based on the advice provided by Stump that a successful sale process would be unlikely, subsequently suspended a short time thereafter with concurrence by Inscape. Given the challenging M&A market for companies engaged in the contract office furniture industry, Stump recommended the company continue its effort to restore profitability before recommencing the Inscape Strategic Alternatives Process. Stump remained engaged pending a change in circumstances that might lead to a more successful outcome. Notwithstanding, Inscape continued to pursue strategic alternatives for the Company.

On August 9, 2022, Hilco entered into the Confidentiality Agreement with Inscape following an introduction by a Canadian investment bank. Throughout the month of August, Hilco met with management of Inscape and conducted high level due diligence of its business and assets.

On September 7, 2022, Hilco submitted an initial proposal to Inscape’s management and reached an agreement to conduct in depth due diligence of Inscape, including site visits to Inscape’s manufacturing facilities. The initial non-binding proposal included two potential acquisition structures, subject to continuing due diligence and Inscape’s working capital including cash balances remaining broadly in line with forecasts. The initial proposals contemplated Hilco or an associated entity making an offer to acquire all of the issued share capital of Inscape (i) for total upfront cash consideration of \$1,500,000; or (ii) for total upfront cash consideration of \$750,000 in addition to deferred consideration equal to 25% of any net proceeds from an onwards sale of Inscape or dividends/management fees received within 36 months of closing. It was subsequently determined that proposal (ii) was not viable under applicable securities rules.

On October 5, 2022, following completion of due diligence and consideration of (i) Inscape’s current working capital including reduced cash balances; (ii) Inscape’s lower sales for the three months ending July 31, 2022 and resulting negative cash flows (which are expected to continue); and (iii) the projected costs associated with revitalizing Inscape’s business, Hilco submitted a revised non-binding proposal to complete the Offer and advance the Interim Loan.

On October 8, 2022, Inscape confirmed that the Offer had support from holders of more than 80% of the outstanding SVS Shares.

On October 18, 2022, Inscape formally engaged Evans & Evans to act as financial advisor to provide advice and assistance in evaluating the Offer and the preparation and delivery to the Special Committee of Evans & Evans opinion as to the fairness of the consideration under the Offer from a financial point of view to the Shareholders.

During September and October 2022, Inscape, the Special Committee, the Offeror and their respective legal advisors engaged in negotiations surrounding the transaction documents and multiple drafts of the Support Agreement, the Interim Loan Agreement (including associated security and closing documents) and form of Lock-Up Agreement were exchanged. The result of the continued extensive negotiations during the third and fourth week in October amongst Hilco, the Special Committee, Inscape and their respective legal, was the preparation of a fully negotiated draft of the Support Agreement, Interim Loan Agreement and related agreements.

On October 28, 2022, Evans & Evans provided a verbal opinion that the Offer Price is fair, from a financial point of view, to shareholders of Inscape. The opinion was based on and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken, which will be more fully described in the written opinion to be provided by Evans & Evans, which will be included in the Directors' Circular.

On October 28, 2022, Inscape and the Offeror entered into the Support Agreement, Inscape and the Lender entered into the Interim Loan Agreement and the Locked-Up Shareholders and the Offeror entered into the Lock-Up Agreements.

On October 29, 2022, the parties issued a press release announcing the Offer, the execution of the Support Agreement, Interim Loan Agreement and the Lock-Up Agreements, and that the Inscape Board has, after consultation with the Inscape Board's financial and legal advisors and the Special Committee, unanimously determined that the Offer was in the best interests of Inscape and the Shareholders and that the Offer Price is fair, from a financial point of view, to the Shareholders and, accordingly, had unanimously recommended that Shareholders accept the Offer and deposit their SVS Shares under the Offer.

On November 17, 2022, the Offeror approved the contents and delivery of this Offer to Purchase and Circular and the Offeror and on November 17, 2022 Inscape issued a joint deposit period news release, agreeing to reduce the initial deposit period to 35 days.

5. Support Agreement

On October 28, 2022, the Offeror and Inscape entered into the Support Agreement, which sets out, among other things, the terms and conditions upon which the Inscape Board agreed to recommend to Shareholders the acceptance of the Offer. The following is a summary of certain provisions of the Support Agreement. It is subject to, and is qualified in its entirety by reference to, the full text of all of the provisions of the Support Agreement. The Support Agreement has been filed by Inscape and is accessible on Inscape's SEDAR profile at www.sedar.com. Capitalized terms used in this Section 5 of the Circular but not defined herein have the meanings given to them in the Support Agreement.

Support of the Offer

Inscape has announced that after consultation by the Inscape Board with its financial and legal advisors and the Special Committee, the Inscape Board unanimously determined that the Offer is in the best interests of Inscape and the Shareholders and the Offer Price is fair, from a financial point of view, to the Shareholders and, accordingly, have unanimously approved the entering into of the Support Agreement and the making of a recommendation that Shareholders accept the Offer and deposit their SVS Shares under the Offer (collectively, the "**Board Recommendation**"). Certain of the Directors and officers of Inscape have entered into a Lock-Up Agreement with the Offeror pursuant to which they have agreed to, *inter alia*, support the Offer and, subject to the provisions of the Support Agreement, Inscape has agreed to take all reasonable actions to support the Offer and ensure that the Offer will be successful.

For a discussion of the factors that the Inscape Board considered in making its recommendations, please see the Directors' Circular, a copy of which is required to be delivered to Shareholders in connection with the Offer and will be accessible on Inscape's SEDAR profile at www.sedar.com. Neither the Offeror nor Hilco will independently verify the accuracy or completeness of the information contained in the Directors' Circular.

The Offer

The Offeror has agreed to make the Offer on the terms and conditions set forth in the Support Agreement and, provided that all of the conditions of the Offer set forth in Section 4 of the Offer to Purchase, "*Conditions of the Offer*", shall have been satisfied or, where permitted, waived at or prior to the expiry of the initial deposit period, the Offeror has agreed to take up and pay for all SVS Shares deposited under the Offer promptly and, in any event, not later than three (3) business days (as defined under applicable Canadian securities Laws) following the time at which the Offeror becomes entitled to take up such SVS Shares under the Offer pursuant to applicable securities Laws. See Section 6 of the Offer to Purchase, "*Take-Up of and Payment for Deposited SVS Shares*".

The Offeror may, in its sole and absolute discretion, modify or waive any term or condition of the Offer or transfer or assign to one or more of its affiliates the right to purchase all or any portion of the SVS Shares deposited pursuant to the Offer, as permitted by applicable securities Laws; provided that the Offeror shall not, without the prior written consent of Inscape: (i) increase the Minimum Tender Condition; (ii) impose additional conditions to the Offer; (iii) decrease the Offer Price; (iv) decrease the number of SVS Shares in respect of which the Offer is made; (v) change the form of consideration payable (other than to add additional consideration); or (vi) otherwise vary the Offer in a manner adverse to Shareholders.

Inscape Board Representation

Following the Effective Time, Inscape shall co-operate with the Offeror to enable the Offeror's designees to be elected or appointed to the Inscape Board, and any committees thereof, including, at the request of the Offeror and in compliance with the OBCA, the constating documents of Inscape and any agreements to which Inscape is a party that provide rights to nominate directors of Inscape, by using its commercially reasonable efforts to increase the size of the Inscape Board and to secure the resignation of such directors as the Offeror may request.

Non-Solicitation

Inscape has agreed that, except as otherwise provided in the Support Agreement, it shall not, and shall cause each of its Representatives not to, directly or indirectly: (i) make, solicit, assist, initiate, encourage, promote or otherwise facilitate (including by way of furnishing, providing access to or disclosing information, books and records, facilities or properties of Inscape or a Subsidiary or entering into any form of written or oral agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes or could reasonably be expected to constitute or lead to an Acquisition Proposal; (ii) enter into, continue or otherwise participate or engage in or otherwise facilitate any discussions or negotiations with any person (other than the Offeror and its affiliates and their respective Representatives), or otherwise cooperate in any way with, or assist or participate in, encourage or otherwise facilitate, any inquiry, proposal or offer that constitutes or could reasonably be expected to constitute or lead to an Acquisition Proposal, provided that, for greater certainty, Inscape and its Representatives may (A) communicate with any person making an unsolicited Acquisition Proposal (and such person's Representatives) for the purposes of clarifying the terms and conditions of such Acquisition Proposal and assessing the likelihood of its consummation so as to determine whether such Acquisition Proposal constitutes or could reasonably be expected to constitute or lead to a Superior Proposal, (B) advise any person of the restrictions of the Support Agreement, and (C) advise any person making an unsolicited Acquisition Proposal that such Acquisition Proposal does not constitute a Superior Proposal when the Inscape Board, excluding any Conflicted Director in respect of such Acquisition Proposal, has so determined; (iii) make a Change of Recommendation; or (iv) accept, approve, endorse, recommend or enter into, or publicly propose to accept, approve, endorse, recommend or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking (other than a confidentiality and standstill agreement permitted under Section 6.2 of the Support Agreement) constituting or in respect of, or which is intended to or could reasonably be expected to lead to an Acquisition Proposal or requiring, or reasonably expected to cause, Inscape to abandon, terminate, delay or fail to consummate, or that would otherwise impede, interfere or be inconsistent with, the Offer, a Subsequent Acquisition Transaction, a Compulsory Acquisition or

any of the other transactions contemplated by the Support Agreement or requiring, or reasonably expected to cause, Inscape to fail to comply with the Support Agreement or providing for the payment of any break, termination or other fees or expenses to any person in the event that any of the Contemplated Transactions are completed or in the event that it completes any other transaction with the Offeror or any of its affiliates that is agreed to prior to any termination of the Support Agreement.

Inscape has agreed to, and to cause each of its Subsidiaries and Representatives to, immediately cease and terminate any existing solicitation, assistance, discussion, encouragement, activities, negotiation or process with or involving any person (other than the Offeror, its affiliates and their respective Representatives) commenced prior to the date of the Support Agreement with respect to or which could reasonably be expected to lead to an Acquisition Proposal, whether or not initiated by Inscape or any of its Representatives and, in connection therewith, to discontinue access to any other third-party to all information, including any data room (virtual or otherwise) and any confidential information, properties, facilities, books and records of Inscape or any of its Subsidiaries. Inscape has further agreed to request and exercise all rights it has to require the return or destruction of all copies of any information provided to any third parties who have entered into a confidentiality agreement with Inscape relating to any potential Acquisition Proposal and to use commercially reasonable efforts to ensure that such requests are complied with in accordance with the terms of such confidentiality agreements.

Inscape has agreed to promptly notify the Offeror, at first orally and then in writing (and in any event within 24 hours after it has received or otherwise become aware of any proposal, inquiry, offer, request or expression of interest), of any proposal, inquiry, offer, request or expression of interest relating to or that constitutes an Acquisition Proposal or which could reasonably be expected to constitute or lead to an Acquisition Proposal or any request for copies of, access to, or disclosure of, non-public information relating to Inscape or any Subsidiary, including but not limited to information, access, or disclosure relating to the properties, facilities, books, records or a list of security holders of Inscape. Notwithstanding the foregoing, following receipt by Inscape of any proposal, inquiry, offer, request or expression of interest, including any changes, modifications or other amendments thereto, that is not an Acquisition Proposal but which Inscape reasonably believes could lead to an Acquisition Proposal, Inscape may respond to the proponent solely to advise it that Inscape can only enter into discussions or negotiations with a party in accordance with the terms of the Support Agreement, and for no other purpose.

Inscape has agreed to ensure that each of its relevant Representatives is aware of the non-solicitation provisions of the Support Agreement and has further agreed that Inscape shall be responsible for any breach by such persons.

Superior Proposals, Right to Match, etc.

If, after the date of the Support Agreement, Inscape or any of its Representatives receives from a person a written Acquisition Proposal (including, for greater certainty, an amendment, change or modification to an Acquisition Proposal made prior to the date of the Support Agreement) that was not solicited after the date of the Support Agreement in contravention of the terms of the Support Agreement, Inscape and its Representatives may: if and only if (A) the Inscape Board determines in good faith, after consultation with its outside legal counsel, that such Acquisition Proposal constitutes or would reasonably be expected to constitute or lead to a Superior Proposal; (B) such person was not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill or similar restriction; (C) Inscape has been, and continues to be, in compliance with its non-solicitation obligations under the Support Agreement; and (D) Inscape promptly provides the Offeror with prior written notice stating Inscape's intention to participate in such discussions or negotiations and to provide such copies, access or disclosure: (x) furnish information with respect to Inscape and the Subsidiaries to the person making such Acquisition Proposal and its Representatives, provided that Inscape first enters into a confidentiality and standstill agreement with such person, the provisions of which are no less favourable to Inscape than those of the Confidentiality Agreement and do not restrict Inscape from complying in all respects with the terms of the Support Agreement, and provided further that Inscape sends a copy of such agreement to the Offeror promptly following its execution and the Offeror is promptly provided with all information provided to such person (to the extent not previously provided); and (y) engage in discussions and negotiations with respect to the Acquisition Proposal with the person making such Acquisition Proposal and its Representatives.

Notwithstanding the foregoing, if after the date of the Support Agreement Inscape receives a Superior Proposal, Inscape may terminate the Support Agreement and accept, approve, recommend or enter into any agreement, understanding or arrangement in respect of such Superior Proposal prior to completion of the Offer and recommend or approve such Superior Proposal if and only if: (i) such Superior Proposal did not arise, directly or indirectly, as a result of a violation by Inscape of its obligations with respect to non-solicitation under the Support Agreement, and Inscape has been and continues to be in compliance with its obligations with respect to non-solicitation under the Support Agreement; (ii) the person making the Superior Proposal was not restricted from making such Superior Proposal pursuant to an existing confidentiality, standstill or similar restriction; (iii) the Inscape Board, excluding any Conflicted Director in respect of an Acquisition Proposal, has determined in good faith, after consultation with its outside legal counsel, that such Acquisition Proposal constitutes a Superior Proposal; (iv) Inscape has delivered written notice to the Offeror of the determination of the Inscape Board, excluding any Conflicted Director in respect of such Acquisition Proposal, that the Acquisition Proposal is a Superior Proposal and of the intention of the Inscape Board to accept, approve, recommend or enter into an agreement in respect of such Superior Proposal (the “**Superior Proposal Notice**”) and has provided the Offeror with a copy of the acquisition or similar agreement relating to such Acquisition Proposal, including all supporting materials, including any financing documents supplied to Inscape in connection therewith and a written notice from the Inscape Board regarding the value in financial terms that the Inscape Board has determined should be ascribed to any non-cash consideration offered under the Superior Proposal; (v) at least five (5) Business Days have elapsed since the later of the date on which the Offeror received a copy of the Superior Proposal Notice and the date on which the Offeror received all specified material (such five Business Day period, the “**Right to Match Period**”) and, for greater certainty, the Right to Match Period shall expire at 11:59 p.m. (Toronto time) on the last Business Day of the Right to Match Period; (vi) if the Offeror has offered to amend the terms of the Offer and the Support Agreement during the Right to Match Period in accordance with the Support Agreement, the Inscape Board, excluding any Conflicted Director in respect of such Acquisition Proposal, has determined, in good faith, after consultation with its outside legal counsel, that such Acquisition Proposal continues to constitute a Superior Proposal when assessed against the Offer as it is proposed to be amended as at the termination of the Right to Match Period; and (vii) Inscape terminates the Support Agreement pursuant to clause (b)(ii) of “*Support Agreement — Termination of the Support Agreement*” below and concurrently pays the Termination Payment in clause (c) of “*Support Agreement — Termination Payment*” below.

During the Right to Match Period or such longer period as Inscape may approve in writing for such purpose, the Offeror will have the opportunity, but not the obligation, to offer to amend the terms of the Offer and the Support Agreement. Inscape has agreed that, if requested by the Offeror, it will negotiate with the Offeror in good faith to amend the terms of the Offer and the Support Agreement as would enable them to proceed with the Offer and any Contemplated Transactions on such adjusted terms. The Inscape Board, excluding any Conflicted Director in respect of the applicable Acquisition Proposal, will review any such offer by the Offeror to amend the terms of the Offer and the Support Agreement in order to determine, in good faith in the exercise of its fiduciary duties, whether the Offeror’s offer to amend the Offer and the Support Agreement, upon its acceptance, would result in the applicable Acquisition Proposal ceasing to be a Superior Proposal when assessed against the Offer as it is proposed to be amended as at the termination of the Right to Match Period. If the Inscape Board, excluding any Conflicted Director in respect of the applicable Acquisition Proposal, determines that the applicable Acquisition Proposal would cease to be a Superior Proposal when assessed against the Offer as it is proposed to be amended as at the termination of the Right to Match Period, the Offeror will amend the terms of the Offer and Inscape and the Offeror shall enter into an amendment to the Support Agreement reflecting the offer by the Offeror to amend the terms of the Offer and the Support Agreement.

The Inscape Board, excluding any Conflicted Director in respect of an Acquisition Proposal, will promptly reaffirm the Board Recommendation by press release either (i) after the Inscape Board, excluding any Conflicted Director in respect of such Acquisition Proposal, determines that an Acquisition Proposal that has been publicly announced or disclosed is not a Superior Proposal; or (ii) after the Inscape Board, excluding any Conflicted Director in respect of such Acquisition Proposal, determines that a proposed amendment to the terms of the Offer would result in an Acquisition Proposal not being a Superior Proposal when assessed against the Offer as it is proposed to be amended as at the termination of the Right to Match Period, and the Offeror has so amended the terms of the Offer in accordance with the Support Agreement. The Offeror will be given a reasonable opportunity to review and comment on the form and content of any such press release.

Each successive amendment, change or modification to any Acquisition Proposal that results in an increase in, or modification of, the consideration to be received by the Shareholders will constitute a new Acquisition Proposal and the Offeror shall be afforded a new five-Business Day Right to Match Period from the later of the date on which the Offeror received the Superior Proposal Notice and the date on which the Offeror received all of the specified material with respect to such new Superior Proposal from Inscape.

Nothing in the Support Agreement prevents the Inscape Board, excluding any Conflicted Director in respect of an Acquisition Proposal, from responding through a directors' circular or otherwise as required by applicable Laws to an Acquisition Proposal that it determines is not a Superior Proposal where such response is not an acceptance, approval, endorsement or recommendation of such Acquisition Proposal and does not otherwise constitute a Change of Recommendation, provided that Inscape shall provide the Offeror and its counsel with a reasonable opportunity to review the form and content of such circular or other disclosure and shall make all reasonable amendments as requested by them.

Subsequent Acquisition Transaction

If the Offeror takes up and pays for SVS Shares under the Offer, at the Offeror's request, Inscape will assist the Offeror in completing a Compulsory Acquisition or a Subsequent Acquisition Transaction to acquire the remaining SVS Shares, provided that the consideration per SVS Share offered in connection with the Compulsory Acquisition or Subsequent Acquisition Transaction shall not be less than the Offer Price and shall be in the same form as under the Offer and in no event will the Offeror be required to offer consideration per SVS Share greater than the Offer Price.

Termination of the Support Agreement

The Support Agreement may be terminated at any time prior to the Expiry Time or such other time as may be expressly stipulated in the clauses below:

- (a) by mutual written consent of the Offeror and Inscape;
- (b) by Inscape:
 - (i) if the Offeror has not mailed the Offer Documents by the Latest Mailing Time (as defined in the Support Agreement), subject to any extension, (other than solely as a result of a default or breach by Inscape of a material covenant or obligation under the Support Agreement), or the Offer (or any amendment thereto other than as permitted under the Support Agreement or any amendment thereof that has been mutually agreed to by the parties) does not conform in all material respects with the Support Agreement and such non-conformity is not cured within 10 Business Days from the date of written notice thereof;
 - (ii) in order to accept, approve, recommend or enter into a binding written agreement with respect to a Superior Proposal subject, in each case, to compliance with the provisions of the Support Agreement;
 - (iii) if the Offeror is in material default of any covenant or obligation under the Support Agreement, provided that written notice shall be provided by Inscape to the Offeror to such effect and such right of termination shall not be available with respect to any breach or failure that is capable of being cured and such breach or failure has been cured by the earlier of the date that is 10 Business Days from the date of written notice of such breach or failure and the Business Day prior to the Outside Date; or
 - (iv) if any representation or warranty of the Offeror set forth in the Support Agreement is untrue or incorrect in any material respect at any time prior to the Expiry Time and such inaccuracy individually or in the aggregate, would reasonably be expected to prevent, restrict or materially delay the acquisition of SVS Shares pursuant to the

Offer; provided that written notice shall be provided by Inscap to the Offeror to such effect and such right of termination shall not be available with respect to any breach or failure that is capable of being cured and such breach or failure has been cured by the earlier of the date that is 10 Business Days from the date of written notice of such breach or failure and the Business Day prior to the Outside Date;

(c) by the Offeror:

- (i) prior to mailing the Offer Documents, if any condition to the obligation of the Offeror to make the Offer contained in Section 2.1(i) of the Support Agreement is not satisfied or waived by the Offeror before the Latest Mailing Time (other than solely as a result of a default or breach by the Offeror of a material covenant or obligation under the Support Agreement);
- (ii) if Inscap breaches any covenant or obligation the Support Agreement relating to the non-solicitation of Acquisition Proposals or responding to an Acquisition Proposal;
- (iii) if Inscap materially breaches any covenant or obligation under the Support Agreement, other than a covenant or obligation under the non-solicitation provisions of the Support Agreement, provided that written notice shall be provided by the Offeror to Inscap to such effect and such right of termination shall not be available with respect to any breach or failure that is capable of being cured and such breach or failure has been cured by the earlier of the date that is 10 Business Days from the date of written notice of such breach or failure and the Business Day prior to the Outside Date;
- (iv) if any of the representations and warranties of Inscap set forth in the Support Agreement, except for the representations and warranties of Inscap relating to capitalization, shall be untrue and incorrect in any respect (without giving effect to any Material Adverse Change or materiality qualifiers contained therein), except where any inaccuracy in any of the representations and warranties, individually or in the aggregate, would not reasonably be expected to cause or result in a Material Adverse Change or would not reasonably be expected to prevent, or materially impede, restrict or delay, the acquisition of SVS Shares pursuant to the Offer or the representations and warranties of Inscap relating to capitalization shall be untrue and incorrect in any respect;
- (v) if the Inscap Board or the Special Committee (A)(I) withholds, withdraws, amends, modifies or qualifies the Board Recommendation, or proposes publicly to withhold, withdraw, amend, modify or qualify the Board Recommendation or fails to publicly reaffirm the Board Recommendation within five (5) Business Days after having been requested in writing to do so by the Offeror (or within such fewer number of days as remains before the day that is two (2) Business Days before the Expiry Time), or (II) withholds, withdraws, amends, modifies or qualifies or proposes publicly to withhold, withdraw, amend, modify or qualify any of the recommendations of the Special Committee, respectively, (B) approves or recommends any Acquisition Proposal, (C) fails to include the Board Recommendation in the Directors' Circular or otherwise takes any other action or makes any other public statement inconsistent with the Board Recommendation, or (D) takes no position or a neutral position with respect to an Acquisition Proposal for more than five (5) Business Days after the public announcement of such Acquisition Proposal (each, a **"Change of Recommendation"**);
- (vi) if an Acquisition Proposal is consummated or effected;

- (vii) there is an Event of Default (as defined under the Interim Loan Agreement) under the Interim Loan; or
- (viii) if any of the Lock-Up agreements are breached or terminated; and
- (d) by either Inscape or the Offeror:
 - (i) if the Offeror does not take up and pay for the SVS Shares deposited under the Offer by the Outside Date, other than as a result of a default or breach by the party seeking to terminate the Support Agreement of a representation, warranty, covenant or obligation under the Support Agreement;
 - (ii) if any court of competent jurisdiction or other Governmental Entity having authority over the Parties shall have issued an order, decree or ruling or taken any other action permanently enjoining or otherwise prohibiting any of the Contemplated Transactions (unless such order, decree, ruling or action has been withdrawn, reversed or otherwise made inapplicable), which order, decree or ruling is final and non-appealable; or
 - (iii) if the Offer terminates, expires or is withdrawn at the Expiry Time without the Offeror taking up and paying for any of the SVS Shares as a result of the failure of any condition to the Offer to be satisfied or waived by the Offeror (where such conditions are capable of waiver), unless the failure of such condition shall be due to the failure of the party seeking to terminate the Support Agreement to perform the covenants or obligations required to be performed by it under the Support Agreement.

Termination Payment

Inscape is obligated to pay the Offeror a cash termination payment (the “**Termination Payment**”) in an amount equal to \$150,000 upon the occurrence of any of the following events:

- (a) the Support Agreement is terminated by the Offeror in the circumstances described in clause (c)(ii), clause (c)(v) or clause (c)(vi) of “*Support Agreement — Termination of the Support Agreement*”, in which case the Termination Payment shall be paid to the Offeror by 4:00 p.m. (Toronto time) on the first Business Day after the Support Agreement is so terminated;
- (b) the Support Agreement is terminated by Inscape at any time when the Support Agreement was terminable by the Offeror in the circumstances described in clause (c)(ii), clause (c)(v) or clause (c)(vi) of “*Support Agreement — Termination of the Support Agreement*” in which case the Termination Payment shall be paid to the Offeror by 4:00 p.m. (Toronto time) on the first Business Day after the Support Agreement is so terminated;
- (c) the Support Agreement is terminated by Inscape in the circumstances described in clause (b)(ii) of “*Support Agreement — Termination of the Support Agreement*” above, in which case the Termination Payment shall be paid to the Offeror prior to or concurrently with such termination; or
- (d) the Support Agreement is terminated by the Offeror in the circumstances described in clause (c) (iii) or (c)(iv) or by the Offeror or Inscape in the circumstances described in clause (d)(iii) (but only if one of the conditions not satisfied is the Minimum Tender Condition) of “*Support Agreement — Termination of the Support Agreement*” above and:
 - (i) following the date of the Support Agreement and prior to the date on which the Support Agreement is terminated, an Acquisition Proposal is publicly announced or made by any person other than the Offeror or an affiliate of the Offeror, or any person, other than the Offeror or an affiliate of the Offeror, has publicly announced an intention to make an Acquisition Proposal; and

- (ii) either (A) any Acquisition Proposal is completed within 12 months following the termination of the Support Agreement; or (B) an agreement in respect of any Acquisition Proposal is entered into by Inscap within 12 months following the termination of the Support Agreement and that Acquisition Proposal is completed at any time after the termination of the Support Agreement,

in which case the Termination Payment shall be paid to the Offeror concurrently with the completion of that Acquisition Proposal.

Expense Reimbursement

The Offeror and Inscap have agreed that, except as provided in the Support Agreement, all out-of-pocket expenses of the parties relating to the Support Agreement or the transactions contemplated thereby shall be paid by the party incurring such expenses, irrespective of the completion of such transactions, except that if (i) the Support Agreement is terminated in the circumstances described in clause (c)(iii), clause (c)(iv) or clause (vii) and (b) Inscap has, in accordance with the Support Agreement, not paid the Termination Payment to the Offeror, Inscap shall reimburse the Offeror in connection with all of its and its affiliates' reasonable and documented out-of-pocket expenses in an amount equal to the greater of (a) the actual amount incurred in respect of such expenses; and (ii) \$150,000, within two (2) Business Days after the date of termination of this Agreement.

Representations and Warranties

The Support Agreement contains a number of customary representations and warranties of the Offeror and Inscap relating to, among other things: corporate status, and the corporate authorization and enforceability of, and Inscap Board approval of, the Support Agreement and the Offer. The representations and warranties of Inscap also address various matters relating to the business, operations and properties of Inscap, including, among other things: capitalization; public filings; financial statements; liabilities and indebtedness; books and records; absence of certain changes or events; permits; material properties; employment and consultant matters; collective agreements; COVID-19; tax matters; material contracts; related party transactions; internal controls; reporting issuer status; litigation; compliance with laws; anti-corruption, anti-money laundering and export compliance; real and personal property; intellectual property matters; privacy and anti-spam law compliance; security and information technology; product liability and other customary representations.

In addition, the Offeror has represented that it has sufficient funds, or adequate arrangements for financing in place to provide sufficient funds, to pay the cash purchase price in respect of all of the outstanding SVS Shares (including SVS Shares issuable upon exercise of the currently outstanding Options) and all other amounts required to be paid by the Offeror under the Support Agreement.

Conduct of Business

Inscap has made certain covenants to the Offeror, including the following:

- (a) During the Interim Period, except (i) with the prior written consent of the Offeror (such prior written consent not to be unreasonably withheld or delayed), or (ii) as is otherwise expressly permitted or specifically contemplated by the Support Agreement, Inscap shall, and shall cause its Subsidiaries to, carry on their respective businesses in the Ordinary Course of Business and in compliance with all applicable Laws and Inscap shall use all commercially reasonable efforts to maintain and preserve its business organization, assets (including all material Authorizations), employees, goodwill and advantageous business relationships.
- (b) Without limiting the generality of the foregoing, Inscap has covenanted and agreed that, during the Interim Period, unless (i) the Offeror shall otherwise agree to in writing (such prior written consent not to be unreasonably withheld or delayed), (ii) expressly permitted or specifically contemplated by the Support Agreement, (iii) required by applicable Law, or (iv) as otherwise set forth in the Disclosure Letter (as defined in the Support Agreement) or in accordance with plans previously disclosed in the Inscap Public Documents, Inscap shall, and shall cause its

Subsidiaries to (among other things): (i) not amend its articles of incorporation, by-laws or other comparable organizational documents or the terms of any outstanding securities, including any outstanding indebtedness; (ii) not issue or sell or agree to issue or sell any securities (including SVS Shares or MVS Shares), or redeem, offer to purchase, purchase or cause to be purchased any of its outstanding securities; (iii) without limiting the preceding clause, not authorize, approve, agree to issue, issue or award any Options under the Option Plan, DSUs under the DSU Plan, Share Awards under the Performance and Restricted Unit Plan or any other Convertible Securities; (iv) not authorize, approve, agree to issue, issue or award any SVS Shares or MVS Shares in connection with the exercise of any Options under the Option Plan, DSUs under the DSU Plan, Share Awards under the Performance and Restricted Share Unit Plan, except, with the written consent of the Offeror, with respect to: (A) the issuance of shares upon the exercise of any outstanding Options or (B) any offer to redeem or purchase the Options, RSUs, or PSUs provided, however, that forgoing shall not limit the ability of Inscape to redeem for cancellation any outstanding Options, RSUs or PSUs solely for the purpose of giving effect to the transactions contemplated by the Support Agreement; (v) not authorize, approve, agree to issue, issue or award any SVS Shares or MVS Shares in connection with the exercise of any Options under the Option Plan except, with the written consent of the Offeror, any offer to redeem or purchase the Options, RSUs, or PSUs provided, however, that forgoing shall not limit the ability of Inscape to redeem for cancellation any outstanding Options, RSUs or PSUs solely for the purpose of giving effect to the transactions contemplated by the Support Agreement; (vi) not acquire or commit to acquire any assets or group of related assets (through one or more related or unrelated acquisitions) having a value in excess of \$100,000 in the aggregate; (vii) subject to certain exceptions, not sell, lease, option, encumber or otherwise dispose of, or allow any third-party to encumber for a period of five (5) Business Days without contesting in good faith, any assets or group of related assets (through one or more related or unrelated transactions) having a value in excess of \$50,000 in the aggregate; (viii) subject to certain exceptions, not incur, or commit to, capital expenditures in excess of \$50,000 in the aggregate; (ix) except for the Interim Loan (A) not incur or commit to incur any indebtedness for borrowed money, except for the borrowing of working capital in the Ordinary Course of Business or issue any debt securities, (B) not incur or commit to incur, or guarantee, endorse or otherwise become responsible for, any other material liability, obligation or indemnity or the obligation of any person other than the wholly-owned Subsidiaries of Inscape, or (C) not make any loans or advances to any person other than the wholly-owned Subsidiaries of Inscape; (x) not pay, discharge or satisfy any material claims, liabilities or obligations other than the payment, discharge or satisfaction, in the Ordinary Course of Business in accordance with their terms, of liabilities reflected or reserved against in Inscape's financial statements as at and for the period ended April 30, 2022, consented to by the Offeror or incurred in the Ordinary Course of Business; and (xi) not acquire or agree to acquire (by merger, amalgamation, arrangement, acquisition of stock or assets or otherwise) any person or division of any person or make any investment either by purchase of shares or securities, contributions of capital (other than to the wholly-owned Subsidiaries of Inscape), property transfer or purchase of any property or assets of any other person, except for purchases of equipment in the Ordinary Course of Business, and except for capital expenditures permitted by the Support Agreement;

Inscape has also agreed to notify the Offeror of any Material Adverse Change and of any material governmental or third-party complaints (other than those made in the Ordinary Course of Business), investigations or hearings (or communications indicating that the same may be contemplated).

Other Covenants

Each of Inscape and the Offeror have agreed to a number of mutual covenants, including to (i) give prompt written notice to the other of the occurrence, or failure to occur, at any time from the date of the Support Agreement until the earlier to occur of the termination of the Support Agreement and the Effective Time of any event or state of facts of which it is aware which occurrence or failure would, or would be reasonably likely to (a) cause any of the representations or warranties of any party contained in the Support Agreement to be untrue or inaccurate in

any material respect, or (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by either party under the Support Agreement prior to the Expiry Time or the Effective Time; (ii) use its commercially reasonable efforts to take, or cause to be taken, all reasonable actions and to do, or cause to be done, all things reasonably necessary, proper or advisable to consummate and make effective as promptly as practicable any Contemplated Transactions undertaken by the Offeror and/or its affiliates and to cooperate with each other in connection with the foregoing, including using commercially reasonable efforts: (a) to obtain all Regulatory Approvals and all other consents, approvals, clearances and authorizations as are necessary to be obtained under applicable Laws; (b) to defend all lawsuits or other legal proceedings challenging the Support Agreement or the consummation of the Contemplated Transactions; (c) to cause to be lifted or rescinded any injunction or restraining order or other order adversely affecting the ability of the parties to consummate the Contemplated Transactions; (d) to effect all necessary registrations and other filings and submissions of information or responses to information requests as may be requested by Governmental Entities or required under any applicable securities Laws, or any other Laws; (e) to execute and deliver such documents as the other parties may reasonably require; (f) to fulfil all conditions within its power and satisfy all provisions of the Support Agreement and the Offer; (g) to manage stakeholder communications and engagement and address any questions any Government Official or Governmental Entity may have in connection with the consummation of the Contemplated Transactions; and (h) to not take any action which would render, or which may reasonably be expected to render, untrue or inaccurate (without giving effect to, applying or taking into consideration any materiality or Material Adverse Change qualification already contained within such representation or warranty) in any material respect any of such party's respective representations and warranties set forth in the Support Agreement.

In addition, upon reasonable notice, Inscape has agreed to, and to cause its Representatives to, provide the Offeror and its Representatives with reasonable access (without material disruption to the conduct of Inscape's business and subject to any applicable competition laws) during normal business hours to all books, records, information, corporate charts, tax documents, filings, memoranda, working papers and files and all other materials in its possession and control and access to the personnel of and counsel to Inscape and the Subsidiaries on an as reasonably requested basis as well as reasonable access to the properties of Inscape and the Subsidiaries and Inscape has agreed to assist the Offeror with any such filings or information requests from any Governmental Entity upon request by the Offeror.

Directors' and Officers' Insurance and Indemnification

From and after the Effective Time, the Offeror agreed that for the period from the Effective Time until six (6) years after the Effective Time, the Offeror will cause Inscape or any successor to Inscape to maintain Inscape's current directors' and officers' liability insurance policy or a policy reasonably equivalent subject in either case to terms and conditions no less advantageous to the directors and officers of Inscape than those contained in the policy in effect on the date of the Support Agreement, for all present and former directors and officers of Inscape and the Subsidiaries covering claims first made prior to or within six (6) years of the Effective Time, provided, however, that the Offeror will not be required, in order to maintain or cause to be maintained such directors' and officers' liability insurance policy, to pay an annual premium in excess of 200% of the cost of the existing policy; and provided further that, if equivalent coverage cannot be obtained or can only be obtained by paying an annual premium in excess of 200% of such amount, the Offeror shall only be required to obtain or cause to be obtained as much coverage as can be obtained by paying an annual premium equal to 200% of such amount. Prior to the Effective Time, Inscape may purchase as an extension to Inscape's current directors' and officers' liability insurance policies, three (3) year run-off insurance as of the Effective Time providing such coverage for such persons on terms comparable to those contained in Inscape's current insurance policies for acts and/or omissions and/or events occurring prior to the Effective Time, provided that the premium will not exceed 200% of the annual premium currently charged to Inscape for directors' and officers' liability insurance, and in such event none of the Offeror or Inscape or the Subsidiaries will have any further obligation under the Support Agreement.

Outstanding Inscape Options and Share Awards

The Offeror and Inscape agreed in the Support Agreement that, between the date of the Support Agreement and the Effective Time, Inscape shall: (i) not grant any additional SVS Shares, MVS Shares, Options, Share Awards, and DSUs or other rights to purchase or acquire SVS Shares or MVS Shares, or make any amendments to

outstanding Options, Share Awards and DSUs without the prior written consent of the Offeror, (ii) take such actions as may be necessary to ensure that any outstanding Options, Share Awards and DSUs shall either be cancelled or otherwise dealt with in a manner satisfactory to the Offeror prior to the Effective Time and (iii) promptly notify the Offeror in writing of any exercise or cancellation of Options, RSUs, or PSUs. Such notice shall include full particulars of each such exercise or cancellation. The Offeror understands that there are no Convertible Securities outstanding other than the Options.

Change of Control Payments

The Offeror agreed that, following the Effective Time, it will cause Inscape and each of its Subsidiaries and all of their respective successors to honour and comply with the terms of all employment agreements, termination, severance, change of control and retention agreements, other agreements that include payments required in connection with a change of control of Inscape, and plans or policies of Inscape and its Subsidiaries that are disclosed in Section 2.8 of the Disclosure Letter and to effect payment in full for all payments that are required to be made by Inscape or its Subsidiaries pursuant to such agreements, plans and policies in accordance with such agreements, plans and policies.

6. Lock-Up Agreements

In connection with the Offer, the Offeror has entered into the Lock-Up Agreements with the Locked-Up Shareholders (as defined herein) owning 11,660,282 SVS Shares, or approximately 81.1% of the issued and outstanding SVS Shares, pursuant to which such Locked-Up Shareholders have agreed to deposit or cause to be deposited their SVS Shares to the Offer. Each Lock-Up Agreement sets forth, among other things, the terms and conditions upon which each of the Locked-Up Shareholders has agreed to deposit or cause to be deposited under the Offer all of the SVS Shares or Options legally or beneficially owned by such Locked-Up Shareholder or over which such Locked-Up Party exercises control or direction. The Lock-Up Agreements do not permit the Locked-Up Shareholders to accept an Acquisition Proposal other than the Offer.

The following is a summary of certain provisions of the Lock-Up Agreements. It is subject to, and is qualified in its entirety by reference to, the full text of all of the provisions of the Lock-Up Agreements. The Lock-Up Agreements have been filed by Inscape and are accessible on Inscape's SEDAR profile at www.sedar.com. Capitalized terms used in this Section 6 of the Circular but not defined herein have the meanings given to them in the Lock-Up Agreements.

Each Locked-Up Shareholder has agreed:

- (a) not, directly or indirectly through its Representatives or otherwise, (i) make, solicit, assist, initiate, knowingly encourage, promote or otherwise facilitate (including by way of furnishing, providing access to or disclosing information, permitting any visit to any facilities or properties of Inscape or any of its Subsidiaries or entering into any form of written or oral agreement, arrangement or understanding) any bona fide inquiries, proposals or offers that constitute or may reasonably be expected to constitute or lead to an Acquisition Proposal or (ii) participate or engage in any discussions or negotiations regarding, or provide any information with respect to, or otherwise co-operate in any way with, or assist or participate in, encourage or otherwise facilitate, any effort or attempt by any other person that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal;
- (b) immediately cease and terminate, or cause to be ceased and terminated, any existing solicitation, assistance, discussion, encouragement, negotiation or process with or involving any person (other than the Offeror and its affiliates) commenced prior to the date of the Lock-Up Agreement with respect to or which could reasonably be expected to lead to an Acquisition Proposal, whether or not initiated by the Securityholder or any of its Representatives;
- (c) promptly notify the Offeror, at first orally and then in writing (and in any event within 24 hours after receipt) of any proposal, inquiry, offer or request that constitutes an Acquisition Proposal after the date of Lock-Up Agreement, or any request for non-public information relating to Inscape or any of its Subsidiaries or for access to properties, books and records or a list of securityholders of Inscape;

- (d) not grant an option on, sell, transfer, pledge, gift, assign, encumber, convey, hypothecate, grant any Encumbrance on or otherwise dispose of any right or interest in any of the Securityholder's Securities or enter into any forward sale, repurchase agreement or other monetization transaction with respect to any of the Securityholder's Securities, or any right or interest therein (legal or equitable), to any person or group (except to the Offeror or any of its affiliates) or agree to do any of the foregoing, other than the exercise of any Options pursuant to the terms thereof;
- (e) not grant or agree to grant any proxy, power of attorney or other right to vote the Securityholder's Securities, or enter into any voting agreement, voting trust, vote pooling or other agreement, commitment, understanding or arrangement (oral or written) with respect to the right to vote, or give consents or approvals of any kind, in respect of any of the Securityholder's Securities;
- (f) not requisition or join in any requisition of any meeting of holders of SVS Shares;
- (g) not tender or vote, or cause to be tendered or voted, any of the Securityholder's Securities in favour of any Acquisition Proposal;
- (h) vote or cause to be voted all of the Securityholder's Securities (to the extent such Securityholder Securities are entitled to vote) against any proposed action by Inscope or any of its Subsidiaries or shareholders in furtherance of any Acquisition Proposal or that might reasonably be regarded as likely to prevent, impede, delay, interfere, postpone or discourage the successful completion of the Offer or any other Contemplated Transactions;
- (i) not take any other action of any kind, directly or indirectly, that (i) would make any representation or warranty of the Securityholder contained herein untrue or incorrect or (ii) might reasonably be regarded as likely to prevent, impede, delay, interfere, postpone or discourage the successful completion of the Offer or any other Contemplated Transactions;
- (j) irrevocably waive, and agree not to exercise, any rights of appraisal or rights of dissent that the Securityholder may have with respect to the Securityholder's Securities;
- (k) not commence or participate in, and shall, and hereby agrees to, take all actions necessary to opt out of any class in any class action with respect to, any claim, derivative or otherwise, against Inscope or the Offeror or any of their respective affiliates or successors relating to the negotiation, execution and delivery of the Support Agreement;
- (l) promptly notify the Offeror of the number of any new SVS Shares acquired by the Securityholder after the date hereof and all such new SVS Shares shall be deemed to be Securityholder's Securities and will be subject to the terms of the Lock-Up Agreement as though owned by the Securityholder as of the date hereof; and
- (m) execute any and all documents and perform any and all commercially reasonable acts, including making any requisite regulatory filings, to satisfy all of its obligations hereunder.

Each Lock-Up Agreement may be terminated:

- (a) the written agreement of the Offeror and the Securityholder to terminate this Agreement;
- (b) the Offer being terminated or withdrawn;
- (c) the Expiry Time occurring;
- (d) the Outside Date occurring without the Subordinated Voting Shares deposited to the Offer having been taken up by the Offeror;

- (e) written notice from the Offeror to the Securityholder if the Securityholder is in material breach of any representation, warranty or covenant of the Securityholder contained herein and such breach has not been cured within five (5) Business Days of written notice of such breach being given; or
- (f) written notice from the Securityholder to the Offeror if:
 - i. the Offeror has not mailed the Offer Documents by the date that is 21 days after the date of this Agreement;
 - ii. the Offeror is in material breach of any representation, warranty or covenant of the Offeror contained herein and such breach has not been cured within five (5) Business Days of written notice of such breach being given; or
 - iii. the Offeror has, without the prior written consent of the Securityholder, decreased the Offer Price or changed the form of the consideration payable for the Subordinated Voting Shares.

7. Interim Loan Agreement

On October 28, 2022 (the “**Closing Date**”), the Lender and Inscape entered into the Interim Loan Agreement and several ancillary security agreements. The Interim Loan Agreement provides for an up to \$5,000,000.00 secured revolving demand credit facility. The following is a summary of certain provisions of the Interim Loan Agreement. It is subject to, and is qualified in its entirety by reference to, the full text of all of the provisions of the Interim Loan Agreement. The Interim Loan Agreement has been filed by Inscape and is accessible on Inscape’s SEDAR profile at www.sedar.com. Capitalized terms used in this Section 7 of the Circular but not defined herein have the meanings given to them in the Interim Loan Agreement.

Available Amount

Inscape may borrow on a revolving basis the lesser of: (a) \$5,000,000.00 and (b) the Borrowing Base (as defined in the Interim Loan Agreement), provided that: (i) its availability is at the sole discretion of the Lender and the Lender may cancel or restrict availability of any unutilized portion at any time upon prior written notice to Inscape; and (ii) an Event of Default shall not have occurred and be continuing at the time of any Borrowing.

Repayment

Borrowings under the Credit Facility are expected to revolve with operating requirements and are repayable at any time and from time to time prior to the Termination Date (as defined in the Interim Loan Agreement), provided such Borrowings are repayable in full immediately upon the earlier of: (a) demand by the Lender; or (b) 24 months from the Closing Date.

Fees

Inscape is responsible for paying the following fees:

- (a) *Arrangement Fee.* A fully earned non-refundable arrangement fee to be paid on the Closing Date, by way of a cash payment or, at the option of the Borrower, accrued (or rolled up) onto the balance of the Loan with such amount to be charged PIK Interest;
- (b) *Non-Utilisation Fee.* For each day from the Closing Date, and through and including the Termination Date, a non-utilisation fee payable monthly either: (i) in cash; or (ii) at the option of the Lender, accrued (or rolled up) onto the balance of the Loan with such amount to be charged PIK Interest;
- (c) *Monthly Monitoring Fee:* A fully earned and non-refundable monthly monitoring fee payable monthly beginning on the Closing Date either: (i) in cash; or (ii) at the option of the Borrower, accrued (or rolled up) onto the balance of the Loan with such amount to be charged PIK Interest; and

- (d) *Early Termination Fee.* A fee to be immediately paid, in cash, upon the termination of the Credit Facility by Inscape prior to the Termination Date.

Payment of Interest

Inscape shall pay interest: (a) for the first 12 months, from the Closing Date, at the PIK Interest Rate, on each Loan monthly in arrears, on the first day of each month, unless, at the option of Inscape, it provides written notice to the Lender at least five (5) Business Days prior to the relevant Interest Payment Date that it has elected to pay interest at the Cash Interest Rate on such amount then due, and (b) for each month thereafter, at the Cash Interest Rate, unless, at the option of Inscape, if no Event of Default has occurred and is continuing, it provides written notice to the Lender at least five (5) Business Days prior to the relevant Interest Payment Date, that it has elected to pay interest at the PIK Interest Rate on such amount then due.

Any interest at the Cash Interest Rate shall be payable in cash on each Interest Payment Date. Any interest at the PIK Interest Rate shall be paid in full by adding and capitalizing the full amount of such interest to the principal amount of the applicable Loans on each Interest Payment Date. All amounts of accrued PIK Interest as of each Interest Payment Date shall no longer be deemed to be accrued and unpaid interest on the outstanding principal balance of the applicable Loans, but shall be considered principal (and shall bear interest from and after the related Interest Payment Date) until paid in cash.

Each Aggregate Interest Rate will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.

Security

Security for the Borrowings and all other obligations of Inscape to the Lender shall include: (i) a general security agreement signed by Inscape constituting a first ranking security interest in all personal property of Inscape; and (ii) a guarantee signed by each Guarantor, supported by a general security agreement constituting a first-ranking security interest in all personal property of each Guarantor.

8. Reasons to Accept the Offer

The Offeror believes that the Offer is compelling and that the following are reasons to accept the Offer:

- **Liquidity and Certainty of Value.** The Offer immediately crystalizes full and certain value by providing for 100% cash consideration for the SVS Shares, giving depositing Shareholders certainty of value and immediate liquidity while removing financing, market, regulatory and execution risks to Shareholders. The trading volume of the SVS Shares is very low and there is no efficient, liquid market for the SVS Shares that would allow Shareholders to realize the value of their SVS Shares. Shareholders who deposit their SVS Shares under the Offer will have the opportunity to realize cash proceeds and certainty of value for their SVS Shares.
- **Significant Funding Required.** The significant aggregate losses incurred in the immediately preceding ten fiscal quarters have made the financial viability of Inscape questionable. Inscape has been aggressively pursuing alternative sources of capital without success. Equity financing sufficient to repay debt and fund the progress of Inscape's business plan (including significant capital needed to downsize its factories and to make ongoing investments in sales and distribution), if available, may be significantly dilutive to Shareholders.
- **Impact of COVID-19.** Inscape experienced significant declines in its business and financial performance over the past few years, largely due to the impacts of the COVID-19 pandemic. COVID-19 impacted Inscape by significantly reducing the customer demand for its products and disrupting its supply logistics.

- **Risk of downward impact on SVS Share price if Offer not accepted.** If the Offer is not successful and no alternative transaction is available, the Offeror believes it is highly likely that the trading price of SVS Shares will decline to significantly lower levels.
- **Opportunity to effect a successful turnaround.** Hilco, parent to the Offeror, is a prominent international financial investor and adviser, working across a broad range of sectors and specializes in restructuring and refinancing distressed companies. The Offeror believes that it provides the best opportunity for a successful turnaround of the Inscape business, which the Offeror believes is in the best interest of all of Inscape's stakeholders. Hilco has provided Inscape with a \$5,000,000 secured demand credit facility to fulfil its working capital requirements and fund the recovery of its business.
- **Unanimous Recommendation of the Inscape Board.** The Inscape Board, after consultation with its financial and legal advisors and the Special Committee, UNANIMOUSLY DETERMINED that the Offer is in the best interests of Inscape and the Shareholders and the Offer Price is fair, from a financial point of view, to the Shareholders and, accordingly, UNANIMOUSLY RECOMMENDED that Shareholders ACCEPT the Offer and DEPOSIT their SVS Shares under the Offer.
- **Support of Shareholders.** Certain Shareholders, including all officers and directors of Inscape holding SVS Shares, have entered into the Lock-Up Agreements pursuant to which they have agreed to deposit under the Offer all SVS Shares held or to be acquired by them pursuant to the exercise of Options, representing in the aggregate approximately 81.1% of the issued and outstanding SVS Shares on a Fully-Diluted Basis, subject to certain terms and conditions of such Lock-Up Agreements. The total number of SVS Shares to be deposited pursuant to the Lock-Up Agreements is sufficient to meet the Minimum Tender Condition. The Lock-Up Agreements do not permit the Locked-Up Shareholders to accept an Acquisition Proposal other than the Offer.
- **Evans & Evans Fairness Opinion.** Evans & Evans provided the Inscape Board with a verbal opinion to the effect that, as of the date of such opinion, subject to the assumptions, limitations, and qualifications, which will be set out in the written opinion, the Offer Price is fair, from a financial point of view, to Shareholders.
- **Fully Financed Cash Offer.** The Offer is not subject to a financing condition. The Offeror will satisfy the funding requirements of the Offer from its cash resources.

9. Purpose of the Offer and Plans for Inscape

The purpose of the Offer is to enable the Offeror to acquire (and Hilco indirectly to acquire through the Offeror) control of Inscape. The Offer is for 100% of the SVS Shares not owned by the Offeror and its affiliates. If at least 66^{2/3}% of the SVS Shares then outstanding, on a Fully-Diluted Basis, are properly and validly deposited pursuant to the Offer and not properly and validly withdrawn at the expiry of the initial deposit period and the other conditions to the Offer are satisfied or waived, the Offeror will take up and pay for SVS Shares deposited under the Offer, which would provide the Offeror with control of Inscape.

The effect of the Offer is to give all Shareholders the opportunity to receive \$0.007 in cash per SVS Share. On October 28, 2022 (the last trading day on the TSX prior to the announcement of the Offer), the closing price of the SVS Shares on the TSX was \$0.20 on the TSX.

If the conditions of the Offer are satisfied or, where permitted, waived and the Offeror takes up and pays for the SVS Shares validly deposited under the Offer, the Offeror may acquire any SVS Shares not validly deposited under the Offer through a Compulsory Acquisition; if a Compulsory Acquisition is not available, the Offeror may propose a Subsequent Acquisition Transaction, in each case for consideration per SVS Share at least equal in value to and in the same form as the consideration paid by the Offeror per SVS Share under the Offer. The exact timing and details of any such transaction will depend upon a number of factors, including the number of SVS Shares acquired pursuant to the Offer. Although the Offeror may complete a Compulsory Acquisition and, if not, may propose a Subsequent Acquisition Transaction generally on the terms described herein, it is possible that such a transaction may not be proposed, may be delayed or abandoned or may be proposed on different terms. The Offeror expressly reserves the right not to propose a Compulsory Acquisition or Subsequent Acquisition

Transaction, or to propose a Subsequent Acquisition Transaction on terms other than as described in the Circular. See Section 14 of the Circular, “*Acquisition of SVS Shares Not Deposited*”.

If permitted by applicable Laws, the Offeror may cause Inscape to apply to delist the SVS Shares from the TSX as soon as practicable after completion of the Offer and any Compulsory Acquisition or any Subsequent Acquisition Transaction. In addition, if permitted by applicable Laws, subsequent to the completion of the Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction, the Offeror may cause Inscape to cease to be a reporting issuer (or the equivalent) under the securities Laws of each province of Canada in which it has such status. See Section 17 of the Circular, “*Effect of the Offer on the Market for and Listing of SVS Shares and Status as a Reporting Issuer*”.

10. Source of Funds

The Offeror’s obligation to purchase the SVS Shares validly deposited under the Offer is not subject to any financing condition. The Offeror estimates that, if it acquires all of the SVS Shares (on a Fully-Diluted Basis) under the Offer, the total amount required under the Offer for the purchase will be approximately \$100,000 plus related fees and expenses associated with the Offer. The Offeror will satisfy the funding requirements of the Offer from its cash resources.

11. Ownership of and Trading in Securities of Inscape

No securities of Inscape are beneficially owned, directly or indirectly, nor is control or direction exercised over any other securities of Inscape, by Hilco, the Offeror or their respective directors or officers. Other than described herein, to the knowledge of the Offeror after reasonable enquiry, no other securities of Inscape are owned, directly or indirectly, nor is control or direction exercised over any other securities of Inscape by any associate or affiliate of an insider of the Offeror, any associate or affiliate of the Offeror, any insider of the Offeror (other than a director or officer of the Offeror), or any person acting jointly or in concert with the Offeror.

Other than as set forth below, to the knowledge of the Offeror based on publicly available information, no persons own, directly or indirectly, or exercise control or direction over, more than 10% of the outstanding SVS Shares.

Name	Number of SVS Shares	Percentage of Outstanding SVS Shares on an Undiluted Basis
PenderFund Capital Management Ltd. ^{(1), (2)}	7,927,321	55.12%
David LaSalle ⁽³⁾	2,174,600	15.12%
Bartley Bull ⁽⁴⁾	1,510,001	10.50%

1. Pender Growth Fund Inc. (“PGF”) and other funds managed by PenderFund Capital Management Ltd. (“Pender”) hold, in aggregate, 7,927,321 SVS Shares, representing 55.12% of the issued and outstanding SVS Shares, which are held as follows: Pender Growth Fund Inc., 6,886,981 SVS Shares (47.89%) and other funds managed by Pender 1,040,340 SVS Shares (7.23%).
2. PGF is an investment company that trades on the TSX Venture Exchange under the symbol “PTF” and that is managed by Pender.
3. Mr. David LaSalle owns indirectly, through Perlus Microcap Fund L.P., an entity under his control and direction, 2,174,600 SVS Shares.
4. Mr. Bartley Bull owns, indirectly through Bullish Management Ltd., a company under his control and direction, 1,510,001 SVS Shares.

After reasonable enquiry, none of Hilco, the Offeror or their respective directors or officers, or to the knowledge of Hilco and the Offeror, any associate or affiliate of an insider of the Offeror, any associate or affiliate of the Offeror, any insider of the Offeror (other than a director or officer of the Offeror), or any person acting jointly or in concert with the Offeror, have traded in any securities of Inscape during the six (6) months preceding the date hereof.

12. Commitments to Acquire Securities of Inscape

Other than the Lock-Up Agreements and the Offer, none of the Offeror, Hilco or, to the knowledge of the Offeror, after reasonable enquiry, any of their respective directors or officers, any associate or affiliate of an insider of the Offeror or Hilco, any insider of the Offeror or Hilco other than a director or officer of the Offeror or Hilco or any person acting jointly or in concert with the Offeror and Hilco, has entered into any agreements, commitments or understandings to acquire any securities of Inscape.

13. Other Material Facts

Except as disclosed elsewhere in this Offer to Purchase and Circular, the Offeror has no knowledge of any undisclosed material fact concerning securities of Inscape or any other matter that has not previously been generally disclosed but which would reasonably be expected to affect the decision of Shareholders to accept or reject the Offer.

14. Acquisition of SVS Shares Not Deposited

If the Offeror takes up and pays for SVS Shares validly deposited under the Offer, the Offeror intends to enter into one or more transactions to enable the Offeror or an affiliate of the Offeror to acquire all SVS Shares not acquired under the Offer. There is no assurance that such transaction will be completed, in particular if the Offeror and its affiliates hold less than 66^{2/3}% of the issued and outstanding SVS Shares following completion of the Offer, and the Offeror expressly reserves the right not to propose a Compulsory Acquisition or Subsequent Acquisition Transaction. Under the terms of the Support Agreement, there is no obligation on the Offeror to undertake a Compulsory Acquisition or any form of Subsequent Acquisition Transaction to acquire the remaining SVS Shares following the Offer.

Compulsory Acquisition

If, by the Expiry Time or within 120 days after the date of the Offer, whichever period is the shorter, the Offeror takes up and pays for not less than 90% of the outstanding SVS Shares, other than SVS Shares held at the date of the Offer by or on behalf of the Offeror, or an affiliate or associate of the Offeror (as those terms are defined in the OBCA), then the Offeror may elect to acquire the remainder of the SVS Shares by way of a compulsory acquisition pursuant to Part XV of the OBCA (a “**Compulsory Acquisition**”) for consideration per SVS Share not less than, and in the same form as, the consideration under the Offer.

To exercise its statutory right of Compulsory Acquisition, the Offeror must send a notice (the “**Offeror’s Notice**”) to each Shareholder who did not accept the Offer (and each person who acquires from such Shareholders any such SVS Shares) (in each case, a “**Dissenting Offeree**”) of such proposed acquisition within 60 days after the date of termination of the Offer and in any event within 180 days following the date of the Offer. Within 20 days after the Offeror sends the Offeror’s Notice, the Offeror must pay or transfer to Inscape the amount of money or other consideration that the Offeror would have to pay or transfer to a Dissenting Offeree if the Dissenting Offeree had elected to accept the Offer, such money or other consideration to be held in trust by Inscape for the Dissenting Offerees. In accordance with subsection 188(2) of the OBCA, within 20 days after receipt of the Offeror’s Notice, each Dissenting Offeree must send the certificate(s) or other evidence representing the SVS Shares held by such Dissenting Offeree to Inscape and must elect either: (i) to transfer such SVS Shares to the Offeror on the terms on which the Offeror acquired the SVS Shares of the Shareholders who accepted the Offer; or (ii) to demand payment of the fair value of such SVS Shares by so notifying the Offeror within 20 days after the Dissenting Offeree receives the Offeror’s Notice. A Dissenting Offeree who does not, within 20 days after the Dissenting Offeree received the Offeror’s Notice, notify the Offeror that the Dissenting Offeree is electing to demand payment of the fair value of the Dissenting Offeree’s SVS Shares is deemed to have elected to transfer such SVS Shares to the Offeror on the same terms that the Offeror acquired SVS Shares from the Shareholders who accepted the Offer. If a Dissenting Offeree has elected to demand payment of the fair value of the Dissenting Offeree’s SVS Shares, the Offeror may, within 20 days after the Offeror has made the payment or transferred the other consideration to Inscape referred to above, apply to the Court to fix the fair value of the SVS Shares of such Dissenting Offeree. If the Offeror fails to apply to the Court within 20 days after the Offeror has made the payment or transferred the other consideration to Inscape referred to above, a Dissenting Offeree may apply to the Court

within a further period of 20 days to have the Court fix the fair value of the SVS Shares of such Dissenting Offeree. Where no such application is made to the Court by the Dissenting Offeree within such period, the Dissenting Offeree will be deemed to have elected to transfer the Dissenting Offeree's SVS Shares to the Offeror on the same terms that the Offeror acquired SVS Shares from the Shareholders who accepted the Offer. Any judicial determination of the fair value of the SVS Shares could be less or more than the amount paid pursuant to the Offer.

If all of the requirements of Part XV of the OBCA are first satisfied after the Expiry Time or within 120 days after the date of the Offer, whichever is earlier, the Offeror may apply to a court having jurisdiction for an extension of such period pursuant to section 188(21) of the OBCA.

The foregoing is a summary only of the right of Compulsory Acquisition which may become available to the Offeror and the dissent rights that may be available to a Dissenting Offeree, and is qualified by its entirety by the provisions of Part XV of the OBCA. The provisions of Part XV of the OBCA are complex and may require strict adherence to notice and timing provisions, failing which a Dissenting Offeree's rights may be lost or altered. Shareholders should refer to Part XV of the OBCA for the full text of the relevant statutory provisions, and those who wish to be better informed about the provisions of the OBCA should consult their legal advisors.

See Section 18 of the Circular, "*Certain Canadian Federal Income Tax Considerations*", for a discussion of the Canadian federal income tax consequences to Shareholders in the event of a Compulsory Acquisition.

Subsequent Acquisition Transaction

If the Offeror acquires less than 90% of the SVS Shares under the Offer other than SVS Shares held at the date of the Offer by or on behalf of the Offeror and its affiliates and associates (as such terms are defined in the OBCA), the right of Compulsory Acquisition described above is not available for any reason, or the Offeror chooses not to avail itself of such statutory right, the Offeror may pursue other means of acquiring the remaining SVS Shares not validly deposited under the Offer, including causing one or more special meetings to be called of the remaining Shareholders to consider an arrangement, amalgamation, merger, reorganization, consolidation, recapitalization or other transaction involving Inscape or the Subsidiaries and the Offeror or its affiliates which, if successfully completed, would result in the Offeror and/or its affiliates owning, directly or indirectly, all of the SVS Shares or all of the assets of Inscape (a "**Subsequent Acquisition Transaction**"). If the Offeror were to proceed with a Subsequent Acquisition Transaction, it is the Offeror's intention that the consideration to be paid to Shareholders pursuant to any such Subsequent Acquisition Transaction would be equal in amount to and in the same form as that payable under the Offer and that the Subsequent Acquisition Transaction would be completed no later than 120 days after the Expiry Time. The Offeror, however, expressly reserves the right not to propose a Compulsory Acquisition or Subsequent Acquisition Transaction and reserves the right to propose other means of acquiring, directly or indirectly, all of the outstanding SVS Shares in accordance with applicable Laws, including a Subsequent Acquisition Transaction on terms not described in the Circular.

The timing and details of a Subsequent Acquisition Transaction, if any, will necessarily depend on a variety of factors, including the number of SVS Shares acquired pursuant to the Offer. If, after taking up SVS Shares under the Offer, the Offeror owns at least two-thirds ($66\frac{2}{3}\%$) of the issued and outstanding SVS Shares on a Fully-Diluted Basis and sufficient votes are cast by "minority" holders to constitute a "minority approval" pursuant to MI 61-101, as discussed below, the Offeror should own sufficient SVS Shares to be able to effect a Subsequent Acquisition Transaction. There can be no assurance that the Offeror will pursue a Compulsory Acquisition or Subsequent Acquisition Transaction.

MI 61-101 may deem a Subsequent Acquisition Transaction to be a "business combination" if such Subsequent Acquisition Transaction would result in the interest of a holder of an equity security of Inscape being terminated without the holder's consent, irrespective of the nature of the consideration provided in substitution therefor. The Offeror expects that any Subsequent Acquisition Transaction relating to SVS Shares will be a "business combination" under MI 61-101.

In certain circumstances, the provisions of MI 61-101 may also deem certain types of Subsequent Acquisition Transactions to be "related party transactions". However, if the Subsequent Acquisition Transaction is a "business

combination” carried out in accordance with MI 61-101 or an exemption under MI 61-101, the “related party transaction” provisions therein do not apply to such transaction. Following completion of the Offer, the Offeror will be a “related party” of Inscape for the purposes of MI 61-101, although the Offeror expects that any Subsequent Acquisition Transaction would be a “business combination” for purposes of MI 61-101 and that therefore the “related party transaction” provisions of MI 61-101 would not apply to the Subsequent Acquisition Transaction. The Offeror intends to carry out any such Subsequent Acquisition Transaction in accordance with MI 61-101, or any successor provisions, or an exemption under MI 61-101, such that the “related party transaction” provisions of MI 61-101 would not apply to such Subsequent Acquisition Transaction.

MI 61-101 provides that, unless exempted, a corporation proposing to carry out a business combination is required to prepare a valuation of the affected securities (and, subject to certain exceptions, any non-cash consideration being offered therefor) and to provide the holders of the affected securities with a summary of such valuation. The Offeror currently intends to rely on available exemptions (or, if such exemptions are not available, to seek waivers pursuant to MI 61-101 exempting Inscape and the Offeror or one or more of its affiliates, as appropriate) from the valuation requirements of MI 61-101 in respect of any Subsequent Acquisition Transaction. An exemption from the valuation requirements is available under MI 61-101 for certain business combinations completed no later than 120 days after the date of expiry of a formal take-over bid where the consideration per security that the security holders would be entitled to receive in the business combination is at least equal in value to and is in the same form as the consideration that the tendering security holders were entitled to receive in the take-over bid, provided that certain disclosure is provided in the take-over bid disclosure documents. The Offeror has provided such disclosure and currently expects that these exemptions will be available.

Depending on the nature and terms of the Subsequent Acquisition Transaction, the provisions of the OBCA and Inscape’s constating documents may require the approval of not less than two-thirds (66^{2/3}%) of the votes cast by the holders of the issued and outstanding SVS Shares at a meeting duly called and held for the purpose of approving the Subsequent Acquisition Transaction. MI 61-101 would also require that, in addition to any other required securityholder approval, in order to complete a business combination (such as a Subsequent Acquisition Transaction), the approval of the proposed transaction by a majority of the votes cast by “minority” shareholders of each class of affected securities must be obtained at a meeting of security holders of that class called to consider the transaction unless an exemption is available or discretionary relief is granted by applicable Securities Regulatory Authorities. If, however, following the Offer, the Offeror and its affiliates are the registered holders of 90% or more of the SVS Shares at the time the Subsequent Acquisition Transaction is initiated, the requirement for minority approval would not apply to the transaction if an enforceable appraisal right or substantially equivalent right is made available to minority shareholders.

In relation to any subsequent business combination, the “minority” shareholders will be, unless an exemption is available or discretionary relief is granted by applicable Securities Regulatory Authorities, all Shareholders other than: (i) the Offeror (other than in respect of SVS Shares acquired pursuant to the Offer as described below); (ii) any “interested party” (within the meaning of MI 61-101); (iii) “related parties” of any “interested party” (in each case within the meaning of MI 61-101), unless the related party meets that description solely in its capacity as a director or senior officer of one or more persons that are neither interested parties nor “issuer insiders” (within the meaning of MI 61-101) of Inscape; and (iv) any “joint actor” (within the meaning of MI 61-101) with any of the persons referred in clauses (ii) or (iii) above.

MI 61-101 also provides that the Offeror may treat SVS Shares acquired under the Offer as “minority” shares and to vote them, or to consider them voted, in favour of such business combination if, among other things: (a) the business combination is completed no later than 120 days after the Expiry Time; (b) the consideration per security in the business combination is at least equal in value to and in the same form as the consideration paid under the Offer; and (c) the Shareholder who deposited such SVS Shares under the Offer was not (i) a “joint actor” (within the meaning of MI 61-101) with the Offeror in respect of the Offer, (ii) a direct or indirect party to any “connected transaction” (within the meaning of MI 61-101) to the Offer, or (iii) entitled to receive, directly or indirectly, in connection with the Offer, a “collateral benefit” (within the meaning of MI 61-101) or consideration per SVS Share that is not identical in amount and form to the entitlement of the general body of holders in Canada of SVS Shares.

To the knowledge of the Offeror, after reasonable inquiry, no SVS Shares would be required to be excluded in determining whether minority approval for the business combination had been obtained.

The Offeror currently intends that the consideration offered for SVS Shares under any Subsequent Acquisition Transaction proposed by it would be equal in value to, and in the same form as, the cash consideration payable to Shareholders under the Offer and that such Subsequent Acquisition Transaction will be completed no later than 120 days after the Expiry Time and, accordingly, the Offeror intends to cause SVS Shares acquired under the Offer to be voted in favour of any such Subsequent Acquisition Transaction and, where permitted by MI 61-101, to be counted as part of any minority approval required in connection with any such Subsequent Acquisition Transaction.

Any such Subsequent Acquisition Transaction may also result in registered Shareholders having the right to dissent in respect thereof and demand payment of the fair value of their SVS Shares. The exercise of such right of dissent, if certain procedures are complied with by the holder, could lead to a judicial determination of fair value required to be paid to such Dissenting Offeree for its SVS Shares. The fair value so determined could be more or less than the amount paid per SVS Share pursuant to such Subsequent Acquisition Transaction or pursuant to the Offer. The exact terms and procedures of the rights of dissent available to registered Shareholders will depend on the structure of the Subsequent Acquisition Transaction and will be fully described in the proxy circular or other disclosure document provided to Shareholders in connection with the Subsequent Acquisition Transaction.

Whether or not a Subsequent Acquisition Transaction will be proposed, and the details of any such Subsequent Acquisition Transaction, including the timing of its implementation and the consideration to be received by the minority holders of SVS Shares, will necessarily be subject to a number of considerations, including the number of SVS Shares acquired pursuant to the Offer. Although the Offeror may propose a Compulsory Acquisition or a Subsequent Acquisition Transaction on the same terms as the Offer, it is possible that, as a result of the number of SVS Shares acquired under the Offer, delays in the Offeror's ability to effect such a transaction, information hereafter obtained by the Offeror, changes in the Offeror's strategy or intentions, changes in general economic, industry, regulatory or market conditions or in the business of Inscape, or other currently unforeseen circumstances, such a transaction may not be so proposed or may be delayed or abandoned. The Offeror expressly reserves the right to propose other means of acquiring, directly or indirectly, all of the issued and outstanding SVS Shares in accordance with applicable Laws, including a Subsequent Acquisition Transaction on terms not described in the Circular.

If the Offeror is unable to, or determines at its option not to, effect a Compulsory Acquisition or propose a Subsequent Acquisition Transaction, or proposes a Subsequent Acquisition Transaction but cannot obtain any required approvals or exemptions in a prompt manner, the Offeror will evaluate its other alternatives. Such alternatives could include, to the extent permitted by applicable Laws, purchasing additional SVS Shares in the open market, in privately negotiated transactions, in another take-over bid or exchange offer or otherwise, or from Inscape. Subject to applicable Laws, any additional purchases of SVS Shares could be at a price greater than, equal to, or less than the price to be paid for SVS Shares under the Offer and could be for cash, securities and/or other consideration. Alternatively, the Offeror may take no action to acquire additional SVS Shares, or, subject to applicable Laws, may either sell or otherwise dispose of any or all SVS Shares acquired under the Offer, on terms and at prices then determined by the Offeror, which may vary from the price paid for SVS Shares under the Offer. See Section 12 of the Offer to Purchase, "*Market Purchases and Sales of SVS Shares*".

Impact on Shareholders if a Compulsory Acquisition or Subsequent Acquisition Transaction is not completed

Under the terms of the Support Agreement, there is no obligation on the Offeror to undertake a Compulsory Acquisition or any form of Subsequent Acquisition Transaction to acquire the remaining SVS Shares following the Offer. The Offeror expressly reserves the right not to propose a Compulsory Acquisition or Subsequent Acquisition Transaction. Should the Offeror take up SVS Shares under the terms of the Offer and is subsequently unable to, or determines at its option not to, effect a Compulsory Acquisition or propose a Subsequent Acquisition Transaction, Shareholders who did not deposit their SVS Shares pursuant to the Offer will continue to hold their SVS Shares. As a result of the Minimum Tender Condition, if the Offeror takes up SVS Shares under the Offer,

the Offeror and its affiliates will hold at least 66^{2/3}% of the issued and outstanding SVS Shares. Therefore, subject to the provisions of MI 61-101, the Offeror and its affiliates will have beneficial ownership over a sufficient number of SVS Shares to approve any action requiring the approval of the majority of the holders of SVS Shares, including the election of directors. It is possible that the Offeror and its affiliates acquire control over greater than two-thirds (66^{2/3}%) of the SVS Shares which, subject to MI 61-101, would permit them to approve any action which requires a special resolution under the OBCA. Furthermore, if the Offeror does not complete a Compulsory Acquisition or Subsequent Acquisition Transaction, Inscap's obligations as a reporting issuer under applicable Canadian securities Laws will continue and Inscap may remain a listed issuer subject to the rules and regulations of the TSX. For a discussion of the implications of not depositing your SVS Shares, see Section 14 of the Circular, "*Acquisition of SVS Shares Not Deposited*".

The rules and regulations of the TSX establish certain criteria which, if not met, could lead to the cessation of trading and delisting of the SVS Shares from the TSX. Among such criteria are the number of holders of SVS Shares, the number of SVS Shares publicly held and the aggregate market value of the SVS Shares publicly held. In addition, if a sufficient number of SVS Shares are purchased under the Offer, the Offeror may seek to delist the SVS Shares from the TSX after completion of the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction. Depending upon the number of SVS Shares purchased pursuant to the Offer, it is possible that the SVS Shares would fail to meet the criteria for continued listing on the TSX. If this were to happen, the SVS Shares could be delisted and this could, in turn, adversely affect the market or result in a lack of an established market for the SVS Shares. Furthermore, Inscap may apply to have the SVS Shares voluntarily delisted from the TSX, in which case section 720 of the TSX Company Manual may, subject to TSX discretion, require minority shareholder approval of delisting. See Section 17 of the Circular, "*Effect of the Offer on the Market for and Listing of SVS Shares and Status as a Reporting Issuer*".

The tax consequences to a Shareholder of a Subsequent Acquisition Transaction may differ from the tax consequences to such Shareholder of accepting the Offer. See Section 18 of the Circular, "*Certain Canadian Federal Income Tax Considerations*" for a discussion of the Canadian federal income tax consequences to Shareholders in the event of a Subsequent Acquisition Transaction. Shareholders should consult their appropriate professional advisors for a determination of their legal rights and the tax consequences to them, having regard to their own particular circumstances, with respect to a Subsequent Acquisition Transaction or remaining a Shareholder following the Offer if a Compulsory Acquisition or Subsequent Acquisition Transaction is not completed.

15. Agreements, Commitments or Understandings

Other than as provided in the Support Agreement, the Lock-Up Agreements and as otherwise disclosed herein, there are (i) no agreements, commitments or understandings made or proposed to be made between the Offeror or Hilco and any of the directors or officers of Inscap, including for any payment or other benefit proposed to be made or given by way of compensation for loss of office or their remaining in or retiring from office if the Offer is successful, and (ii) no agreements, commitments or understandings made or proposed to be made between the Offeror or Hilco and any security holder of Inscap relating to the Offer. Please see the Directors' Circular, a copy of which is required to be delivered to Shareholders in connection with the Offer and will be accessible on Inscap's SEDAR profile at www.sedar.com.

The Offeror has entered into the Lock-Up Agreements with Locked-Up Shareholders holding or entitled to acquire pursuant to the exercise of Options, in the aggregate, approximately 81.1% of the outstanding SVS Shares on a Fully-Diluted Basis as of the date hereof pursuant to which such Locked-Up Shareholders have agreed to deposit their SVS Shares to the Offer. The Lock-Up Agreements do not permit the Locked-Up Shareholders to accept an Acquisition Proposal other than the Offer. See Section 6 of the Circular, "*Lock-Up Agreements*".

Inscap has agreed that, following the Effective Time, it will co-operate with the Offeror to enable the Offeror's designees to be elected or appointed to the Inscap Board, and any committees thereof, including, at the request of the Offeror and in compliance with the OBCA, the constating documents of Inscap and any agreements to which Inscap is a party that provide rights to nominate directors of Inscap, by using its commercially reasonable efforts to increase the size of the Inscap Board and to secure the resignations of such directors as the Offeror may request.

Other than as described herein, there are no agreements, commitments or understandings between the Offeror or Hilco and Inscape relating to the Offer and neither the Offeror nor Hilco is aware of any agreement, commitment or understanding that could affect control of Inscape and that can reasonably be regarded as material to a Shareholder in deciding whether or not to deposit SVS Shares under the Offer.

To the knowledge of the Offeror and Hilco, other than as described herein, there are no agreements, commitments or understandings made or proposed to be made between Inscape and any security holder of Inscape relating to the Offer.

16. Regulatory Matters

Hilco and the Offeror are not aware of any material Regulatory Approval or other action by any Governmental Entity that would be necessary to complete the Offer. In particular, the Offer does not meet the required financial thresholds to trigger any mandatory notification and waiting period requirement under Part IX of the *Competition Act* (Canada). The Offer also does not satisfy the requirements under the *Investment Canada Act* necessary to trigger a net benefit to Canada review.

17. Effect of the Offer on the Market for and Listing of SVS Shares and Status as a Reporting Issuer

The purchase of SVS Shares by the Offeror under the Offer will reduce the number of SVS Shares that might otherwise trade publicly and will reduce the number of holders of SVS Shares and, depending on the number of SVS Shares acquired by the Offeror, could materially adversely affect the liquidity and market value of any remaining SVS Shares held by the public.

The rules and regulations of the TSX establish certain criteria which, if not met, could lead to the cessation of trading and delisting of the SVS Shares from the TSX. Among such criteria are the number of holders of SVS Shares, the number of SVS Shares publicly held and the aggregate market value of the SVS Shares publicly held. In addition, if a sufficient number of SVS Shares are purchased under the Offer, the Offeror may seek to delist the SVS Shares from the TSX after completion of the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction. Depending upon the number of SVS Shares purchased pursuant to the Offer, it is possible that the SVS Shares would fail to meet the criteria for continued listing on the TSX. If this were to happen, the SVS Shares could be delisted and this could, in turn, adversely affect the market or result in a lack of an established market for the SVS Shares. Furthermore, Inscape may apply to have the SVS Shares voluntarily delisted from the TSX, in which case section 720 of the TSX Company Manual may, subject to TSX discretion, require minority shareholder approval of delisting.

If the Offeror proceeds with a Compulsory Acquisition or a Subsequent Acquisition Transaction, the Offeror may cause Inscape to apply to delist the SVS Shares from the TSX as soon as practicable after completion of the Offer and any Compulsory Acquisition or any Subsequent Acquisition Transaction. If the SVS Shares are delisted from the TSX, the extent of the public market for the SVS Shares and the availability of price or other quotations would depend upon the number of holders of SVS Shares, the number of SVS Shares publicly held and the aggregate market value of the SVS Shares publicly held at such time, the interest in maintaining a market in SVS Shares on the part of securities firms, whether Inscape remains subject to public reporting requirements in Canada and other factors.

After the purchase of the SVS Shares under the Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction, Inscape may cease to be subject to the public reporting and proxy solicitation requirements of the OBCA and securities Laws of the provinces of Canada. Furthermore, it may be possible for Inscape to request the elimination of the public reporting requirements of any jurisdiction where a small number of holders of SVS Shares reside. Subsequent to the completion of the Offer, if the Offeror proceeds with a Compulsory Acquisition or a Subsequent Acquisition Transaction, and if permitted by applicable Laws, the Offeror may cause Inscape to cease to be a reporting issuer (or the equivalent) under the securities Laws of each province of Canada where it is a reporting issuer (or the equivalent).

The SVS Shares are not currently registered under the U.S. Exchange Act or listed or quoted on a stock exchange in the United States. Accordingly, Inscope does not file periodic reports under the U.S. Exchange Act with the U.S. Securities and Exchange Commission.

18. Certain Canadian Federal Income Tax Considerations

The following summary describes the principal Canadian federal income tax considerations generally applicable to a beneficial owner of SVS Shares who disposes of SVS Shares pursuant to the Offer, a Compulsory Acquisition, or a Subsequent Acquisition Transaction, and who, for the purposes of the Income Tax Act (Canada) (the “**Tax Act**”), and at all relevant times, holds the SVS Shares as capital property, did not acquire the SVS Shares pursuant to an employee compensation plan, deals at arm’s length with Inscope and the Offeror, and is not affiliated with Inscope or the Offeror (a “**Holder**”). SVS Shares will generally be considered to be capital property to a Holder unless the Holder holds such shares in the course of carrying on a business of trading or dealing in securities or has acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary does not address the tax considerations applicable to holders of Convertible Securities. Holders of Convertible Securities should consult their own tax advisors having regard to their own personal circumstances.

This summary is not applicable to a Holder (i) that is a “restricted financial institution” or “specified financial institution”, (ii) an interest in which is a “tax shelter investment”, (iii) that is, for purposes of certain rules (referred to as the mark-to-market rules) applicable to securities held by financial institutions, a “financial institution”, (iv) that reports its “Canadian tax results” in a currency other than Canadian currency, (v) that has entered or will enter into a “derivative forward agreement” or a “synthetic disposition arrangement” with respect to SVS Shares, or (vi) that is a corporation and is, or becomes as part of a transaction or event or series of transactions or events that includes the Offer, a Compulsory Acquisition, or a Subsequent Acquisition Transaction (as applicable), or controlled by a non-resident person or a group of non-resident persons not dealing with each other at arm’s length for the purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act, each as defined in the Tax Act. Such Holders should consult their own tax advisors.

This summary is based on the current provisions of the Tax Act and the regulations thereunder and an understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the “**CRA**”) made publicly available in writing prior to the date hereof. This summary also takes into account all specific proposals to amend the Tax Act or the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”) and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurance can be given that the Proposed Amendments will be enacted in the form proposed or at all. This summary does not otherwise take into account or anticipate any changes in Law or administrative policy or assessing practice, whether by legislative, regulatory, administrative or judicial action or decision, nor does it take into account or consider other federal or any provincial, territorial or foreign tax considerations, which may differ significantly from the Canadian federal income tax considerations described herein.

This summary is of a general nature only and is not intended to be and is not, nor should it be construed to be, legal or tax advice to any particular Holder. This summary is not exhaustive of all Canadian federal income tax considerations. Consequently, Holders should consult their own tax advisors for advice concerning the income tax consequences to them of disposing of their SVS Shares under the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction, and any other consequences to them of such transactions under Canadian federal, provincial, territorial or local tax laws and under foreign tax laws, having regard to their own particular circumstances.

Shareholders Resident in Canada

The following portion of this summary is applicable only to a Holder who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention is, or is deemed to be, resident in Canada (a “**Resident Holder**”). Certain Resident Holders may be entitled to make or may have already made the irrevocable election permitted by subsection 39(4) of the Tax Act, the effect of which may be to deem to be capital property any SVS Shares (and all other “Canadian securities”, as defined in the Tax Act) owned by such Resident Holder

in the taxation year in which the election is made and in all subsequent taxation years. Resident Holders whose SVS Shares might not otherwise be considered to be capital property should consult their own tax advisors concerning this election.

Sale Pursuant to the Offer

Generally, a Resident Holder who disposes of SVS Shares to the Offeror under the Offer will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, less any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the SVS Shares to the Resident Holder immediately before the disposition.

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of any capital gain (a “**taxable capital gain**”) realized by it in that year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a taxation year from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward indefinitely and deducted in any subsequent taxation year against net taxable capital gains realized in such years, subject to and in accordance with the detailed rules contained in the Tax Act.

The adjusted cost base of SVS Shares to a Resident Holder will generally include all amounts paid by the Resident Holder for the SVS Shares, with certain adjustments provided for under the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a SVS Share may be reduced by the amount of dividends previously received or deemed to have been received by the Resident Holder on such SVS Share (or another share where the SVS Share has been acquired in exchange for such share), subject to and in accordance with the provisions of the Tax Act. Similar rules may apply to a partnership or trust (other than a mutual fund trust) of which a corporation, trust (other than a mutual fund trust) or partnership is a member or beneficiary. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

Compulsory Acquisition

As described in Section 14 of the Circular, “*Acquisition of SVS Shares Not Deposited — Compulsory Acquisition*”, the Offeror may, in certain circumstances, acquire SVS Shares not validly deposited pursuant to the Offer pursuant to statutory rights under section 188 of the OBCA. A Resident Holder disposing of SVS Shares pursuant to a Compulsory Acquisition will realize a capital gain (or capital loss) generally calculated in the same manner and with the tax consequences as described above under “*Certain Canadian Federal Income Tax Considerations — Shareholders Resident in Canada — Sale Pursuant to the Offer*”.

A Resident Holder who dissents and obtains an order of a court of competent jurisdiction in respect of a Compulsory Acquisition and receives a cash payment from the Offeror for his, her or its SVS Shares will be considered to have disposed of such SVS Shares for proceeds of disposition equal to the amount received (not including the amount of any interest awarded by the court). As a result, such a dissenting Resident Holder will realize a capital gain (or a capital loss) generally calculated in the same manner and with the tax consequences as described above under “*Certain Canadian Federal Income Tax Considerations — Shareholders Resident in Canada — Sale Pursuant to the Offer*”. Any interest awarded to a dissenting Resident Holder by the court must be included in computing such Resident Holder’s income for purposes of the Tax Act.

Resident Holders are urged to consult their own tax advisors with respect to the potential income tax consequences to them of having their SVS Shares acquired pursuant to a Compulsory Acquisition.

Subsequent Acquisition Transaction

As described in Section 14 of the Circular, “*Acquisition of SVS Shares Not Deposited — Subsequent Acquisition Transaction*”, if the compulsory acquisition provisions of the OBCA are not utilized, the Offeror may propose

other means of acquiring the remaining issued and outstanding SVS Shares. A Subsequent Acquisition Transaction may be effected by an amalgamation, capital reorganization, share consolidation, statutory arrangement or other transaction. The income tax treatment of a Subsequent Acquisition Transaction to a Resident Holder will depend upon the exact manner in which the transaction is carried out and the consideration offered. It is not possible to comment as to the tax treatment of such a transaction until the form of such transaction is determined. However, the income tax consequences of such a transaction may differ from those arising on the disposition of SVS Shares under the Offer and will depend on the particular form and circumstances of the transaction. Depending on the form of the transaction, a Resident Holder may realize a capital gain (or capital loss) and/or be deemed to receive a dividend. No view is expressed herein as to the income tax consequences of any such transaction to a Resident Holder.

Resident Holders should consult their own tax advisors with respect to the potential income tax consequences to them of having their SVS Shares acquired pursuant to a Subsequent Acquisition Transaction.

Potential Delisting of SVS Shares Following Completion of the Offer – Qualified Investment

As described in Section 3 of the Circular, “*Certain Information Concerning Securities of Inscope*” and Section 17 of the Circular, “*Effect of the Offer on the Market for and Listing of SVS Shares and Status as a Reporting Issuer*”, the SVS Shares may cease to be listed on the TSX following the completion of the Offer. Resident Holders are cautioned that if the SVS Shares are not listed on a designated stock exchange (as defined in the Tax Act, which currently includes the TSX) and Inscope ceases to be a public corporation for purposes of the Tax Act, the SVS Shares may not be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans, deferred profit sharing plans and tax-free savings accounts. Resident Holders should consult their own tax advisors with respect to the potential income tax consequences to them in this regard.

Additional Refundable Tax

A Resident Holder that is throughout the year a “Canadian-controlled private corporation”, as defined in the Tax Act, or a “substantive CCPC”, as defined in the Proposed Amendments contained in the 2022 Canadian Federal Budget and as supplemented by the Proposed Amendments released on August 9, 2022, may be liable to pay an additional refundable tax on certain investment income, including interest and taxable capital gains realized.

Alternative Minimum Tax

Capital gains realized by a Resident Holder who is an individual or a trust, other than certain specified trusts, will be taken into account in determining liability for alternative minimum tax under the Tax Act.

Shareholders Not Resident in Canada

The following portion of this summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention, is neither resident nor deemed to be resident in Canada, and does not use or hold, and is not deemed to use or hold, SVS Shares in a business carried on in Canada (a “**Non-Resident Holder**”). This portion of the summary does not apply to a Holder that is an insurer carrying on an insurance business in Canada and elsewhere or an “authorized foreign bank” (as defined in the Tax Act).

Sale Pursuant to the Offer

A Non-Resident Holder who disposes of SVS Shares under the Offer will realize a capital gain or a capital loss generally calculated in the manner described above under “*Shareholders Resident in Canada — Sale Pursuant to the Offer*”. A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on the disposition of SVS Shares pursuant to the Offer unless at the time of disposition such SVS Shares constitute “taxable Canadian property” for the Non-Resident Holder and are not “treaty-protected property”, all within the meaning of the Tax Act.

Generally, a SVS Share will not constitute taxable Canadian property for a Non-Resident Holder at a particular time provided that such SVS Share is listed at that time on a designated stock exchange (as defined in the Tax Act, which currently includes the TSX), unless at any particular time during the 60-month period that ends at that time both (1) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm's length, partnerships in which the Non-Resident Holder or a non-arm's length person holds a membership interest directly or indirectly through one or more partnerships, or the Non-Resident Holder together with all such persons and partnerships, owned 25% or more of the issued shares of any class or series of the capital stock of Inscape, and (2) more than 50% of the fair market value of the SVS Share was derived directly or indirectly from one or any combination of: (i) real or immovable properties situated in Canada, (ii) "Canadian resource properties" (as defined in the Tax Act); (iii) "timber resource properties" (as defined in the Tax Act), and (iv) options in respect of, or interests in, or for civil law rights in any of the foregoing property, whether or not such property exists. Notwithstanding the foregoing, in certain circumstances as set out in the Tax Act, a SVS Share could be deemed to be taxable Canadian property.

A SVS Share will be treaty-protected property to a Non-Resident Holder if, under an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident, the Non-Resident Holder is exempt from tax under the Tax Act on the gain realized on the disposition of the SVS Share.

In the event that SVS Shares constitute taxable Canadian property and not treaty-protected property to a particular Non-Resident Holder, the tax consequences as described above under "*Shareholders Resident in Canada — Sale Pursuant to the Offer*" will generally apply. Non-Resident Holders whose SVS Shares may constitute taxable Canadian property should consult with their own tax advisors for advice having regard to their own particular circumstances.

Potential Delisting of SVS Shares Following Completion of the Offer – Taxable Canadian Property

As described in Section 3 of the Circular, "*Certain Information Concerning Securities of Inscape*", and Section 17 of the Circular, "*Effect of the Offer on the Market for and Listing of SVS Shares and Status as a Reporting Issuer*", the SVS Shares may cease to be listed on the TSX following the successful completion of the Offer and may not be listed on the TSX at the time of their disposition pursuant to a Compulsory Acquisition or Subsequent Acquisition Transaction.

Non-Resident Holders are cautioned that if the SVS Shares are no longer listed on a "designated stock exchange" (as defined in the Tax Act, which currently includes the TSX) at the time of their disposition then the SVS Shares may constitute taxable Canadian property of a Non-Resident Holder if, at any time during the 60-month period immediately preceding that time, more than 50% of the fair market value of the SVS Shares was derived directly or indirectly from one or any combination of: (i) real or immovable properties situated in Canada; (ii) "Canadian resource properties" (as defined in the Tax Act); (iii) "timber resource properties" (as defined in the Tax Act); and (iv) options in respect of, or interests in, or for civil law rights in, any of the foregoing property, whether or not such property exists. Non-Resident Holders should consult their own tax advisors with respect to the potential income tax consequences to them in this regard, including potential compliance requirements and withholding under section 116 of the Tax Act.

Non-Resident Holders who dispose of taxable Canadian property, other than "excluded property" as defined in the Tax Act are obligated to comply with the procedures set out in section 116 of the Tax Act and obtain a certificate thereunder. In order to obtain such certificate, the Non-Resident Holder is required to report certain particulars relating to the transaction to the CRA either prior to the transaction or not later than 10 days after the disposition.

Taxable Canadian property may be "excluded property" of a Non-Resident Holder if the property is "treaty-exempt property" of such Non-Resident Holder, as defined in the Tax Act. Property may be "treaty-exempt property" of a Non-Resident Holder at the time of disposition of such property if the property is "treaty-protected property" of the Non-Resident Holder.

Compulsory Acquisition

As described in Section 14 of the Circular, “*Acquisition of SVS Shares Not Deposited — Compulsory Acquisition*”, the Offeror may, in certain circumstances, acquire SVS Shares not validly deposited pursuant to the Offer pursuant to statutory rights under Section 188 of the OBCA. The income tax consequences to a Non-Resident Holder of a disposition of SVS Shares pursuant to a Compulsory Acquisition generally will be the same as described above under “*Certain Canadian Federal Income Tax Considerations — Shareholders Not Resident in Canada — Sale Pursuant to the Offer*”.

A Non-Resident Holder who dissents and obtains an order of a court of competent jurisdiction in respect of a Compulsory Acquisition and receives a cash payment from the Offeror for its SVS Shares will be considered to have disposed of the SVS Shares for proceeds of disposition equal to the amount received (not including the amount of any interest awarded by the court), with consequences generally the same as the consequences as described above under “*Certain Canadian Federal Income Tax Considerations — Shareholders Not Resident in Canada — Sale Pursuant to the Offer*”. Generally, any interest awarded to such a Non-Resident Holder by the court in connection with a Compulsory Acquisition will not be subject to Canadian withholding tax.

Notwithstanding the foregoing, if the SVS Shares are not listed on a “designated stock exchange” (as defined in the Tax Act, which currently includes the TSX) at the time of their disposition by a Non-Resident Holder, then different rules would apply in determining whether the SVS Shares constitute taxable Canadian property for the Non-Resident Holder at that time. See above under “*Certain Canadian Federal Income Tax Considerations — Shareholders Not Resident in Canada — Potential Delisting of SVS Shares Following Completion of the Offer — Taxable Canadian Property*”.

Subsequent Acquisition Transaction

As described in Section 14 of the Circular, “*Acquisition of SVS Shares Not Deposited — Subsequent Acquisition Transaction*”, if the compulsory acquisition provisions of the OBCA are not utilized, the Offeror may propose other means of acquiring the remaining issued and outstanding SVS Shares. The income tax treatment of a Subsequent Acquisition Transaction to a Non-Resident Holder will depend upon the exact manner in which the transaction is carried out and the consideration offered. It is not possible to comment as to the tax treatment of such a transaction until the form of such transaction is determined. However, the income tax consequences of such a transaction may differ from those arising on the disposition of SVS Shares under the Offer and will depend on the particular form and circumstances of the transaction. Depending on the form of the transaction, a Non-Resident Holder may realize a capital gain (or capital loss) and/or be deemed to receive a dividend. No views are expressed herein as to the income tax consequences of any such Subsequent Acquisition Transaction to a Non-Resident Holder.

Non-Resident Holders should consult their own tax advisors with respect to the potential income tax consequences to them of having their SVS Shares acquired pursuant to a Subsequent Acquisition Transaction.

19. Depositary

The Offeror has engaged TSX Trust to act as the Depositary to receive deposits of certificates representing SVS Shares and accompanying Letters of Transmittal deposited under the Offer at its office in Toronto, Ontario at the address indicated in the Letter of Transmittal. In addition, the Depositary will receive Notices of Guaranteed Delivery at its office in Toronto, Ontario at the address indicated in the Notice of Guaranteed Delivery.

The Depositary will also be responsible for giving certain notices. The Depositary will act as the agent of persons who have validly deposited SVS Shares in acceptance of the Offer for the purposes of receiving payment from the Offeror and transmitting such payment to such persons. The Depositary will also facilitate book-entry transfers of SVS Shares. The Depositary will receive reasonable and customary compensation from the Offeror for its services in connection with the Offer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities.

Shareholders will not be required to pay any fee or commission if they accept the Offer by validly depositing their SVS Shares directly with the Depositary. Shareholders should contact TSX Trust, the Depositary, or their investment advisor, stockbroker or other nominee for assistance in accepting the Offer and validly depositing their SVS Shares with the Depositary.

TSX Trust, the Depositary, can be contacted by telephone at (416) 682-3860 or at +1-800-387-0825 (toll free) or by e-mail at shareholderinquiries@tmx.com.

20. Financial Advisor

The Offeror has not agreed to pay any fees or commissions to any investment advisor, stockbroker, other nominee or other person for soliciting deposits of SVS Shares under the Offer, provided that the Offeror may make other arrangements with soliciting dealers, dealer managers or additional information agents, either within or outside Canada, for customary compensation during the Offer period if it considers it appropriate to do so.

21. Statutory Rights

Securities legislation in the provinces and territories of Canada provides Shareholders with, in addition to any other rights they may have at Law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to the shareholders. However, such rights must be exercised within prescribed time limits. Shareholders should refer to the applicable provisions of the securities legislation of their province for particulars of those rights or consult a lawyer.

22. Expenses of the Offer

The Offeror estimates that, if the Offeror acquires all SVS Shares (on a Fully-Diluted Basis), other than any SVS Shares beneficially owned or controlled by Hilco, the Offeror or other any person acting jointly or in concert with the Offeror, the total amount required for the purchase will be approximately \$100,000 plus related fees and expenses associated with the Offer.

23. Legal Matters

The Offeror and Hilco are being advised in respect of certain matters concerning the Offer by Miller Thomson LLP.

24. Directors' Approval

The contents of the Offer to Purchase and Circular have been approved, and the sending of the Offer to Purchase and Circular to the Shareholders and holders of Convertible Securities has been authorized, by the board of directors of the Offeror.

CONSENT OF EVANS & EVANS, INC.

TO: The Board of Directors of HUK 121 Limited (the “**Offeror**”)

We refer to the fairness opinion that we prepared for and delivered to the special committee of the board of directors of Inscape Corporation (“**Inscape**”) in connection with the Offer made by the Offeror to the holders of SVS Shares of Inscape, other than the Offeror and its affiliates. We consent to the use of our name and references to the fairness opinion (including a summary thereof) in this document.

In providing our consent, we do not intend that any person other than the Special Committee shall be entitled to rely on the fairness opinion.

(signed) *Evans & Evans Inc.*

Vancouver, British Columbia. Dated this 17th day of November, 2022.

CERTIFICATE OF HUK 121 LIMITED

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED: November 17, 2022

(signed) "Matthew Holt"

Name: Matthew Holt

Title: Director

(signed) "Paul McGowan"

Name: Paul McGowan

Title: Director

(signed) "Henry Foster"

Name: Henry Foster

Title: Director

The Depositary for the Offer is:



TSX Trust Company
100 Adelaide Street West, Suite 301
Toronto, Ontario
M5H 4H1
Attention: Corporate Actions

Telephone: (416) 682-3860
Toll Free: +1-800-387-0825
E-Mail: shareholderinquiries@tmx.com

**This is Exhibit “U” referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 11th day of January, 2023**

DocuSigned by:

Monica Faleim

A COMMISSIONER FOR TAKING AFFIDAVITS

This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment advisor, stockbroker, bank manager, trust company manager, accountant, lawyer or other professional advisor.



DIRECTORS' CIRCULAR
RECOMMENDING
ACCEPTANCE
OF THE OFFER BY
HUK 121 LIMITED
TO PURCHASE ALL OF THE SHARES OF
INSCAPE CORPORATION
FOR \$0.007 IN CASH PER SHARE

RECOMMENDATION TO SHAREHOLDERS

The Board of Directors of Inscape Corporation UNANIMOUSLY recommends that
Shareholders

ACCEPT the Hilco Offer and

DEPOSIT their Shares under the Hilco Offer

**THE HILCO OFFER IS OPEN FOR ACCEPTANCE FROM THE DATE HEREOF UNTIL 5:00 P.M.
(TORONTO TIME) ON DECEMBER 23, 2022, UNLESS IT IS EXTENDED OR WITHDRAWN.**

November 25, 2022

Dear Inscape Shareholder:

I am writing to provide an update regarding your Shares in Inscape Corporation (“**Inscape**” or the “**Company**”). This update is the culmination of an in-depth and lengthy strategic review process conducted by a special committee (the “**Special Committee**”) of the board of directors of Inscape (the “**Board**” or “**We**”) to seek strategic alternatives for Inscape.

Inscape experienced significant declines in its business and financial performance over the past few years, largely due to the impacts of the COVID-19 pandemic. In early 2021, the Board established the Special Committee to consider strategic alternatives. Subsequent steps included securing a bridge debt facility in April 2021 in order to enable the Company to complete the sale and leaseback of its Holland Landing headquarters in February 2022. The sale allowed the Company to repay the bridge debt facility in full and replenish cash resources/working capital. The sale of an additional parcel of surplus property in April 2022 provided additional cash to the Company and was followed by the sale of surplus equipment, the rationalization of excess space, and further cost reduction measures. In spring of 2022, the Board determined that the Company’s financial recovery was proceeding more slowly than originally anticipated.

On February 28, 2022, Inscape entered into a letter agreement with Stump & Co. (“**Stump**”), a financial advisory firm based in North Carolina specializing in the furniture industry, with respect to an exploration of strategic alternatives, including a possible sale of Inscape. Stump commenced a process to further explore alternatives and to prepare a more formal offering memorandum as a component of that process, but based on the advice provided by Stump that a successful sale process would be unlikely, the process was suspended a short time thereafter with concurrence by Inscape. Given the challenging M&A market for companies engaged in the contract office furniture industry, Stump recommended the Company continue its effort to restore profitability before recommencing the sale process. Stump remained engaged pending a change in circumstances that might lead to a more successful outcome. Notwithstanding, Inscape continued to pursue strategic alternatives for the Company. The Company continued to struggle to meet its financial projections. At the end of the quarter ended July 31, 2022, the Company incurred a net loss of \$6.2 million and had cash equivalents and restricted cash of \$6.1 million.

Despite previous cost cutting measures, the Company’s financial position is not improving and the Company has declining cash resources. The Company expanded the nature of strategic alternatives under consideration to include corporate restructuring and insolvency proceedings. On August 9, 2022, Hilco entered into the Confidentiality Agreement with Inscape following an introduction by a Canadian investment bank. Throughout the month of August, Hilco met with management of Inscape and conducted high level due diligence of its business and assets. After Hilco conducted substantial financial due diligence on the Company, Hilco determined that the Company’s equity value was extremely low, and that the Company’s business would require significant financial investment to succeed.

On September 7, 2022, Hilco submitted an initial proposal to Inscape’s management and reached an agreement to conduct in depth due diligence of Inscape, including site visits to Inscape’s manufacturing facilities. The initial non-binding proposal included two potential acquisition structures, subject to continuing due diligence and Inscape’s working capital including cash balances remaining broadly in line with forecasts. The initial proposals contemplated Hilco or an associated entity making an offer to acquire all of the issued share capital of Inscape (i) for total upfront cash consideration of \$1,500,000; or (ii) for total upfront cash consideration of \$750,000 in addition to deferred consideration equal to 25% of any net proceeds from an onwards sale of Inscape or dividends/management fees received within 36 months of closing. It was subsequently determined that option (ii) was not viable under applicable securities laws.

On October 5, 2022, following completion of due diligence and consideration of (i) Inscape’s current working capital (including reduced cash balances); (ii) Inscape’s lower sales for the three months ending July 31, 2022 and resulting negative cash flows (which are expected to continue); and (iii) the projected costs associated with revitalizing Inscape’s business, Hilco submitted a revised non-binding proposal under which the Offeror agreed to make an offer to purchase all of the issued and outstanding Class B subordinated voting shares (the “**Shares**”) of Inscape for consideration of \$0.007 (the “**Offer Price**”) in cash for each Share (the “**Hilco Offer**”) and for HUK 116 Ltd., an affiliate of Hilco (the “**Lender**”) to advance a \$5.0 million revolving demand loan facility to the Company.

During September and October 2022, Inscape, the Special Committee, the Offeror and their respective legal advisors engaged in negotiations surrounding the transaction documents. Multiple drafts of the Support Agreement, loan agreement (including associated security and closing documents) and the form of Lock-Up Agreement were exchanged. The result of the continued extensive negotiations during the third and fourth week in October amongst Hilco, the Special Committee, Inscape and their respective legal, was the preparation of a fully negotiated draft of the Support Agreement, Interim Loan Agreement and related agreements.

On October 18, 2022, Inscape formally engaged Evans to act as Financial Advisor to provide advice and assistance in evaluating the Hilco Offer and the preparation and delivery to the Special Committee of the Evans Opinion as to the fairness of the consideration under the Hilco Offer from a financial point of view to the shareholders of Inscape (the “Shareholders”).

On October 28, 2022, the Company and the Offeror entered into a support agreement (the “Support Agreement”) under which the Offeror agreed to make the Hilco Offer. Concurrently with the execution of the Support Agreement, the Company and an affiliate of Hilco (the “Lender”) entered into a loan agreement under which the Lender made a \$5.0 million revolving demand loan facility available to the Company, and shareholders of Inscape that hold Shares representing more than 80% of the Shares, entered into “hard” lock-up agreements with the Offeror (the “Lock-Up Agreements”), pursuant to which they agreed to deposit all of their Shares under the Hilco Offer.

On October 29, 2022, the Company issued a press release announcing the Offer, the execution of the Support Agreement, the Interim Loan Agreement, and the Lock-Up Agreements. The press release stated that the Board had, after consultation with its advisors and the Special Committee, unanimously determined that the Offer is in the best interests of Inscape and the Shareholders, and that the Offer Price is fair, from a financial point of view, to the Shareholders. Accordingly, the press release stated that the Board was unanimously recommending that Shareholders accept the Offer and deposit their Shares under the Offer.

On November 17, 2022, Inscape issued a joint news release with the Offeror, announcing the launch of the Offer and that Inscape had agreed to reduce the initial deposit period to 35 days.

After exploring opportunities for Shareholders with financial and strategic parties in the U.S. and in Canada, and after careful consideration (including a thorough review by the Board), in consultation with financial and legal advisors, **the Board has voted UNANIMOUSLY to recommend that Shareholders ACCEPT the Hilco Offer and DEPOSIT their Shares under the Hilco Offer.**

The Board has concluded that there is no credible alternative to the Hilco Offer and that if the Hilco Offer does not proceed, the Company will, more than likely be required to commence insolvency proceedings. The attached Directors’ Circular provides additional detail about how the Board has reached this conclusion, and we strongly encourage you to read the Directors’ Circular in its entirety. As you will see, we considered many factors, including the opinion from Inscape’s Financial Advisor — Evans & Evans, Inc. — which opinion states that based upon such matters as were considered relevant, and subject to the limitations and qualifications set out in such opinion, as of the date of such opinion, the Offer Price is fair, from a financial point of view, to Shareholders, all as more fully described in the written opinion included in this Directors’ Circular.

As described in more detail in the enclosed Directors’ Circular, the reasons for the Board’s unanimous recommendation of the Hilco Offer, among others, include:

- the Board has considered a wide range of strategic alternatives over the past few years and no expressions of interest were received as a result of these solicitations. The Hilco Offer is the only available alternative to provide liquidity and consideration to the Company’s Shareholders;
- the Company’s financial position and business prospects and that the Company had and continues to face difficulties arising from the business slowdown caused by COVID 19;
- in the event that the conditions of the Hilco Offer are satisfied or waived by Hilco, Shareholders will receive consideration under the Hilco Offer of \$0.007 in cash for each Share that they deposit

under the Hilco Offer. To the extent the aggregate consideration to be paid for the Shares to each Shareholder is not a whole number, the amount shall be rounded to the nearest whole cent on a per Shareholder basis;

- the total value of \$0.007 for each Share represents a discount of approximately 99% to the volume weighted average trading price of the Shares on the TSX for the 52 weeks preceding the announcement of the Hilco Offer on October 28, 2022. Given the low trading volumes of the Shares over the past year, and in light of recent difficulties that Inscape has faced (as well as those commencing since the beginning of the COVID-19 pandemic), the Board believes considering the Hilco Offer in the context of the significant economic headwind faced by the Company is more meaningful than a reference to the 52-week volume weighted average trading price of the Shares;
- the ALL CASH consideration under the Hilco Offer provides certainty and immediate value to Shareholders;
- if the Hilco Offer does not proceed, the Company expects it will, more than likely, be required to commence insolvency proceedings (a process which may result in Shareholders realizing no proceeds at all). The Hilco Offer represents the only foreseeable liquidity event for Shareholders, particularly in light of the thinly-traded nature of the Shares (with the average daily trading volume being less than 0.7% of total issued shares in the 90-days preceding the date of the Support Agreement) and the Company's financial position;
- The Hilco Offer provides Inscape's Shareholders with the added benefit of not having to pay brokerage fees or commissions for those who deposit their Shares directly with the depositary for the Hilco Offer;
- Inscape's Financial Advisor has provided a written opinion that, as of the date of such opinion, and based upon and subject to the assumptions, qualifications and limitations stated therein, the Offer Price offered to Shareholders pursuant to the Hilco Offer is fair, from a financial point of view, to Shareholders;
- the Hilco Offer is not subject to any financing condition;
- the Hilco Offer contains a two-thirds minimum Share tender condition that cannot be lowered without Inscape's consent;
- holders of more than 80% of the Shares, including the three largest Shareholders and all of the directors and executive officers of Inscape holding Shares, have agreed to deposit their Shares under the Hilco Offer;
- in order for Shareholders to be able to receive the Offer Price for their Shares, more than 66 2/3% of the outstanding Shares must be deposited under the Offer prior to the expiry of the initial deposit period. The Locked-Up Shareholders already represent sufficient shares to exceed the minimum tender condition and due to this overwhelming support, the transaction is expected to be completed shortly after the expiry of the initial deposit period; and
- the terms and conditions of the Offer and the Support Agreement, are, in the judgment of the Company and its advisors, reasonable and were the product of extensive negotiations between the Company and its advisors and the Offeror and Hilco and their advisors.

In summary, taking into account all circumstances, the Board believes that the Offer Price offered to Shareholders pursuant to the Hilco Offer is fair, from a financial point of view, to Shareholders and that the Hilco Offer is in the best interests of Inscape.

For the above reasons, we urge you to ACCEPT the Hilco Offer and to DEPOSIT your Shares under the Hilco Offer. If you have any questions about the Hilco Offer, you can contact your investment advisor, stockbroker, bank manager, trust company manager, accountant, lawyer or other professional advisor.

On behalf of the Board, I would like to thank you for your continued support.

Sincerely,

(Signed) "Neil McDonnell"
Chairman of the Board

QUESTIONS AND ANSWERS ABOUT THE HILCO OFFER

Why am I receiving this Directors' Circular?

On October 28, 2022, Inscape entered into the Support Agreement with the Offeror, pursuant to which the Offeror agreed to make the Hilco Offer, subject to the terms and conditions set forth in the Support Agreement. As a condition to the making of the Hilco Offer, among other things, Inscape agreed to prepare this Directors' Circular containing the Board's unanimous recommendation that Shareholders accept the Hilco Offer.

What is the Hilco Offer?

Under the terms of the Hilco Offer, the Offeror is offering to purchase the outstanding Shares (other than Shares held by Hilco or any of its affiliates) for consideration of \$0.007 in cash for each Share. To the extent the aggregate consideration to be paid for the Shares to each Shareholder is not a whole number, the amount shall be rounded to the nearest whole cent on a per Shareholder basis.

Should I accept the Hilco Offer?

Your Board UNANIMOUSLY recommends that Shareholders ACCEPT the Hilco Offer and DEPOSIT their Shares under the Hilco Offer. The three largest Shareholders and all of the members of the Board and executive officers of Inscape that hold Shares (the "**Locked-Up Shareholders**"), representing over 80% of the Shares, have agreed to ACCEPT the Hilco Offer and to DEPOSIT their Shares under the Hilco Offer.

How do I accept the Hilco Offer?

Registered Shareholders who wish to accept the Hilco Offer must properly complete and execute the Letter of Transmittal accompanying the Hilco Offer, and deposit it, together with any certificate(s) (if any) representing their Shares at or prior to the Expiry Time at the office of the Depositary specified in the Letter of Transmittal. Detailed rules and instructions are contained in the Letter of Transmittal. Alternatively, Shareholders may follow the procedure for guaranteed delivery described in Section 3 of the Hilco Offer, "*Manner of Acceptance — Procedure for Guaranteed Delivery*", using the Notice of Guaranteed Delivery attached to the Hilco Offer and Circular.

Shareholders will not be required to pay any fee or commission if they accept the Hilco Offer by validly depositing their Shares directly with the Depositary.

Beneficial Shareholders whose Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact such nominee for assistance in validly depositing their Shares if they wish to accept the Hilco Offer.

Shareholders are invited to contact TSX Trust, the Depositary, by telephone at (416) 682-3860 or at +1-800-387-0825 (toll free) or by e-mail at shareholderinquiries@tmx.com for further information regarding how to accept the Hilco Offer.

See Section 3 of the Hilco Offer and Circular, "*Manner of Acceptance*".

Why does the Board believe that the Hilco Offer should be accepted?

Taking into account all circumstances, the Board believes that the Offer Price offered to Shareholders pursuant to the Hilco Offer is fair, from a financial point of view, to Shareholders and that the Hilco Offer is in the best interests of Inscape. The Board's reasons include:

- the Board has considered a wide range of strategic alternatives over the past few years and no expressions of interest were received as a result of these solicitations. The Hilco Offer is the only available alternative to provide liquidity and consideration to the Company's Shareholders;

- the Company's financial position and business prospects and that the Company had and continues to face difficulties arising from the business slowdown caused by COVID 19;
- in the event that the conditions of the Hilco Offer are satisfied or waived by Hilco, Shareholders will receive consideration under the Hilco Offer of \$0.007 in cash for each Share that they deposit under the Hilco Offer. To the extent the aggregate consideration to be paid for the Shares to each Shareholder is not a whole number, the amount shall be rounded to the nearest whole cent on a per Shareholder basis;
- the total value of \$0.007 for each Share represents a discount of approximately 99% to the volume weighted average trading price of the Shares on the TSX for the 52 weeks preceding the announcement of the Hilco Offer on October 28, 2022. Given the low trading volumes of the Shares over the past year, and in light of recent difficulties that Inscape has faced (as well as those commencing since the beginning of the COVID-19 pandemic), the Board believes considering the Hilco Offer in the context of the significant economic headwind faced by the Company is more meaningful than a reference to the 52-week volume weighted average trading price of the Shares;
- the ALL CASH consideration under the Hilco Offer provides certainty and immediate value to Shareholders;
- if the Hilco Offer does not proceed, the Company expects it will, more than likely, be required to commence insolvency proceedings (a process which may result in Shareholders realizing no proceeds at all). The Hilco Offer represents the only foreseeable liquidity event for Shareholders, particularly in light of the thinly-traded nature of the Shares (with the average daily trading volume being less than 0.7% of total issued shares in the 90-days preceding the date of the Support Agreement) and the Company's financial position;
- the Hilco Offer provides Inscape's Shareholders with the added benefit of not having to pay brokerage fees or commissions for those who deposit their Shares directly with the depositary for the Hilco Offer;
- Inscape's Financial Advisor has provided a written opinion that, as of the date of such opinion, and based upon and subject to the assumptions, qualifications and limitations stated therein, the Offer Price offered to Shareholders pursuant to the Hilco Offer is fair, from a financial point of view, to Shareholders;
- the Hilco Offer is not subject to any financing condition;
- the Hilco Offer contains a two-thirds minimum Share tender condition that cannot be lowered without Inscape's consent;
- holders of more than 80% of the Shares, including the three largest Shareholders and all of the directors and executive officers of Inscape holding Shares, have agreed to deposit their Shares under the Hilco Offer;
- in order for Shareholders to be able to receive the Offer Price for their Shares, more than 66 2/3% of the outstanding Shares must be deposited under the Offer prior to the expiry of the initial deposit period. The Locked-Up Shareholders already represent sufficient shares to exceed the minimum tender condition and due to this overwhelming support, the transaction is expected to be completed shortly after the expiry of the initial deposit period; and
- the terms and conditions of the Offer and the Support Agreement, are, in the judgment of the Company and its advisors, reasonable and were the product of extensive negotiations between the Company and its advisors and the Offeror and Hilco and their advisors.

A summary of all of the reasons for the unanimous recommendation of the Board is included on pages 10 to 12 of this Directors' Circular.

How long do I have to decide whether to deposit my Shares under the Hilco Offer?

You have until the Expiry Time of the Hilco Offer to deposit your Shares. The Hilco Offer is scheduled to expire at 5:00 p.m. (Toronto time) on December 23, 2022, unless it is extended or withdrawn. See Section 2 of the Hilco Offer, "*Time for Acceptance*".

If I accept the Hilco Offer, when will I be paid?

The Hilco Offer and Circular indicates that, provided all of the conditions to the Hilco Offer have been satisfied or waived by the Offeror at or prior to the Expiry Time, the Offeror will consummate the Hilco Offer and take up the Shares deposited under the Hilco Offer on the day on which the Expiry Time occurs and pay for such Shares on the day that is three business days after such take up date. See Section 6 of the Hilco Offer, "*Take-Up and Payment for Deposited SVS Shares*".

Whom do I ask if I have more questions?

The Offeror has engaged TSX Trust Company to act as the depositary (the "**Depositary**" or "**TSX Trust**") for the Offer.

If you need assistance in depositing your Shares please contact the Depositary at (416) 682-3860 or +1-800-387-0825 (toll free) or by e-mail at shareholderinquiries@tmx.com .
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TABLE OF CONTENTS

CURRENCY	I
FORWARD-LOOKING STATEMENTS	I
AVAILABILITY OF DISCLOSURE DOCUMENTS	II
NOTICE TO SHAREHOLDERS IN THE UNITED STATES	II
SUMMARY	1
GLOSSARY	4
DIRECTORS' CIRCULAR.....	10
1. The Hilco Offer.....	10
2. Unanimous Recommendation of the Board	10
3. Analysis and Reasons for the Board's Conclusion and Recommendation.....	10
4. Opinion of the Financial Advisor.....	13
5. Acceptance of the Hilco Offer	13
6. Background to the Hilco Offer.....	13
7. Intention of Directors and Officers with Respect to the Hilco Offer	15
8. Hilco and the Offeror	15
9. Inscape	16
10. The Support Agreement.....	16
11. Lock-Up Agreements.....	26
12. Ownership of Securities of Inscape.....	28
13. Trading in Securities of Inscape.....	29
14. Issuances of Securities of Inscape to the Directors, Officers and other Insiders.....	29
15. Arrangements Between Inscape and its Directors and Officers.....	29
16. Arrangements Between Hilco and Securityholders of Inscape	30
17. Relationship Between Hilco and the Directors and Officers of Inscape	30
18. Interests in Material Contracts of Hilco	30
19. Ownership of Securities of Hilco	31
20. Other Transactions	31
21. Material Changes in the Affairs of Inscape.....	31
22. Other Information	31
23. Statutory Rights	31
24. Directors of Inscape	31
25. Approval of Directors' Circular	31
CONSENT OF EVANS & EVANS, INC.....	I
CERTIFICATE OF INSCAPE CORPORATION.	II
SCHEDULE A OPINION OF EVANS & EVANS, INC.....	A-1

CURRENCY

All dollar references in this Directors' Circular are to Canadian, except where otherwise indicated.

FORWARD-LOOKING STATEMENTS

This Directors' Circular contains certain statements that constitute forward-looking information within the meaning of applicable securities laws ("**forward-looking statements**"). Forward-looking statements include all disclosure regarding possible events, conditions, results of operations, or the Hilco Offer that is based on assumptions about future economic conditions and courses of action. Certain statements contained in this Directors' Circular, including statements contained in "Unanimous Recommendation of the Board" and "Analysis and Reasons for the Board's Conclusion and Recommendation", constitute "forward-looking statements". The Company cautions readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. Forward-looking statements are based on the Company's current plans, estimates, projections, beliefs and opinions, and the Company does not undertake any obligation to update forward-looking statements should assumptions related to those plans, estimates, projections, beliefs and opinions change, except as required by Law.

The purpose of forward-looking statements is to provide the reader with information about management's expectations and plans. Often, but not always, forward-looking statements can be identified by the use of words or phrases such as "plans", "expects", "is expected", "is expecting", "budgeted", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Forward-looking statements in this Directors' Circular include, but are not limited to, statements regarding: expectations as to the anticipated timing, mechanics, completion and settlement of the Hilco Offer; Inscape's status as a reporting issuer after completion of the Hilco Offer; and the ability of the Offeror to complete the transactions contemplated by the Hilco Offer.

Forward-looking statements are necessarily based on a number of factors, estimates and assumptions that, while considered reasonable by Inscape, are inherently subject to significant business, economic and competitive risks, uncertainties and contingencies. Such factors, estimates and assumptions include, but are not limited to, the factors, estimates and assumptions set out in this Directors' Circular and anticipated financial and operating performance of Inscape and its subsidiaries. While Inscape considers these estimates and assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Readers are cautioned that forward-looking statements involve known and unknown risks, uncertainties and other factors outside of management's control which may cause the actual results, performance or achievements of Inscape and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Due to the nature of Inscape's business, Inscape's operations and results are generally subject to a number of different risks and uncertainties at any given time. Following is a list of the general risks and uncertainties that could materially affect Inscape, its operations and financial performance. These risks and uncertainties include, but are not limited to: the Offeror may not be able to complete the Hilco Offer because, among other reasons, conditions to the completion of the Hilco Offer may not be satisfied; the parties may be unable to obtain regulatory approvals required for the Hilco Offer; the Hilco Offer may involve unexpected costs or unexpected liabilities; competing offers or other transactions may emerge; economic conditions such as interest rates; and such other risk factors as are set out under the heading "Risk Factors" in the annual information form of Inscape dated July 29, 2022, which is available on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval ("**SEDAR**") website at www.sedar.com. Although Inscape has attempted to identify statements containing important factors that could cause actual results, performance or achievements to differ materially from those described in forward-looking statements, there may be other factors that cause results, performance or achievements to differ from those anticipated, estimated or intended.

Unless otherwise specified, forward-looking statements contained herein are made as of the date of this document based on the opinions, plans and estimates of management as of the date of this document. Except as required by law, Inscape disclaims any obligation to update any forward-looking statements, whether as a result of new information, opinions, plans or estimates, future events or results or otherwise. There can be no assurance that forward-looking

statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

AVAILABILITY OF DISCLOSURE DOCUMENTS

Inscape is a reporting issuer in all of the provinces and territories of Canada and files its continuous disclosure documents and other documents with the Canadian securities regulatory authorities in each such province and territory. Continuous disclosure documents are available on the SEDAR website at www.sedar.com. Certain information in this Directors' Circular has been taken from or is based on documents that are expressly referred to in this Directors' Circular. All summaries of, and references to, documents that are specified in this Directors' Circular as having been filed, or that are contained in documents specified as having been filed, on SEDAR are qualified in their entirety by reference to the complete text of those documents as filed, or as contained in documents filed, on SEDAR. Shareholders are urged to read carefully the full text of those documents, which may also be obtained on request without charge from the Secretary of Inscape by phone at (905) 952-4102.

Information contained in this Directors' Circular concerning Hilco and its affiliates and the Hilco Offer, including forward-looking statements, is based solely upon, and the Board has relied, without independent verification, exclusively upon, information provided to Inscape by Hilco, contained in the Hilco Offer and Circular, or that is otherwise publicly available. While neither Inscape nor any of its officers or Directors has any reason to believe that such information is inaccurate or incomplete, neither Inscape nor any of its officers or Directors assumes any responsibility for the accuracy or completeness of such information.

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

This Directors' Circular has been prepared by Inscape in accordance with disclosure requirements under applicable Canadian law. Shareholders in the United States should be aware that these requirements may be different from those of the United States. Financial statements included or incorporated by reference herein, if any, have been prepared in accordance with Canadian generally accepted accounting principles or International Financial Reporting Standards and thus may not be comparable to financial statements of United States companies. It may be difficult for Shareholders in the United States to enforce their rights and any claim they may have arising under United States federal securities laws since Inscape is incorporated under the laws of Ontario, all or some of the officers and Directors of Inscape reside outside the United States, the experts named herein may reside outside the United States, and all or a substantial portion of the assets of Inscape and the other above-mentioned persons are located outside the United States. Shareholders in the United States may not be able to sue Inscape or its officers or Directors in a non-U.S. court for violation of United States federal securities laws. It may be difficult to compel such parties to subject themselves to the jurisdiction of a court in the United States or to enforce a judgment obtained from a court in the United States against such parties.

SUMMARY

The information set out below is intended to be a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Directors' Circular. All capitalized terms in the summary have the meanings ascribed to such terms elsewhere in this Directors' Circular.

The Hilco Offer

HUK 121 Limited (the “**Offeror**”), a wholly-owned subsidiary of Hilco Capital Limited (“**Hilco**”), has made an offer to purchase all of the issued and outstanding shares (the “**Shares**”) of Inscape Corporation (“**Inscape**” or the “**Company**”) (other than Shares held by Hilco or its affiliates) for consideration of \$0.007 in cash for each Share (the “**Offer Price**”). To the extent the aggregate consideration to be paid for the Shares to each Shareholder is not a whole number, the amount shall be rounded to the nearest whole cent on a per Shareholder basis. The Hilco Offer is open for acceptance until 5:00 p.m. (Toronto time) on December 23, 2022, unless it is extended or withdrawn.

Recommendation of the Special Committee

After giving careful consideration to the circumstances outlined under “Analysis and Reasons for the Board’s Conclusion and Recommendation”, the terms of the Hilco Offer, the terms of the Support Agreement, the advice of Evans & Evans Inc., including the Evans Opinion (a complete copy of which is attached as Schedule “A” to this Directors’ Circular), the advice of its legal counsel, and various additional matters, and undertaking the steps outlined under “Background to the Hilco Offer”, the Special Committee has: (a) unanimously determined that the Hilco Offer is fair from a financial point of view to the Shareholders; (b) unanimously determined that the Offer is in the best interests of Inscape; (c) unanimously recommended that the Board approve the entering into and performance of the Support Agreement; and (d) unanimously recommended that the Board recommend that Shareholders accept the Hilco Offer and deposit their Shares to the Hilco Offer. See “Analysis and Reasons for the Board’s Conclusion and Recommendation”.

Directors’ Recommendation

After careful consideration, including a thorough review by the Board, in consultation with its financial and legal advisors, of the terms and conditions of the Hilco Offer, taking into account all circumstances, the Board, by unanimous vote of the Directors at a meeting held on October 28, 2022, determined that the Offer Price offered to Shareholders pursuant to the Hilco Offer is fair, from a financial point of view, to Shareholders and that the Hilco Offer is in the best interests of Inscape.

Accordingly, for the reasons described in more detail below, the Board **UNANIMOUSLY** recommends that Shareholders **ACCEPT** the Hilco Offer and **DEPOSIT** their Shares under the Hilco Offer.

Reasons for Acceptance

Taking into account all circumstances, the Board believes that the Offer Price paid to Shareholders pursuant to the Hilco Offer is fair, from a financial point of view, to Shareholders and that the Hilco Offer is in the best interests of Inscape.

The Board has carefully reviewed and considered the Hilco Offer, with the benefit of advice from its financial and legal advisors, including the opinion from Inscape’s Financial Advisor — Evans & Evans, Inc. — which opinion states that based upon such matters as were considered relevant, and subject to the limitations and qualifications set out in such opinion, as of the date of such opinion, the Offer Price is fair, from a financial point of view, to Shareholders, all as more fully described in the written opinion included in this Directors’ Circular. The following is a summary of the principal reasons for the **UNANIMOUS** recommendation of the Board to Shareholders that they **ACCEPT** the Hilco Offer and **DEPOSIT** their Shares under the Hilco Offer. The Board’s reasons include:

- the Board has considered a wide range of strategic alternatives over the past few years and no expressions of interest were received as a result of these solicitations. The Hilco Offer is the only available alternative to provide liquidity and consideration to the Company's Shareholders;
- the Company's financial position and business prospects and that the Company had and continues to face difficulties arising from the business slowdown caused by COVID 19;
- in the event that the conditions of the Hilco Offer are satisfied or waived by Hilco, Shareholders will receive consideration under the Hilco Offer of \$0.007 in cash for each Share that they deposit under the Hilco Offer. To the extent the aggregate consideration to be paid for the Shares to each Shareholder is not a whole number, the amount shall be rounded to the nearest whole cent on a per Shareholder basis;
- the total value of \$0.007 for each Share represents a discount of approximately 99% to the volume weighted average trading price of the Shares on the TSX for the 52 weeks preceding the announcement of the Hilco Offer on October 28, 2022. Given the low trading volumes of the Shares over the past year, and in light of recent difficulties that Inscape has faced (as well as those commencing since the beginning of the COVID-19 pandemic), the Board believes considering the Hilco Offer in the context of the significant economic headwind faced by the Company is more meaningful than a reference to the 52-week volume weighted average trading price of the Shares;
- the ALL CASH consideration under the Hilco Offer provides certainty and immediate value to Shareholders;
- if the Hilco Offer does not proceed, the Company expects it will, more than likely, be required to commence insolvency proceedings (a process which may result in Shareholders realizing no proceeds at all). The Hilco Offer represents the only foreseeable liquidity event for Shareholders, particularly in light of the thinly-traded nature of the Shares (with the average daily trading volume being less than 0.7% of total issued shares in the 90-days preceding the date of the Support Agreement) and the Company's financial position;
- The Hilco Offer provides Inscape's Shareholders with the added benefit of not having to pay brokerage fees or commissions for those who deposit their Shares directly with the depositary for the Hilco Offer;
- Inscape's Financial Advisor has provided a written opinion that, as of the date of such opinion, and based upon and subject to the assumptions, qualifications and limitations stated therein, the Offer Price offered to Shareholders pursuant to the Hilco Offer is fair, from a financial point of view, to Shareholders;
- the Hilco Offer is not subject to any financing condition;
- the Hilco Offer contains a two-thirds minimum Share tender condition that cannot be lowered without Inscape's consent;
- holders of more than 80% of the Shares, including the three largest Shareholders and all of the directors and executive officers of Inscape holding Shares, have agreed to deposit their Shares under the Hilco Offer;
- in order for Shareholders to be able to receive the Offer Price for their Shares, more than 66 2/3% of the outstanding Shares must be deposited under the Offer prior to the expiry of the initial deposit period. The Locked-Up Shareholders already represent sufficient shares to exceed the minimum tender condition and due to this overwhelming support, the transaction is expected to be completed shortly after the expiry of the initial deposit period; and

- the terms and conditions of the Offer and the Support Agreement, are, in the judgment of the Company and its advisors, reasonable and were the product of extensive negotiations between the Company and its advisors and the Offeror and Hilco and their advisors.

Acceptance of the Hilco Offer by Directors and Officers

The Locked-Up Shareholders, being the three largest Shareholders of Inscope and all of the members of the Board and executive officers of Inscope that hold Shares, have agreed to accept the Hilco Offer and to deposit their Shares under the Hilco Offer.

How to Accept the Hilco Offer

Registered Shareholders who wish to accept the Hilco Offer must properly complete and execute the Letter of Transmittal accompanying the Hilco Offer, and deposit it, together with any certificate(s) (if any) representing their Shares at or prior to the Expiry Time at the office of the Depositary specified in the Letter of Transmittal. Detailed rules and instructions are contained in the Letter of Transmittal. Alternatively, Shareholders may follow the procedure for guaranteed delivery described in Section 3 of the Hilco Offer and Circular, "*Manner of Acceptance — Procedure for Guaranteed Delivery*", using the Notice of Guaranteed Delivery attached to the Hilco Offer and Circular.

Shareholders will not be required to pay any fee or commission if they accept the Hilco Offer by validly depositing their Shares directly with the Depositary.

Beneficial Shareholders whose Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact such nominee for assistance in validly depositing their Shares if they wish to accept the Hilco Offer.

Shareholders are invited to contact TSX Trust, the Depositary, by telephone at (416) 682-3860 or at +1-800-387-0825 (toll free) or by e-mail at shareholderinquiries@tmx.com for further information regarding how to accept the Hilco Offer.

See Section 3 of the Hilco Offer and Circular, "*Manner of Acceptance*".

GLOSSARY

In this Directors' Circular, unless otherwise specified or the subject matter or context is inconsistent therewith, the following terms shall have the meanings set out below, and grammatical variations thereof shall have the corresponding meanings:

“Acquisition Proposal” means, other than the Contemplated Transactions, any offer, proposal, inquiry or public announcement, whether written or oral, from any person or group of persons other than the Offeror (or an affiliate of the Offeror) relating to any:

- (i) take-over bid, tender offer, exchange offer or other similar transaction that, if consummated, would result in a person or group of persons beneficially owning 20% or more of any class of voting or equity securities of Inscape or of any of its subsidiaries whose assets, individually or in the aggregate, represent 20% or more of the consolidated assets of Inscape (based on the consolidated financial statements of Inscape most recently filed on SEDAR), or securities convertible into or exercisable or exchangeable for 20% or more of any class of voting or equity securities of Inscape or a subsidiary;
- (ii) amalgamation, plan of arrangement, share exchange, debt exchange, business combination, merger, consolidation, recapitalization, reorganization, or other similar transaction or series of related transactions involving Inscape or any subsidiaries whose assets, individually or in the aggregate, represent 20% or more of the consolidated assets of Inscape (based on the consolidated financial statements of Inscape most recently filed on SEDAR), or any liquidation, dissolution or winding-up of Inscape or a subsidiary;
- (iii) direct or indirect sale or disposition of assets (or any alliance, joint venture, lease, long-term supply arrangement, licence or other arrangement having the same economic effect as a sale or disposition) representing, individually or in the aggregate, 20% or more of the consolidated assets of Inscape;
- (iv) direct or indirect sale, issuance or acquisition of Shares or any other voting or equity interests of Inscape (or securities convertible into or exercisable or exchangeable for Shares or such other voting or equity interests) representing 20% or more of the issued and outstanding voting or equity interests (or rights or interests therein or thereto) of Inscape or any direct or indirect sale, issuance or acquisition of voting or equity interests (or securities convertible into or exercisable or exchangeable for voting or equity interests) of any subsidiary of Inscape representing 20% or more of the issued and outstanding voting or equity interests of such subsidiary (or rights or interests therein or thereto); or
- (v) any other similar transaction or series of transactions involving Inscape or its subsidiaries;

“affiliate” has the meaning given to it in the OSA;

“associate” has the meaning given to it in the OSA or Multilateral Instrument 62-104 – Take-Over Bids and Issuer Bids, as applicable;

“Board of Directors” or **“Board”** means the board of directors of Inscape and **“Directors”** means the directors of Inscape;

“business day” means any day, other than (i) a Saturday, Sunday or statutory holiday in the Province of Ontario, and (ii) a day on which banks are generally closed in the Province of Ontario;

“Compulsory Acquisition” has the meaning stated in Section 10 of this Directors' Circular, *“Support Agreement – Compulsory Acquisition and Subsequent Acquisition Transaction”*;

“Contemplated Transactions” means (i) the Hilco Offer and the take-up of Shares by the Offeror pursuant to the Hilco Offer, (ii) any Compulsory Acquisition, any Subsequent Acquisition Transaction or any subsequent amalgamation, merger or other business combination between the Offeror (or any of its affiliates) and the Company, that may be undertaken by the Offeror (or any of its affiliates), and (iii) any other actions with respect to any other transactions contemplated by the Support Agreement;

“Convertible Securities” means, collectively, any agreement, option, warrant, right or other security or conversion privilege issued or granted by Inscape that is exercisable or convertible into, or exchangeable for, or otherwise carries the right of the holder to purchase or otherwise acquire Shares, including pursuant to one or more multiple exercises, conversions and/or exchanges;

“COVID-19” means the novel coronavirus disease (COVID-19) or any evolution thereof;

“DSU Plan” means the Company’s 2005 DSU plan;

“DSUs” means deferred share unit awards made under the DSU Plan;

“Effective Time” means the time at which the Offeror first takes up Shares deposited to the Hilco Offer;

“Evans” or **“Financial Advisor”** means Evans & Evans, Inc., financial advisor to Inscape;

“Evans Opinion” means the fairness opinion dated October 28, 2022 prepared by Evans in connection with the entering into of the Support Agreement, as described in Section 4 of this Directors’ Circular, *“Opinion of the Financial Advisor”*, and attached as Schedule A hereto;

“Expiry Time” means 5:00 p.m. (Toronto time) on December 23, 2022, or such later time or times as may be fixed by the Offeror from time to time as provided in Section 5 of the Hilco Offer and Circular, *“Extension, Variation or Change of the Offer”*, unless the Hilco Offer is withdrawn by the Offeror;

“FMD” means Fasken Martineau DuMoulin LLP, counsel to Inscape;

“Fully-Diluted Basis” means, with respect to the number of outstanding Shares at any time, the number of Shares that would be outstanding if all rights to acquire or receive Shares were exercised, including for greater certainty, all Shares issuable upon the exercise of Options, whether vested or unvested;

“Governmental Entity” means:

- (i) any domestic or foreign federal, provincial, territorial, regional, state, municipal or other government, governmental department, quasi-government, administrative, judicial or regulatory authority (including any securities regulatory authorities), agency, minister or ministry, board, body, bureau, commission (including any securities commission), instrumentality court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) thereof, any taxing authority, any ministry or department or agency of any of the foregoing;
- (ii) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any court;
- (iii) any stock exchange; or
- (iv) any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing entities established to perform a duty or function on its behalf;

“Hilco” means Hilco Capital Limited, a company existing under the laws of England and Wales;

“Hilco Offer” means the offer, dated November 17, 2022, by the Offeror to purchase all of the issued and outstanding Shares (other than Shares held by Hilco or any of its affiliates), together with any Shares that may become issued and outstanding after the date of the Hilco Offer but prior to the Expiry Time on the exercise of Options or upon the conversion, exchange or exercise of any other securities of Inscape that are convertible into or exchangeable or exercisable for Shares, for consideration of \$0.007 in cash for each Share, in accordance with the Support Agreement;

“Hilco Offer and Circular” means the offer to purchase and related take-over bid circular dated November 17, 2022, in respect of the Hilco Offer;

“IFRS” means International Financial Reporting Standards in effect from time to time;

“Inscape” means Inscape Corporation, a corporation existing under the OBCA;

“Interim Loan” means that revolving demand facility for up to \$5,000,000, provided by the Lender to the Company pursuant to the Interim Loan Agreement;

“Interim Loan Agreement” means that loan agreement between the Lender and the Company dated and effective as at October 28, 2022, pursuant to which the Lender made the Interim Loan available to the Company on the terms set out therein;

“Latest Mailing Time” means, subject to extension pursuant to the terms of the Support Agreement, 11:59 p.m. (Toronto time) on Friday, November 18, 2022;

“Laws” means any and all federal, provincial, territorial, regional, local, municipal or other law, statute, constitution, principle of common law, resolution, ordinance, proclamation, directive, code, edict, order, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Entity;

“Lender” means HUK 116 Limited;

“Lock-Up Agreements” means the lock-up agreements entered into between the Offeror and each of the Locked-Up Shareholders, concurrently with the execution of the Support Agreement;

“Locked-Up Shareholders” means, collectively, Eric Ehgoetz, Jonathan Szczur, Tania Bortolotto, Bartley Bull, David LaSalle, Bullish Management Ltd., Pender Growth Fund Inc. (and entities managed by PenderFund Capital Management Ltd.), and Perlus Microcap Fund L.P.;

“Locked-Up Shares” has the meaning stated in Section 11 of this Directors’ Circular, *“Lock-Up Agreements”*;

“Material Adverse Change” means any change, effect, event, occurrence or state of facts that, individually or in the aggregate with other such changes, effects, events, occurrences or states of fact, is, or would reasonably be expected to be, material and adverse to the condition (financial or otherwise), properties, assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), obligations (whether absolute, accrued, conditional or otherwise), capitalization, businesses, operations or results of operations of the Company and its subsidiaries taken as a whole, whether before or after giving effect to the transactions contemplated by the Support Agreement, except any change, effect, event, occurrence or state of facts resulting from, relating to or arising in connection with:

- (i) the announcement of the Support Agreement or the Contemplated Transactions;
- (ii) any changes in general political, economic or financial conditions or in credit, banking, currency, commodities or capital markets generally;

- (iii) any changes in applicable Laws (including Laws relating to Taxes) or in the interpretation, application or non-application of Laws by Governmental Entities and not specifically relating to that person, taken as a whole;
- (iv) a change in the market trading price or trading volume of securities of the Company (it being understood that the causes underlying such change in market price or trading volume may be taken into account in determining whether a Material Adverse Change has occurred);
- (v) any change in applicable generally accepted accounting principles, including IFRS;
- (vi) any climatic and other natural events or conditions, including any natural disaster, or human-made disaster or any calamity, national or international;
- (vii) any epidemic, pandemic or outbreak of illness (including COVID-19) or other health crisis or public health event, or the material worsening of any of the foregoing or the implementation of any COVID-19 measures (including through the temporary closure of Company facilities due to government restrictions, the disruption or delay in the receipt or shipment of goods from suppliers or to customers, the disruption or delay in the availability of services to or by Company, or the increase in sick leaves by Company employees);
- (viii) the commencement or continuation of any act of war, armed hostilities or acts of terrorism; or
- (ix) compliance with the terms of the Support Agreement or actions or inactions of the Company or its subsidiaries to which the Offeror has expressly consented in writing;

provided that, in the case of a change, effect, event, occurrence or state of facts referred to in clause (ii), (iii), (iv), (vi), (vii), (viii), or (ix) above, such change, effect, event, occurrence or state of facts does not disproportionately adversely affect the Company and its subsidiaries, taken as a whole, compared to other companies of similar size operating in the industry and geography in which the Company and its subsidiaries operate;

“**MI 61-101**” means Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions;

“**Minimum Tender Condition**” means the condition to the Hilco Offer that there shall have been validly deposited pursuant to the Hilco Offer and not withdrawn, at the Expiry Time expiry of the initial deposit period at least 66^{2/3}% of the Shares, calculated on a Fully-Diluted Basis;

“**MVS Shares**” means the multiple voting shares in the capital of the Company, of which nil (0) are outstanding as at the date hereof;

“**OBCA**” means the Business Corporations Act (Ontario), as amended from time to time;

“**Offer Documents**” means the Hilco Offer and accompanying take-over bid circular, related letter(s) of transmittal, notice of guaranteed delivery and other ancillary documents prepared by the Offeror;

“**Offeror**” means HUK 121 Limited, a company existing under the laws of England and Wales;

“**Options**” means the options to purchase Shares issued under the Stock Option Plan;

“**Order**” means, all judicial, arbitral, administrative, ministerial, departmental or regulatory judgements, injunctions, orders, decisions, rulings, determinations, reports, awards or decrees of any Governmental Entity (in each case whether temporary, preliminary or permanent);

“**OSA**” means the Securities Act (Ontario) and the rules and regulations made thereunder, as amended from time to time;

“Outside Date” means, subject to the terms and conditions of the Support Agreement, the date that is 140 days following the date the Hilco Offer is commenced;

“Performance and Restricted Share Unit Plan” means the Company’s 2009 PSU and RSU Plan;

“PSUs” means the performance share units issued under the Performance and Restricted Share Unit Plan;

“Real Property” means all real and immovable properties, rights, title and interest held now or in the future by the Company or any of its subsidiaries, whether contractual, statutory or otherwise, including any access rights, leases, rights of way, occupancy rights, surface rights, servitudes, superficies rights, buildings, structures, fixtures and other real or immovable property;

“Regulatory Approvals” means those sanctions, rulings, consents, orders, decisions, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the given notice without an objection being made) of Governmental Entities;

“RSUs” means the restricted share units issued under the Performance and Restricted Share Unit Plan;

“SEDAR” means the Canadian Securities Administrators’ System for Electronic Document Analysis and Retrieval website at www.sedar.com;

“Share Awards” means, collectively, the RSUs and PSUs;

“Shareholders” means, collectively, the holders of Shares;

“Shares” means the Class B Subordinated voting shares of Inscape;

“Stock Option Plan” means Inscape’s amended and restated option plan of the Company, re-approved by Shareholders on September 17, 2020, and any other plan, agreement or arrangement which provides for the issuance of options to acquire Shares;

“Subsequent Acquisition Transaction” means an amalgamation, statutory arrangement, amendment to articles, consolidation, capital reorganization or other transaction involving Inscape and the Offeror or an affiliate or an associate of the Offeror or Hilco that the Offeror or Hilco may undertake to acquire the balance of the Shares not acquired by the Offeror pursuant to the Hilco Offer;

“subsidiary” means a “subsidiary”, as defined in National Instrument 45-106 – Prospectus and Registration Exemptions;

“Superior Proposal” has the meaning stated in Section 10 of this Directors’ Circular, *“The Support Agreement – Superior Proposals, Right to Match, etc.”*;

“Support Agreement” means the Support Agreement among the Offeror and Inscape made as of October 28, 2022;

“Taxes” means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Entity, including all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes (including, without limitation, taxes relating to the transfer of interests in Real Property or entities holding interests therein), franchise taxes, licence taxes, withholding taxes, payroll taxes, employment taxes, excise, severance, social security, government pension plan premiums and contributions, workers’ compensation, employment insurance or compensation taxes or premium, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs

duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any Tax indemnity obligations, and any interest, penalties or additional amounts imposed by any taxing authority (domestic or foreign), and any interest, penalties, additional taxes and additions to tax imposed with respect to any of the foregoing, in each case whether disputed or not;

“**Termination Payment**” has the meaning stated in Section 10 of this Directors’ Circular, “*Support Agreement – Termination Payment*”; and

“**TSX**” means the Toronto Stock Exchange.

DIRECTORS' CIRCULAR

1. The Hilco Offer

This Directors' Circular is issued by the Board of Directors of Inscape in connection with the Hilco Offer dated November 17, 2022, by the Offeror, an indirect wholly-owned subsidiary of Hilco, to purchase all of the issued and outstanding Shares (other than Shares held by Hilco or any of its affiliates), together with any Shares that may become issued and outstanding after the date of the Hilco Offer but prior to the Expiry Time, for consideration of \$0.007 in cash for each Share, upon the terms and conditions of the Hilco Offer as set forth in the Hilco Offer and Circular. To the extent the aggregate consideration to be paid for the Shares to each Shareholder is not a whole number, the amount shall be rounded to the nearest whole cent on a per Shareholder basis. The Hilco Offer is scheduled to expire at 5:00 p.m. (Toronto time) on December 23, 2022, unless it is extended or withdrawn.

Information contained in this Directors' Circular concerning Hilco and its affiliates and the Hilco Offer, including forward-looking statements, is based solely upon, and the Board has relied, without independent verification, exclusively upon, information provided to Inscape by Hilco, contained in the Hilco Offer and Circular, or that is otherwise publicly available. While neither Inscape nor any of its officers or Directors has any reason to believe that such information is inaccurate or incomplete, neither Inscape nor any of its officers or Directors assumes any responsibility for the accuracy or completeness of such information. Shareholders are urged to read the Hilco Offer and Circular in its entirety.

Treatment of outstanding Options and other Convertible Securities

The Hilco Offer is made only for Shares and is not made for any Options or other Convertible Securities of Inscape. As a condition of the Hilco Offer, each holder of Options and Share Awards of Inscape has entered into termination agreements with Inscape, pursuant to which any such Options or Share Awards of Inscape will be cancelled as of the Effective Time. All Options, Convertible Securities, and Share Awards are held by current or former directors, officers, and employees of Inscape.

2. Unanimous Recommendation of the Board

Taking into account all circumstances, the Board believes that the Offer Price offered to Shareholders pursuant to the Hilco Offer is fair, from a financial point of view, to Shareholders and that the Hilco Offer is in the best interests of Inscape.

Accordingly, for the reasons described in more detail below, the Board **UNANIMOUSLY** recommends that Shareholders **ACCEPT** the Hilco Offer and **DEPOSIT** their Shares under the Hilco Offer.

Shareholders should consider the Hilco Offer carefully and reach their own decision as to whether to accept or reject the Hilco Offer. Shareholders who are in doubt as to how to respond to the Hilco Offer should consult with an investment advisor, stockbroker, bank manager, trust company manager, accountant, lawyer or other professional advisor. Shareholders are advised that acceptance of the Hilco Offer may have tax consequences and that they should consult their professional advisors.

3. Analysis and Reasons for the Board's Conclusion and Recommendation

The Board has carefully reviewed and considered the Hilco Offer, with the benefit of advice from its Financial Advisor and legal advisors. The following is a summary of the principal reasons for the **UNANIMOUS** recommendation of the Board to Shareholders that they **ACCEPT** the Hilco Offer and **DEPOSIT** their Shares under the Hilco Offer.

- (a) ***The Board has considered a wide range of strategic alternatives over the past few years to unlock value and engaged advisors to solicit potential strategic and financial buyers. No expressions of interest were received as a result of these solicitations. The Hilco Offer is the most attractive alternative.***

The Hilco Offer is the result of a comprehensive strategic review process undertaken by the Board over the past few years. In early 2021, the Board established the Special Committee to consider strategic alternatives. Subsequent steps included securing a bridge debt facility in April 2021 in order to enable the Company to complete the sale and leaseback of its Holland Landing headquarters in February 2022. The sale allowed the Company to repay the bridge debt facility in full and replenish cash resources/working capital. The sale of an additional parcel of surplus property in April 2022 provided additional cash to the Company and was followed by the sale of surplus equipment, the rationalization of excess space, and further cost reduction measures. In spring of 2022, the Board determined that the Company's financial recovery was proceeding more slowly than originally anticipated.

On February 28, 2022 Inscape entered into a letter agreement with Stump, with respect to an exploration of strategic alternatives, including a possible sale of Inscape. Stump commenced a process to further explore alternatives and to prepare a more formal offering memorandum as a component of that process, but based on the advice provided by Stump that a successful sale process would be unlikely, the process was suspended a short time thereafter with concurrence by Inscape. Notwithstanding, Inscape continued to pursue strategic alternatives for the Company. The Hilco Offer is the only offer obtained by the Company.

The Board considered the value for Inscape associated with the Company remaining a standalone entity and the likelihood that if the Company remained a standalone entity, it would be required to commence insolvency proceedings. Overall, on the basis of its review process, the Board concluded that the Hilco Offer represents the only alternative available to Inscape and its Shareholders.

- (b) ***The Offer Price to be received by Shareholders.***

The total value of \$0.007 for each Share represents a discount of approximately 99% to the volume weighted average trading price of the Shares on the TSX for the 52 weeks preceding the announcement of the Hilco Offer on October 28, 2022. Given the low trading volumes of the Shares over the past year, and in light of recent difficulties that Inscape has faced since the beginning of the COVID-19 pandemic, the Board believes considering the Hilco Offer in the context of the significant economic headwind faced by the Company is more meaningful than a reference to the 52-week volume weighted average trading price of the Shares.

If the Hilco Offer does not proceed, the Company expects it will be required to commence insolvency proceedings - a process which may result in Shareholders realizing no proceeds at all.

- (c) ***The form of consideration under the Hilco Offer provides certainty and immediate value.***

The Hilco Offer provides Shareholders with cash consideration for all Shares held. Shareholders will be able to immediately realize a fair value for their investment and the payment in cash provides certainty of value for their Shares.

- (d) ***The Hilco Offer provides liquidity to Shareholders.***

There is limited liquidity for Shareholders in the trading of the Shares on the TSX. The average daily trading volume of the Shares for the months preceding the announcement of the Offeror's intention to make the Hilco Offer was extremely low. The Hilco Offer represents the only foreseeable liquidity event for Shareholders, particularly in light of the thinly-traded nature of the Shares (with the average daily trading volume being less than 0.7% of total issued shares in the 90-days preceding the date of the Support Agreement) and the Company's financial position.

The Hilco Offer provides Shareholders with the added benefit of not having to pay brokerage fees or commissions for those who deposit their Shares directly with the depositary for the Hilco Offer.

- (e) ***Inscape's Financial Advisor has provided a written opinion that, as of the date of such opinion, and based upon and subject to the assumptions, qualifications and limitations stated therein, the Offer Price offered to Shareholders pursuant to the Hilco Offer is fair, from a financial point of view, to Shareholder.***

The Board has received a written opinion (the “**Evans Opinion**”) from the Financial Advisor – Evans – to the effect that, as of the date of such opinion, and based upon such matters as were considered relevant, and subject to the limitations and qualifications set out in such opinion, as of the date of such opinion, the Offer Price is fair, from a financial point of view, to Shareholders. A copy of the Evans Opinion is attached to this Directors' Circular as Schedule A. The Board recommends that Shareholders read the opinion carefully and in its entirety for a description of the procedures followed, matters considered, assumptions made and qualifications and limitations on the review undertaken. The Evans Opinion, and the descriptions thereof in this Directors' Circular, do not constitute a recommendation to Shareholders of the Financial Advisor as to whether to deposit Shares under the Hilco Offer.

- (f) ***The Hilco Offer is not subject to any financing condition.***

The Hilco Offer is not subject to any condition as to the Offeror obtaining financing. Additionally, the Offeror has represented and warranted in Schedule B to the Support Agreement in favour of Inscape that the Offeror has made adequate arrangements to ensure that the required funds are available to make full payment for the Shares that the Offeror offers to acquire under the Hilco Offer.

- (g) ***The Hilco Offer contains a 66⅔% Minimum Tender Condition that cannot be lowered without Inscape's consent.***

Under the Support Agreement, the Hilco Offer includes a Minimum Tender Condition of such number of Shares which represents at least 66⅔% of the outstanding Shares, calculated on a Fully-Diluted Basis.

- (h) ***All of the Locked-Up Shareholders of Inscape have agreed to deposit their Shares under the Hilco Offer.***

The Locked-Up Shareholders collectively exercise control or direction over an aggregate of 11,660,282 Shares, representing approximately 81.1% of the outstanding Shares, have all entered into Lock-Up Agreements with the Offeror pursuant to which, and subject to the terms thereof, they have agreed to deposit all of their Shares under the Hilco Offer and not withdraw such Shares.

Conclusion and Recommendation

For the principal reasons outlined above, taking into account all circumstances, the Board believes that the Offer Price offered to Shareholders pursuant to the Hilco Offer is fair, from a financial point of view, to Shareholders and that the Hilco Offer is in the best interests of Inscape.

The Board UNANIMOUSLY recommends that Shareholders ACCEPT the Hilco Offer and DEPOSIT their Shares under the Hilco Offer.

The foregoing summary of the information and factors considered by the Board is not intended to be exhaustive of the factors considered by the Board in reaching its conclusion and making its recommendation, but includes the material information, factors and analysis considered by the Board in reaching its conclusion and recommendation. The members of the Board evaluated the various factors summarized above in light of their own knowledge of the business, financial condition and prospects of Inscape, and based upon the advice of Inscape's Financial Advisor and legal advisors. In view of the numerous factors considered in connection with its evaluation of the Hilco Offer, the Board did not find it practicable to, and did not, quantify or otherwise attempt to assign relative weight to specific factors in reaching its conclusion and recommendation. In addition, individual members of the Board may have given different

weight to different factors. The conclusion and unanimous recommendation of the Board were made after considering all of the information and factors involved.

4. Opinion of the Financial Advisor

Shareholders are urged to read the Evans Opinion carefully and in its entirety for a description of the procedures followed, matters considered, assumptions made and qualifications and limitations on the review undertaken. The opinion addresses only the fairness, from a financial point of view, to Shareholders of the Offer Price offered to Shareholders pursuant to the Hilco Offer. The Evans Opinion was provided solely for the information and assistance of the Board in connection with its consideration of the Hilco Offer, and was one of a number of factors taken into consideration by the Board in making its unanimous determination, taking into account all circumstances that the Offer Price offered to Shareholders pursuant to the Hilco Offer is fair, from a financial point of view, to Shareholders and that the Hilco Offer is in the best interests of Inscape, and to recommend that Shareholders accept the Hilco Offer and deposit their Shares under the Hilco Offer. The Evans Opinion and the descriptions thereof in this Directors' Circular do not constitute a recommendation to Shareholders of the Financial Advisor as to whether to deposit Shares under the Hilco Offer.

Evans was retained to assist the Board in its assessment of the Hilco Offer. In connection with this mandate, Evans delivered a written opinion addressed to the Board concluding that, as of the date of such opinion, and based upon and subject to the assumptions, qualifications and limitations stated therein, the Offer Price offered to Shareholders pursuant to the Hilco Offer is fair, from a financial point of view, to Shareholders. The full text of the Evans Opinion is attached as Schedule A to this Directors' Circular. This summary of the Evans Opinion is qualified in its entirety by reference to the full text of the Evans Opinion.

The Evans Opinion does not constitute a recommendation as to whether or not any Shareholder should deposit Shares under the Hilco Offer or how any Shareholder should vote with respect to a Subsequent Acquisition Transaction or any other matter. The Board urges Shareholders to read the Evans Opinion carefully and in its entirety.

5. Acceptance of the Hilco Offer

Registered Shareholders who wish to accept the Hilco Offer must properly complete and execute the Letter of Transmittal accompanying the Hilco Offer, and deposit it, together with any certificate(s) (if any) representing their Shares at or prior to the Expiry Time at the office of the Depositary specified in the Letter of Transmittal. Detailed rules and instructions are contained in the Letter of Transmittal. Alternatively, Shareholders may follow the procedure for guaranteed delivery described in Section 3 of the Hilco Offer and Circular, "*Manner of Acceptance — Procedure for Guaranteed Delivery*", using the Notice of Guaranteed Delivery attached to the Hilco Offer and Circular.

Shareholders will not be required to pay any fee or commission if they accept the Hilco Offer by validly depositing their Shares directly with the Depositary.

Beneficial Shareholders whose Shares are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact such nominee for assistance in validly depositing their Shares if they wish to accept the Hilco Offer.

Shareholders are invited to contact TSX Trust, the Depositary, by telephone at (416) 682-3860 or at +1-800-387-0825 (toll free) or by e-mail at shareholderinquiries@tmx.com for further information regarding how to accept the Hilco Offer.

See Section 3 of the Hilco Offer and Circular, "*Manner of Acceptance*".

6. Background to the Hilco Offer

Inscape experienced significant declines in its business and financial performance over the past few years, largely due to the impacts of the COVID-19 pandemic. In early 2021, the Board established the Special Committee to consider strategic alternatives. Subsequent steps included securing a bridge debt facility in April 2021 in order to enable the

Company to complete the sale and leaseback of its Holland Landing headquarters in February 2022. The sale allowed the Company to repay the bridge debt facility in full and replenish cash resources/working capital. The sale of an additional parcel of surplus property in April 2022 provided additional cash to the Company and was followed by the sale of surplus equipment, the rationalization of excess space, and further cost reduction measures. In spring of 2022, the Board determined that the Company's financial recovery was proceeding more slowly than originally anticipated.

On February 28, 2022, Inscape entered into a letter agreement with Stump & Co. ("**Stump**"), a financial advisory firm based in North Carolina specializing in the furniture industry, with respect to an exploration of strategic alternatives, including a possible sale of Inscape. Stump commenced a process to further explore alternatives and to prepare a more formal offering memorandum as a component of that process, but based on the advice provided by Stump that a successful sale process would be unlikely, the process was suspended a short time thereafter with concurrence by Inscape. Given the challenging M&A market for companies engaged in the contract office furniture industry, Stump recommended the Company continue its effort to restore profitability before recommencing the sale process. Stump remained engaged pending a change in circumstances that might lead to a more successful outcome. Notwithstanding, Inscape continued to pursue strategic alternatives for the Company. The Company continued to struggle to meet its financial projections. At the end of the quarter ended July 31, 2022, the Company incurred a net loss of \$6.2 million and had cash equivalents and restricted cash of \$6.1 million.

Despite previous cost cutting measures, the Company's financial position is not improving and the Company has declining cash resources. The Company expanded the nature of strategic alternatives under consideration to include corporate restructuring and insolvency proceedings. On August 9, 2022, Hilco entered into the Confidentiality Agreement with Inscape following an introduction by a Canadian investment bank. Throughout the month of August, Hilco met with management of Inscape and conducted high level due diligence of its business and assets. After Hilco conducted substantial financial due diligence on the Company, Hilco determined that the Company's equity value was extremely low, and that the Company's business would require significant financial investment to succeed.

On September 7, 2022, Hilco submitted an initial proposal to Inscape's management and reached an agreement to conduct in depth due diligence of Inscape, including site visits to Inscape's manufacturing facilities. The initial non-binding proposal included two potential acquisition structures, subject to continuing due diligence and Inscape's working capital including cash balances remaining broadly in line with forecasts. The initial proposals contemplated Hilco or an associated entity making an offer to acquire all of the issued share capital of Inscape (i) for total upfront cash consideration of \$1,500,000; or (ii) for total upfront cash consideration of \$750,000 in addition to deferred consideration equal to 25% of any net proceeds from an onwards sale of Inscape or dividends/management fees received within 36 months of closing. It was subsequently determined that option (ii) was not viable under applicable securities laws.

On October 5, 2022, following completion of due diligence and consideration of (i) Inscape's current working capital (including reduced cash balances); (ii) Inscape's lower sales for the three months ending July 31, 2022 and resulting negative cash flows (which are expected to continue); and (iii) the projected costs associated with revitalizing Inscape's business, Hilco submitted a revised non-binding proposal to complete the Hilco Offer and advance the Interim Loan.

On October 8, 2022, Inscape confirmed that the Hilco Offer had support from holders of more than 80% of the outstanding Shares.

On October 18, 2022, Inscape formally engaged Evans to act as financial advisor to provide advice and assistance in evaluating the Hilco Offer and the preparation and delivery to the Special Committee of the Evans Opinion as to the fairness of the consideration under the Hilco Offer from a financial point of view to the Shareholders.

During September and October 2022, Inscape, the Special Committee, the Offeror and their respective legal advisors engaged in negotiations surrounding the transaction documents. Multiple drafts of the Support Agreement, the Interim Loan Agreement (including associated security and closing documents) and the form of Lock-Up Agreement were exchanged. The result of the continued extensive negotiations during the third and fourth week in October amongst Hilco, the Special Committee, Inscape and their respective legal, was the preparation of a fully negotiated draft of the Support Agreement, Interim Loan Agreement and related agreements.

On October 28, 2022, Evans provided a verbal opinion that the Offer Price is fair, from a financial point of view, to Shareholders of Inscape. The opinion was based on and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken, which are more fully described in the written opinion provided by Evans, which is attached as Schedule A to this Directors' Circular.

On October 28, 2022, Inscape and the Offeror entered into the Support Agreement, Inscape and the Lender entered into the Interim Loan Agreement, and the Locked-Up Shareholders and the Offeror entered into the Lock-Up Agreements and the Offeror agreed to make an offer to purchase all of the issued and outstanding subordinated voting shares (the "**Shares**") of Inscape for consideration of \$0.007 in cash for each Share (the "**Hilco Offer**") and an affiliate of Hilco agreed to loan the Company up to \$5.0 million under a revolving demand loan facility.

On October 29, 2022, the parties issued a press release announcing the Hilco Offer, the execution of the Support Agreement, Interim Loan Agreement and the Lock-Up Agreements, and that the Board has, after consultation with the Board's financial and legal advisors and the Special Committee, unanimously determined that the Offer Price is fair, from a financial point of view, to the Shareholders, that the Hilco Offer is in the best interests of the Shareholders and Inscape, and, accordingly, had unanimously recommended that Shareholders accept the Hilco Offer and deposit their Shares under the Hilco Offer.

On October 29, 2022, the Company issued a press release announcing the Offer, the execution of the Support Agreement, the Interim Loan Agreement, and the Lock-Up Agreements. The press release stated that the Board had, after consultation with its advisors and the Special Committee, unanimously determined that the Offer is in the best interests of Inscape and the Shareholders, and that the Offer Price is fair, from a financial point of view, to the Shareholders. Accordingly, the press release stated that the Board was unanimously recommending that Shareholders accept the Offer and deposit their Shares under the Offer.

On November 17, 2022, the Offeror approved the contents and delivery of the Offer to Purchase and Circular. Subsequently, Inscape issued a joint news release with the Offeror, announcing the launch of the Offer and that Inscape had agreed to reduce the initial deposit period to 35 days.

On November 22, 2022, the Board approved the contents and delivery of this Director's Circular.

7. Intention of Directors and Officers with Respect to the Hilco Offer

The Locked-Up Shareholders, being the three largest Shareholders of Inscape and all of the Directors and executive officers of Inscape that hold Shares, have entered into Lock-Up Agreements with the Offeror under which they have agreed, among other things, to deposit under the Hilco Offer all of their Shares and not to withdraw them from the Hilco Offer during the term of the Lock-Up Agreements.

See Section 6 of the Hilco Offer and Circular "*Lock-Up Agreements*".

8. Hilco and the Offeror

The Offeror is a holding company that is wholly owned by Hilco. Hilco and the Offeror were incorporated under the laws of England and Wales. Hilco is a subsidiary of the U.S.-based group, Hilco Global. Hilco is a prominent financial investor, lender and adviser, working in a broad range of sectors across the United Kingdom, Western Europe, Canada and Australia, and typically invests in non-core subsidiaries, underperforming businesses, retirement sales and consumer brands. To the knowledge of the Board, as of the date hereof, Hilco and the Offeror do not hold any Shares.

Over the last 21 years, Hilco has been involved in many high-profile retail turnaround projects, taking on underperforming and/or declining operations and restructuring them to extend their lifecycle, streamline operations and grow revenues and profitability. At present, Hilco is managing a number of portfolio investments ranging from \$50 million to \$2 billion of turnover. Hilco has extensive experience working with companies to enhance profitability and successfully deliver ambitious business plans. Its team includes a wide range of professionals covering all aspects of operational and financial improvement, including retail operations, merchandising, human resources, information technology, logistics, finance and property.

Hilco Capital is part of Hilco Global, a diversified financial services company serving as an adviser, agent and capital partner. Hilco Global is owned by its management and a Canadian pension fund with net assets of \$420 billion, Caisse de dépôt et placement du Québec, also holds a minority stake.

9. Inscape

Inscape traces its roots back to 1888, originally operating as Office Speciality until going public and changing its name to Inscape more than a century later. The current iteration of the Company was formed by amalgamation under the laws of Ontario in May 2007. It operates through two segments - the Furniture segment includes storage, benching, systems and seating products, and the Walls segment includes architectural and movable walls. The Company serves its clients through a network of dealers and representatives. The Company's products are manufactured in two facilities: a 313,000 square foot plant in Holland Landing, Ontario, and a 30,000 square foot plant in Jamestown, New York, USA. Inscape has three showrooms, located in Chicago, New York and Washington, DC.

The registered head office of Inscape is located at 67 Toll Road Holland Landing, Ontario, L9N 1H2. Inscape's Shares are listed and posted for trading on the TSX under the symbol "INQ". Inscape is a reporting issuer or the equivalent in all of the provinces and territories of Canada and files its continuous disclosure documents with the relevant Canadian securities regulatory authorities. Such documents are available on SEDAR at www.sedar.com.

10. The Support Agreement

On October 28, 2022, the Offeror and Inscape entered into the Support Agreement, which sets out, among other things, the terms and conditions upon which Inscape agrees to recommend to Shareholders the acceptance of the Hilco Offer. The following is a summary of certain provisions of the Support Agreement. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all of the provisions of the Support Agreement. The Support Agreement has been filed by Inscape with the Canadian securities regulatory authorities and is available on SEDAR at www.sedar.com.

Support of the Offer

Inscape announced that after consultation by the Board with its financial and legal advisors and the Special Committee, the Board unanimously determined that the Hilco Offer is in the best interests of Inscape and the Shareholders and the Offer Price is fair, from a financial point of view, to the Shareholders and, accordingly, have unanimously approved the entering into of the Support Agreement and the making of a recommendation that Shareholders accept the Hilco Offer and deposit their Shares under the Hilco Offer (collectively, the "**Board Recommendation**"). Certain of the Directors and officers of Inscape have entered into a Lock-Up Agreement with the Offeror pursuant to which they have agreed to, *inter alia*, support the Hilco Offer and, subject to the provisions of the Support Agreement, Inscape has agreed to take all reasonable actions to support the Hilco Offer and ensure that the Hilco Offer will be successful.

The Hilco Offer

The Offeror has agreed to make the Hilco Offer on the terms and conditions set forth in the Support Agreement and, provided that all of the conditions of the Hilco Offer set forth in Section 4 of the Hilco Offer and Circular, "*Conditions of the Offer*", shall have been satisfied or, where permitted, waived at or prior to the expiry of the initial deposit period, the Offeror has agreed to take up and pay for all Shares deposited under the Hilco Offer promptly and, in any event, not later than three (3) business days (as defined under applicable Canadian securities Laws) following the time at which the Offeror becomes entitled to take up such Shares under the Hilco Offer pursuant to applicable securities Laws. See Section 6 of the Hilco Offer and Circular, "*Take-Up of and Payment for Deposited SVS Shares*".

The Offeror may, in its sole and absolute discretion, modify or waive any term or condition of the Hilco Offer or transfer or assign to one or more of its affiliates the right to purchase all or any portion of the Shares deposited pursuant to the Hilco Offer, as permitted by applicable securities Laws; provided that the Offeror shall not, without the prior written consent of Inscape: (i) increase the Minimum Tender Condition; (ii) impose additional conditions to the Hilco Offer; (iii) decrease the Offer Price; (iv) decrease the number of Shares in respect of which the Hilco Offer is made; (v) change the form of consideration payable (other than to add additional consideration); or (vi) otherwise vary the Hilco Offer in a manner adverse to Shareholders.

Inscape Board Representation

Following the Effective Time, Inscape shall co-operate with the Offeror to enable the Offeror's designees to be elected or appointed to the Board, and any committees thereof, including, at the request of the Offeror and in compliance with the OBCA, the constating documents of Inscape and any agreements to which Inscape is a party that provide rights to nominate Directors of Inscape, by using its commercially reasonable efforts to increase the size of the Board and to secure the resignation of such Directors as the Offeror may request.

Non-Solicitation

Inscape has agreed that, except as otherwise provided in the Support Agreement, it shall not, and shall cause each of its Representatives not to, directly or indirectly:

(i) make, solicit, assist, initiate, encourage, promote or otherwise facilitate (including by way of furnishing, providing access to or disclosing information, books and records, facilities or properties of Inscape or a subsidiary or entering into any form of written or oral agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes or could reasonably be expected to constitute or lead to an Acquisition Proposal;

(ii) enter into, continue or otherwise participate or engage in or otherwise facilitate any discussions or negotiations with any person (other than the Offeror and its affiliates and their respective Representatives), or otherwise cooperate in any way with, or assist or participate in, encourage or otherwise facilitate, any inquiry, proposal or offer that constitutes or could reasonably be expected to constitute or lead to an Acquisition Proposal, provided that, for greater certainty, Inscape and its Representatives may (A) communicate with any person making an unsolicited Acquisition Proposal (and such person's Representatives) for the purposes of clarifying the terms and conditions of such Acquisition Proposal and assessing the likelihood of its consummation so as to determine whether such Acquisition Proposal constitutes or could reasonably be expected to constitute or lead to a Superior Proposal, (B) advise any person of the restrictions of the Support Agreement, and (C) advise any person making an unsolicited Acquisition Proposal that such Acquisition Proposal does not constitute a Superior Proposal when the Board, excluding any Conflicted Director (as defined in the Support Agreement) in respect of such Acquisition Proposal, has so determined;

(iii) make a Change of Recommendation; or (iv) accept, approve, endorse, recommend or enter into, or publicly propose to accept, approve, endorse, recommend or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking (other than a confidentiality and standstill agreement permitted under Section 6.2 of the Support Agreement) constituting or in respect of, or which is intended to or could reasonably be expected to lead to an Acquisition Proposal or requiring, or reasonably expected to cause, Inscape to abandon, terminate, delay or fail to consummate, or that would otherwise impede, interfere or be inconsistent with, the Hilco Offer, a Subsequent Acquisition Transaction, a Compulsory Acquisition or any of the other transactions contemplated by the Support Agreement or requiring, or reasonably expected to cause, Inscape to fail to comply with the Support Agreement or providing for the payment of any break, termination or other fees or expenses to any person in the event that any of the Contemplated Transactions are completed or in the event that it completes any other transaction with the Offeror or any of its affiliates that is agreed to prior to any termination of the Support Agreement.

Inscape has agreed to, and to cause each of its subsidiaries and Representatives to, immediately cease and terminate any existing solicitation, assistance, discussion, encouragement, activities, negotiation or process with or involving any person (other than the Offeror, its affiliates and their respective Representatives) commenced prior to the date of the Support Agreement with respect to or which could reasonably be expected to lead to an Acquisition Proposal, whether or not initiated by Inscape or any of its Representatives and, in connection therewith, to discontinue access to any other third-party to all information, including any data room (virtual or otherwise) and any confidential information, properties, facilities, books and records of Inscape or any of its subsidiaries. Inscape has further agreed to request and exercise all rights it has to require the return or destruction of all copies of any information provided to any third parties who have entered into a confidentiality agreement with Inscape relating to any potential Acquisition

Proposal and to use commercially reasonable efforts to ensure that such requests are complied with in accordance with the terms of such confidentiality agreements.

Inscape has agreed to promptly notify the Offeror, at first orally and then in writing (and in any event within 24 hours after it has received or otherwise become aware of any proposal, inquiry, offer, request or expression of interest), of any proposal, inquiry, offer, request or expression of interest relating to or that constitutes an Acquisition Proposal or which could reasonably be expected to constitute or lead to an Acquisition Proposal or any request for copies of, access to, or disclosure of, non-public information relating to Inscape or any subsidiary, including but not limited to information, access, or disclosure relating to the properties, facilities, books, records or a list of securityholders of Inscape. Notwithstanding the foregoing, following receipt by Inscape of any proposal, inquiry, offer, request or expression of interest, including any changes, modifications or other amendments thereto, that is not an Acquisition Proposal but which Inscape reasonably believes could lead to an Acquisition Proposal, Inscape may respond to the proponent solely to advise it that Inscape can only enter into discussions or negotiations with a party in accordance with the terms of the Support Agreement, and for no other purpose.

Inscape has agreed to ensure that each of its relevant Representatives is aware of the non-solicitation provisions of the Support Agreement and has further agreed that Inscape shall be responsible for any breach by such persons.

Superior Proposals, Right to Match, etc.

If, after the date of the Support Agreement, Inscape or any of its Representatives receives from a person a written Acquisition Proposal (including, for greater certainty, an amendment, change or modification to an Acquisition Proposal made prior to the date of the Support Agreement) that was not solicited after the date of the Support Agreement in contravention of the terms of the Support Agreement, Inscape and its Representatives may: if and only if (A) the Board determines in good faith, after consultation with its outside legal counsel, that such Acquisition Proposal constitutes or would reasonably be expected to constitute or lead to a Superior Proposal; (B) such person was not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill or similar restriction; (C) Inscape has been, and continues to be, in compliance with its non-solicitation obligations under the Support Agreement; and (D) Inscape promptly provides the Offeror with prior written notice stating Inscape's intention to participate in such discussions or negotiations and to provide such copies, access or disclosure: (x) furnish information with respect to Inscape and the subsidiaries to the person making such Acquisition Proposal and its Representatives, provided that Inscape first enters into a confidentiality and standstill agreement with such person, the provisions of which are no less favourable to Inscape than those of the Confidentiality Agreement and do not restrict Inscape from complying in all respects with the terms of the Support Agreement, and provided further that Inscape sends a copy of such agreement to the Offeror promptly following its execution and the Offeror is promptly provided with all information provided to such person (to the extent not previously provided); and (y) engage in discussions and negotiations with respect to the Acquisition Proposal with the person making such Acquisition Proposal and its Representatives.

Notwithstanding the foregoing, if after the date of the Support Agreement Inscape receives a Superior Proposal, Inscape may terminate the Support Agreement and accept, approve, recommend or enter into any agreement, understanding or arrangement in respect of such Superior Proposal prior to completion of the Hilco Offer and recommend or approve such Superior Proposal if and only if: (i) such Superior Proposal did not arise, directly or indirectly, as a result of a violation by Inscape of its obligations with respect to non-solicitation under the Support Agreement, and Inscape has been and continues to be in compliance with its obligations with respect to non-solicitation under the Support Agreement; (ii) the person making the Superior Proposal was not restricted from making such Superior Proposal pursuant to an existing confidentiality, standstill or similar restriction; (iii) the Board, excluding any Conflicted Director in respect of an Acquisition Proposal, has determined in good faith, after consultation with its outside legal counsel, that such Acquisition Proposal constitutes a Superior Proposal; (iv) Inscape has delivered written notice to the Offeror of the determination of the Board, excluding any Conflicted Director in respect of such Acquisition Proposal, that the Acquisition Proposal is a Superior Proposal and of the intention of the Board to accept, approve, recommend or enter into an agreement in respect of such Superior Proposal (the "**Superior Proposal Notice**") and has provided the Offeror with a copy of the acquisition or similar agreement relating to such Acquisition Proposal, including all supporting materials, including any financing documents supplied to Inscape in connection therewith and a written notice from the Board regarding the value in financial terms that the Board has determined should be ascribed to any non-cash consideration offered under the Superior Proposal; (v) at least five (5)

Business Days have elapsed since the later of the date on which the Offeror received a copy of the Superior Proposal Notice and the date on which the Offeror received all specified material (such five Business Day period, the “**Right to Match Period**”) and, for greater certainty, the Right to Match Period shall expire at 11:59 p.m. (Toronto time) on the last Business Day of the Right to Match Period; (vi) if the Offeror has offered to amend the terms of the Hilco Offer and the Support Agreement during the Right to Match Period in accordance with the Support Agreement, the Board, excluding any Conflicted Director in respect of such Acquisition Proposal, has determined, in good faith, after consultation with its outside legal counsel, that such Acquisition Proposal continues to constitute a Superior Proposal when assessed against the Hilco Offer as it is proposed to be amended as at the termination of the Right to Match Period; and (vii) Inscape terminates the Support Agreement pursuant to clause (b)(ii) of “*Support Agreement — Termination of the Support Agreement*” below and concurrently pays the Termination Payment in clause (c) of “*Support Agreement — Termination Payment*” below.

During the Right to Match Period or such longer period as Inscape may approve in writing for such purpose, the Offeror will have the opportunity, but not the obligation, to offer to amend the terms of the Hilco Offer and the Support Agreement. Inscape has agreed that, if requested by the Offeror, it will negotiate with the Offeror in good faith to amend the terms of the Hilco Offer and the Support Agreement as would enable them to proceed with the Hilco Offer and any Contemplated Transactions on such adjusted terms. The Board, excluding any Conflicted Director in respect of the applicable Acquisition Proposal, will review any such offer by the Offeror to amend the terms of the Hilco Offer and the Support Agreement in order to determine, in good faith in the exercise of its fiduciary duties, whether the Offeror’s offer to amend the Hilco Offer and the Support Agreement, upon its acceptance, would result in the applicable Acquisition Proposal ceasing to be a Superior Proposal when assessed against the Hilco Offer as it is proposed to be amended as at the termination of the Right to Match Period. If the Board, excluding any Conflicted Director in respect of the applicable Acquisition Proposal, determines that the applicable Acquisition Proposal would cease to be a Superior Proposal when assessed against the Hilco Offer as it is proposed to be amended as at the termination of the Right to Match Period, the Offeror will amend the terms of the Hilco Offer and Inscape and the Offeror shall enter into an amendment to the Support Agreement reflecting the offer by the Offeror to amend the terms of the Hilco Offer and the Support Agreement.

The Board, excluding any Conflicted Director in respect of an Acquisition Proposal, will promptly reaffirm the Board Recommendation by press release either (i) after the Board, excluding any Conflicted Director in respect of such Acquisition Proposal, determines that an Acquisition Proposal that has been publicly announced or disclosed is not a Superior Proposal; or (ii) after the Board, excluding any Conflicted Director in respect of such Acquisition Proposal, determines that a proposed amendment to the terms of the Hilco Offer would result in an Acquisition Proposal not being a Superior Proposal when assessed against the Hilco Offer as it is proposed to be amended as at the termination of the Right to Match Period, and the Offeror has so amended the terms of the Hilco Offer in accordance with the Support Agreement. The Offeror will be given a reasonable opportunity to review and comment on the form and content of any such press release.

Each successive amendment, change or modification to any Acquisition Proposal that results in an increase in, or modification of, the consideration to be received by the Shareholders will constitute a new Acquisition Proposal and the Offeror shall be afforded a new five-Business Day Right to Match Period from the later of the date on which the Offeror received the Superior Proposal Notice and the date on which the Offeror received all of the specified material with respect to such new Superior Proposal from Inscape.

Nothing in the Support Agreement prevents the Board, excluding any Conflicted Director in respect of an Acquisition Proposal, from responding through a directors’ circular or otherwise as required by applicable Laws to an Acquisition Proposal that it determines is not a Superior Proposal where such response is not an acceptance, approval, endorsement or recommendation of such Acquisition Proposal and does not otherwise constitute a Change of Recommendation, provided that Inscape shall provide the Offeror and its counsel with a reasonable opportunity to review the form and content of such circular or other disclosure and shall make all reasonable amendments as requested by them.

Subsequent Acquisition Transaction

If the Offeror takes up and pays for Shares under the Offer, at the Offeror’s request, Inscape will assist the Offeror in completing a Compulsory Acquisition or a Subsequent Acquisition Transaction to acquire the remaining Shares, provided that the consideration per Share offered in connection with the Compulsory Acquisition or Subsequent

Acquisition Transaction shall not be less than the Offer Price and shall be in the same form as under the Hilco Offer and in no event will the Offeror be required to offer consideration per Share greater than the Offer Price.

Termination of the Support Agreement

The Support Agreement may be terminated at any time prior to the Expiry Time or such other time as may be expressly stipulated in the clauses below:

- (a) by mutual written consent of the Offeror and Inscape;
- (b) by Inscape:
 - (i) if the Offeror has not mailed the Offer Documents by the Latest Mailing Time (as defined in the Support Agreement), subject to any extension (other than solely as a result of a default or breach by Inscape of a material covenant or obligation under the Support Agreement), or the Hilco Offer (or any amendment thereto other than as permitted under the Support Agreement or any amendment thereof that has been mutually agreed to by the parties) does not conform in all material respects with the Support Agreement and such non-conformity is not cured within 10 Business Days from the date of written notice thereof;
 - (ii) in order to accept, approve, recommend or enter into a binding written agreement with respect to a Superior Proposal subject, in each case, to compliance with the provisions of the Support Agreement;
 - (iii) if the Offeror is in material default of any covenant or obligation under the Support Agreement, provided that written notice shall be provided by Inscape to the Offeror to such effect and such right of termination shall not be available with respect to any breach or failure that is capable of being cured and such breach or failure has been cured by the earlier of the date that is 10 Business Days from the date of written notice of such breach or failure and the Business Day prior to the Outside Date; or
 - (iv) if any representation or warranty of the Offeror set forth in the Support Agreement is untrue or incorrect in any material respect at any time prior to the Expiry Time and such inaccuracy individually or in the aggregate, would reasonably be expected to prevent, restrict or materially delay the acquisition of Shares pursuant to the Offer; provided that written notice shall be provided by Inscape to the Offeror to such effect and such right of termination shall not be available with respect to any breach or failure that is capable of being cured and such breach or failure has been cured by the earlier of the date that is 10 Business Days from the date of written notice of such breach or failure and the Business Day prior to the Outside Date;
- (c) by the Offeror:
 - (i) prior to mailing the Offer Documents, if any condition to the obligation of the Offeror to make the Hilco Offer contained in Section 2.1(i) of the Support Agreement is not satisfied or waived by the Offeror before the Latest Mailing Time (other than solely as a result of a default or breach by the Offeror of a material covenant or obligation under the Support Agreement);
 - (ii) if Inscape breaches any covenant or obligation the Support Agreement relating to the non-solicitation of Acquisition Proposals or responding to an Acquisition Proposal;
 - (iii) if Inscape materially breaches any covenant or obligation under the Support Agreement, other than a covenant or obligation under the non-solicitation provisions of the Support Agreement, provided that written notice shall be provided by the Offeror to Inscape to such effect and such right of termination shall not be available with respect to any breach or

failure that is capable of being cured and such breach or failure has been cured by the earlier of the date that is 10 Business Days from the date of written notice of such breach or failure and the Business Day prior to the Outside Date;

- (iv) if any of the representations and warranties of Inscape set forth in the Support Agreement, except for the representations and warranties of Inscape relating to capitalization, shall be untrue and incorrect in any respect (without giving effect to any Material Adverse Change or materiality qualifiers contained therein), except where any inaccuracy in any of the representations and warranties, individually or in the aggregate, would not reasonably be expected to cause or result in a Material Adverse Change or would not reasonably be expected to prevent, or materially impede, restrict or delay, the acquisition of Shares pursuant to the Hilco Offer or the representations and warranties of Inscape relating to capitalization shall be untrue and incorrect in any respect;
- (v) if the Board or the Special Committee (A)(I) withholds, withdraws, amends, modifies or qualifies the Board Recommendation, or proposes publicly to withhold, withdraw, amend, modify or qualify the Board Recommendation or fails to publicly reaffirm the Board Recommendation within five (5) Business Days after having been requested in writing to do so by the Offeror (or within such fewer number of days as remains before the day that is two (2) Business Days before the Expiry Time), or (II) withholds, withdraws, amends, modifies or qualifies or proposes publicly to withhold, withdraw, amend, modify or qualify any of the recommendations of the Special Committee, respectively, (B) approves or recommends any Acquisition Proposal, (C) fails to include the Board Recommendation in the Directors' Circular or otherwise takes any other action or makes any other public statement inconsistent with the Board Recommendation, or (D) takes no position or a neutral position with respect to an Acquisition Proposal for more than five (5) Business Days after the public announcement of such Acquisition Proposal (each, a "**Change of Recommendation**");
- (vi) if an Acquisition Proposal is consummated or effected;
- (vii) there is an Event of Default (as defined under the Interim Loan Agreement) under the Interim Loan; or
- (viii) if any of the Lock-Up agreements are breached or terminated; and
- (d) by either Inscape or the Offeror:
 - (i) if the Offeror does not take up and pay for the Shares deposited under the Hilco Offer by the Outside Date, other than as a result of a default or breach by the party seeking to terminate the Support Agreement of a representation, warranty, covenant or obligation under the Support Agreement;
 - (ii) if any court of competent jurisdiction or other Governmental Entity having authority over the Parties shall have issued an order, decree or ruling or taken any other action permanently enjoining or otherwise prohibiting any of the Contemplated Transactions (unless such order, decree, ruling or action has been withdrawn, reversed or otherwise made inapplicable), which order, decree or ruling is final and non-appealable; or
 - (iii) if the Hilco Offer terminates, expires or is withdrawn at the Expiry Time without the Offeror taking up and paying for any of the Shares as a result of the failure of any condition to the Hilco Offer to be satisfied or waived by the Offeror (where such conditions are capable of waiver), unless the failure of such condition shall be due to the failure of the party seeking to terminate the Support Agreement to perform the covenants or obligations required to be performed by it under the Support Agreement.

Termination Payments

Inscape is obligated to pay the Offeror a cash termination payment (the “**Termination Payment**”) in an amount equal to \$150,000 upon the occurrence of any of the following events:

- (a) the Support Agreement is terminated by the Offeror in the circumstances described in clause (c)(ii), clause (c)(v) or clause (c)(vi) of “*Support Agreement — Termination of the Support Agreement*”, in which case the Termination Payment shall be paid to the Offeror by 4:00 p.m. (Toronto time) on the first Business Day after the Support Agreement is so terminated;
- (b) the Support Agreement is terminated by Inscape at any time when the Support Agreement was terminable by the Offeror in the circumstances described in clause (c)(ii), clause (c)(v) or clause (c)(vi) of “*Support Agreement — Termination of the Support Agreement*” in which case the Termination Payment shall be paid to the Offeror by 4:00 p.m. (Toronto time) on the first Business Day after the Support Agreement is so terminated;
- (c) the Support Agreement is terminated by Inscape in the circumstances described in clause (b)(ii) of “*Support Agreement — Termination of the Support Agreement*” above, in which case the Termination Payment shall be paid to the Offeror prior to or concurrently with such termination; or
- (d) the Support Agreement is terminated by the Offeror in the circumstances described in clause (iii) or clause (c)(iv) or by the Offeror or Inscape in the circumstances described in clause (d)(iii) (but only if one of the conditions not satisfied is the Minimum Tender Condition) of “*Support Agreement — Termination of the Support Agreement*” above and:
 - (i) following the date of the Support Agreement and prior to the date on which the Support Agreement is terminated, an Acquisition Proposal is publicly announced or made by any person other than the Offeror or an affiliate of the Offeror, or any person, other than the Offeror or an affiliate of the Offeror, has publicly announced an intention to make an Acquisition Proposal; and
 - (ii) either (A) any Acquisition Proposal is completed within 12 months following the termination of the Support Agreement; or (B) an agreement in respect of any Acquisition Proposal is entered into by Inscape within 12 months following the termination of the Support Agreement and that Acquisition Proposal is completed at any time after the termination of the Support Agreement,

in which case the Termination Payment shall be paid to the Offeror concurrently with the completion of that Acquisition Proposal.

Pursuant to the terms of the Interim Loan Agreement, Inscape may also be required to pay a termination fee in connection with the Interim Loan, equal to 5% (or \$250,000) of the \$5,000,000 facility.

Expense Reimbursement

The Offeror and Inscape have agreed that, except as provided in the Support Agreement, all out-of-pocket expenses of the parties relating to the Support Agreement or the transactions contemplated thereby shall be paid by the party incurring such expenses, irrespective of the completion of such transactions, except that if (i) the Support Agreement is terminated in the circumstances described in clause (c)(iii), clause (c)(iv) or clause (vii) and (b) Inscape has, in accordance with the Support Agreement, not paid the Termination Payment to the Offeror, Inscape shall reimburse the Offeror in connection with all of its and its affiliates’ reasonable and documented out-of-pocket expenses in an amount equal to the greater of (a) the actual amount incurred in respect of such expenses; and (ii) \$150,000, within two (2) Business Days after the date of termination of this Agreement.

Representations and Warranties

The Support Agreement contains a number of customary representations and warranties of the Offeror and Inscape relating to, among other things: corporate status, and the corporate authorization and enforceability of, and Board approval of, the Support Agreement and the Offer. The representations and warranties of Inscape also address various matters relating to the business, operations and properties of Inscape, including, among other things: capitalization; public filings; financial statements; liabilities and indebtedness; books and records; absence of certain changes or events; permits; material properties; employment and consultant matters; collective agreements; COVID-19; tax matters; material contracts; related party transactions; internal controls; reporting issuer status; litigation; compliance with laws; anti-corruption, anti-money laundering and export compliance; real and personal property; intellectual property matters; privacy and anti-spam law compliance; security and information technology; product liability and other customary representations.

In addition, the Offeror has represented that it has sufficient funds, or adequate arrangements for financing in place to provide sufficient funds, to pay the cash purchase price in respect of all of the outstanding Shares and all other amounts required to be paid by the Offeror under the Support Agreement.

Conduct of Business

Inscape has made certain covenants to the Offeror, including the following:

- (a) During the Interim Period, except (i) with the prior written consent of the Offeror (such prior written consent not to be unreasonably withheld or delayed), or (ii) as is otherwise expressly permitted or specifically contemplated by the Support Agreement, Inscape shall, and shall cause its subsidiaries to, carry on their respective businesses in the Ordinary Course of Business and in compliance with all applicable Laws and Inscape shall use all commercially reasonable efforts to maintain and preserve its business organization, assets (including all material Authorizations), employees, goodwill and advantageous business relationships.
- (b) Without limiting the generality of the foregoing, Inscape has covenanted and agreed that, during the Interim Period, unless (i) the Offeror shall otherwise agree to in writing (such prior written consent not to be unreasonably withheld or delayed), (ii) expressly permitted or specifically contemplated by the Support Agreement, (iii) required by applicable Law, or (iv) as otherwise set forth in the Disclosure Letter (as defined in the Support Agreement) or in accordance with plans previously disclosed in the Inscape Public Documents, Inscape shall, and shall cause its subsidiaries to (among other things): (i) not amend its articles of incorporation, by-laws or other comparable organizational documents or the terms of any outstanding securities, including any outstanding indebtedness; (ii) not issue or sell or agree to issue or sell any securities (including Shares or MVS Shares), or redeem, offer to purchase, purchase or cause to be purchased any of its outstanding securities; (iii) without limiting the preceding clause, not authorize, approve, agree to issue, issue or award any Options under the Option Plan, DSUs under the DSU Plan, Share Awards under the Performance and Restricted Unit Plan or any other Convertible Securities; (iv) not authorize, approve, agree to issue, issue or award any Shares or MVS Shares in connection with the exercise of any Options under the Option Plan, DSUs under the DSU Plan, Share Awards under the Performance and Restricted Share Unit Plan, except, with the written consent of the Offeror, with respect to: (A) the issuance of shares upon the exercise of any outstanding Options or (B) any offer to redeem or purchase the Options, RSUs, or PSUs provided, however, that forgoing shall not limit the ability of Inscape to redeem for cancellation any outstanding Options, RSUs or PSUs solely for the purpose of giving effect to the transactions contemplated by the Support Agreement; (v) not authorize, approve, agree to issue, issue or award any Shares or MVS Shares in connection with the exercise of any Options under the Option Plan except, with the written consent of the Offeror, any offer to redeem or purchase the Options, RSUs, or PSUs provided, however, that forgoing shall not limit the ability of Inscape to redeem for cancellation any outstanding Options, RSUs or PSUs solely for the purpose of giving effect to the transactions contemplated by the Support Agreement; (vi) not acquire or commit to acquire any assets or group of related assets (through one or more related or unrelated acquisitions) having a value in excess of \$100,000 in the aggregate; (vii) subject to certain exceptions, not sell,

lease, option, encumber or otherwise dispose of, or allow any third-party to encumber for a period of five (5) Business Days without contesting in good faith, any assets or group of related assets (through one or more related or unrelated transactions) having a value in excess of \$50,000 in the aggregate; (viii) subject to certain exceptions, not incur, or commit to, capital expenditures in excess of \$50,000 in the aggregate; (ix) except for the Interim Loan (A) not incur or commit to incur any indebtedness for borrowed money, except for the borrowing of working capital in the Ordinary Course of Business or issue any debt securities, (B) not incur or commit to incur, or guarantee, endorse or otherwise become responsible for, any other material liability, obligation or indemnity or the obligation of any person other than the wholly-owned subsidiaries of Inscape, or (C) not make any loans or advances to any person other than the wholly-owned subsidiaries of Inscape; (x) not pay, discharge or satisfy any material claims, liabilities or obligations other than the payment, discharge or satisfaction, in the Ordinary Course of Business in accordance with their terms, of liabilities reflected or reserved against in Inscape's financial statements as at and for the period ended April 30, 2022, consented to by the Offeror or incurred in the Ordinary Course of Business; and (xi) not acquire or agree to acquire (by merger, amalgamation, arrangement, acquisition of stock or assets or otherwise) any person or division of any person or make any investment either by purchase of shares or securities, contributions of capital (other than to the wholly-owned subsidiaries of Inscape), property transfer or purchase of any property or assets of any other person, except for purchases of equipment in the Ordinary Course of Business, and except for capital expenditures permitted by the Support Agreement.

Inscape has also agreed to notify the Offeror of any Material Adverse Change and of any material governmental or third-party complaints (other than those made in the Ordinary Course of Business), investigations or hearings (or communications indicating that the same may be contemplated).

Other Covenants

Each of Inscape and the Offeror have agreed to a number of mutual covenants, including to (i) give prompt written notice to the other of the occurrence, or failure to occur, at any time from the date of the Support Agreement until the earlier to occur of the termination of the Support Agreement and the Effective Time of any event or state of facts of which it is aware which occurrence or failure would, or would be reasonably likely to (a) cause any of the representations or warranties of any party contained in the Support Agreement to be untrue or inaccurate in any material respect, or (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by either party under the Support Agreement prior to the Expiry Time or the Effective Time; (ii) use its commercially reasonable efforts to take, or cause to be taken, all reasonable actions and to do, or cause to be done, all things reasonably necessary, proper or advisable to consummate and make effective as promptly as practicable any Contemplated Transactions undertaken by the Offeror and/or its affiliates and to cooperate with each other in connection with the foregoing, including using commercially reasonable efforts: (a) to obtain all Regulatory Approvals and all other consents, approvals, clearances and authorizations as are necessary to be obtained under applicable Laws; (b) to defend all lawsuits or other legal proceedings challenging the Support Agreement or the consummation of the Contemplated Transactions; (c) to cause to be lifted or rescinded any injunction or restraining order or other order adversely affecting the ability of the parties to consummate the Contemplated Transactions; (d) to effect all necessary registrations and other filings and submissions of information or responses to information requests as may be requested by Governmental Entities or required under any applicable securities Laws, or any other Laws; (e) to execute and deliver such documents as the other parties may reasonably require; (f) to fulfil all conditions within its power and satisfy all provisions of the Support Agreement and the Offer; (g) to manage stakeholder communications and engagement and address any questions any Government Official or Governmental Entity may have in connection with the consummation of the Contemplated Transactions; and (h) to not take any action which would render, or which may reasonably be expected to render, untrue or inaccurate (without giving effect to, applying or taking into consideration any materiality or Material Adverse Change qualification already contained within such representation or warranty) in any material respect any of such party's respective representations and warranties set forth in the Support Agreement.

In addition, upon reasonable notice, Inscape has agreed to, and to cause its Representatives to, provide the Offeror and its Representatives with reasonable access (without material disruption to the conduct of Inscape's business and subject to any applicable competition laws) during normal business hours to all books, records, information, corporate

charts, tax documents, filings, memoranda, working papers and files and all other materials in its possession and control and access to the personnel of and counsel to Inscape and the subsidiaries on an as reasonably requested basis as well as reasonable access to the properties of Inscape and the subsidiaries and Inscape has agreed to assist the Offeror with any such filings or information requests from any Governmental Entity upon request by the Offeror.

Directors' and Officers' Insurance and Indemnification

From and after the Effective Time, the Offeror agreed that for the period from the Effective Time until six (6) years after the Effective Time, the Offeror will cause Inscape or any successor to Inscape to maintain Inscape's current directors' and officers' liability insurance policy or a policy reasonably equivalent subject in either case to terms and conditions no less advantageous to the directors and officers of Inscape than those contained in the policy in effect on the date of the Support Agreement, for all present and former directors and officers of Inscape and the subsidiaries covering claims first made prior to or within six (6) years of the Effective Time, provided, however, that the Offeror will not be required, in order to maintain or cause to be maintained such directors' and officers' liability insurance policy, to pay an annual premium in excess of 200% of the cost of the existing policy; and provided further that, if equivalent coverage cannot be obtained or can only be obtained by paying an annual premium in excess of 200% of such amount, the Offeror shall only be required to obtain or cause to be obtained as much coverage as can be obtained by paying an annual premium equal to 200% of such amount. Prior to the Effective Time, Inscape may purchase as an extension to Inscape's current directors' and officers' liability insurance policies, three (3) year run-off insurance as of the Effective Time providing such coverage for such persons on terms comparable to those contained in Inscape's current insurance policies for acts and/or omissions and/or events occurring prior to the Effective Time, provided that the premium will not exceed 200% of the annual premium currently charged to Inscape for directors' and officers' liability insurance, and in such event none of the Offeror or Inscape or the subsidiaries will have any further obligation under the Support Agreement.

Outstanding Inscape Options and Share Awards

The Offeror and Inscape agreed in the Support Agreement that, between the date of the Support Agreement and the Effective Time, Inscape shall: (i) not grant any additional Shares, MVS Shares, Options, Share Awards, and DSUs or other rights to purchase or acquire Shares or MVS Shares, or make any amendments to outstanding Options, Share Awards and DSUs without the prior written consent of the Offeror, (ii) take such actions as may be necessary to ensure that any outstanding Options, Share Awards and DSUs shall either be cancelled or otherwise dealt with in a manner satisfactory to the Offeror prior to the Effective Time and (iii) promptly notify the Offeror in writing of any exercise or cancellation of Options, RSUs, or PSUs. Such notice shall include full particulars of each such exercise. The Offeror understands that there are no Convertible Securities outstanding other than the Options.

Change of Control Payments

The Offeror agreed that, following the Effective Time, it will cause Inscape and each of its subsidiaries and all of their respective successors to honour and comply with the terms of all employment agreements, termination, severance, change of control and retention agreements, other agreements that include payments required in connection with a change of control of Inscape, and plans or policies of Inscape and its subsidiaries that are disclosed in Section 2.8 of the Disclosure Letter and to effect payment in full for all payments that are required to be made by Inscape or its subsidiaries pursuant to such agreements, plans and policies in accordance with such agreements, plans and policies.

Outstanding Inscape Securities

Under the Support Agreement, Inscape has agreed to cancel all unexercised Options and has entered into Option cancellation agreements with each holder of Options, RSUs, and PSUs (the "**Cancellation Agreements**"). Subject to the terms of each Cancellation Agreement, the Company expects that all Convertible Securities and Share Awards will be cancelled and forfeited by the holders thereof as of the date on which the Offeror first pays for Shares under the Hilco Offer, without any compensation to such holders.

Compulsory Acquisition and Subsequent Acquisition Transaction

The Support Agreement provides that if the Offeror takes up and pays for Shares under the Hilco Offer, at the Offeror's request, the Company will provide commercially reasonable information and assistance to the Offeror in connection with the completion of a Compulsory Acquisition or a Subsequent Acquisition Transaction to acquire the remaining Shares, provided, among other things, that the consideration per Share offered in connection with the Subsequent Acquisition Transaction shall not be less than the Offer Price and shall be in the same form as under the Hilco Offer.

11. Lock-Up Agreements

The Offeror has entered into the Lock-Up Agreements with the Locked-Up Shareholders, under which the Locked-Up Shareholders have agreed to tender to the Hilco Offer, subject to the termination rights described below, an aggregate of 11,660,282 Shares, representing approximately 81.1% of Inscap's issued and outstanding Shares (collectively, the "**Locked-Up Shares**"), being all the Shares beneficially owned by the Locked-Up Shareholders or over which they exercise control or direction. The Lock-Up Agreements do not permit the Locked-Up Shareholders to accept an Acquisition Proposal other than the Offer.

The Locked-Up Shareholders are Eric Ehgoetz (Director and CEO), Jonathan Szczur (CFO), Tania Bortolotto (Director), David LaSalle (Director), Bullish Management Ltd., Perlus Microcap Fund L.P., Pender Growth Fund Inc., and PenderFund Capital Management Ltd. (as trustee and manager of (i) Pender Small Cap Opportunities Fund and (ii) Pender Alternative Special Situations Fund).

The following is a summary of certain provisions of the Lock-Up Agreements. It is subject to, and is qualified in its entirety by reference to, the full text of all of the provisions of the Lock-Up Agreements. The Lock-Up Agreements have been filed by Inscap with the Canadian securities regulatory authorities and are available on SEDAR at www.sedar.com. Capitalized terms used in this Section 11, but not otherwise defined, have the meanings given to them in the Lock-Up Agreements.

Each Locked-Up Shareholder has agreed to:

- (a) not, directly or indirectly through its Representatives or otherwise, (i) make, solicit, assist, initiate, knowingly encourage, promote or otherwise facilitate (including by way of furnishing, providing access to or disclosing information, permitting any visit to any facilities or properties of Inscap or any of its Subsidiaries or entering into any form of written or oral agreement, arrangement or understanding) any bona fide inquiries, proposals or offers that constitute or may reasonably be expected to constitute or lead to an Acquisition Proposal or (ii) participate or engage in any discussions or negotiations regarding, or provide any information with respect to, or otherwise co-operate in any way with, or assist or participate in, encourage or otherwise facilitate, any effort or attempt by any other person that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal;
- (b) immediately cease and terminate, or cause to be ceased and terminated, any existing solicitation, assistance, discussion, encouragement, negotiation or process with or involving any person (other than the Offeror and its affiliates) commenced prior to the date of the Lock-Up Agreement with respect to or which could reasonably be expected to lead to an Acquisition Proposal, whether or not initiated by the Securityholder or any of its Representatives;
- (c) promptly notify the Offeror, at first orally and then in writing (and in any event within 24 hours after receipt) of any proposal, inquiry, offer or request that constitutes an Acquisition Proposal after the date of Lock-Up Agreement, or any request for non-public information relating to Inscap or any of its Subsidiaries or for access to properties, books and records or a list of securityholders of Inscap;
- (d) not grant an option on, sell, transfer, pledge, gift, assign, encumber, convey, hypothecate, grant any Encumbrance on or otherwise dispose of any right or interest in any of the Securityholder's Securities or enter into any forward sale, repurchase agreement or other monetization transaction with respect to any of the Securityholder's Securities, or any right or interest therein (legal or

- equitable), to any person or group (except to the Offeror or any of its affiliates) or agree to do any of the foregoing, other than the exercise of any Options pursuant to the terms thereof;
- (e) not grant or agree to grant any proxy, power of attorney or other right to vote the Securityholder's Securities, or enter into any voting agreement, voting trust, vote pooling or other agreement, commitment, understanding or arrangement (oral or written) with respect to the right to vote, or give consents or approvals of any kind, in respect of any of the Securityholder's Securities;
 - (f) not requisition or join in any requisition of any meeting of holders of Shares;
 - (g) not tender or vote, or cause to be tendered or voted, any of the Securityholder's Securities in favour of any Acquisition Proposal;
 - (h) vote or cause to be voted all of the Securityholder's Securities (to the extent such Securityholder Securities are entitled to vote) against any proposed action by Inscape or any of its Subsidiaries or shareholders in furtherance of any Acquisition Proposal or that might reasonably be regarded as likely to prevent, impede, delay, interfere, postpone or discourage the successful completion of the Offer or any other Contemplated Transactions;
 - (i) not take any other action of any kind, directly or indirectly, that (i) would make any representation or warranty of the Securityholder contained herein untrue or incorrect or (ii) might reasonably be regarded as likely to prevent, impede, delay, interfere, postpone or discourage the successful completion of the Offer or any other Contemplated Transactions;
 - (j) irrevocably waive, and agree not to exercise, any rights of appraisal or rights of dissent that the Securityholder may have with respect to the Securityholder's Securities;
 - (k) not commence or participate in, and shall, and hereby agrees to, take all actions necessary to opt out of any class in any class action with respect to, any claim, derivative or otherwise, against Inscape or the Offeror or any of their respective affiliates or successors relating to the negotiation, execution and delivery of the Support Agreement;
 - (l) promptly notify the Offeror of the number of any new Shares acquired by the Securityholder after the date hereof and all such new Shares shall be deemed to be Securityholder's Securities and will be subject to the terms of the Lock-Up Agreement as though owned by the Securityholder as of the date hereof; and
 - (m) execute any and all documents and perform any and all commercially reasonable acts, including making any requisite regulatory filings, to satisfy all of its obligations under the Lock-Up Agreement.

Each Lock-Up Agreement may be terminated upon:

- (a) the written agreement of the Offeror and the Securityholder to terminate the Lock-Up Agreement;
- (b) the Offer being terminated or withdrawn;
- (c) the Expiry Time occurring;
- (d) the Outside Date occurring without the Shares deposited to the Offer having been taken up by the Offeror;
- (e) written notice from the Offeror to the Securityholder if the Securityholder is in material breach of any representation, warranty or covenant of the Securityholder contained in the Lock-Up Agreement and such breach has not been cured within five (5) Business Days of written notice of such breach being given; or
- (f) written notice from the Securityholder to the Offeror if:

- (i) the Offeror has not mailed the Offer Documents by the date that is 21 days after the date of the Lock-Up Agreement;
- (ii) the Offeror is in material breach of any representation, warranty or covenant of the Offeror contained in the Lock-Up Agreement and such breach has not been cured within five (5) Business Days of written notice of such breach being given; or
- (iii) the Offeror has, without the prior written consent of the Securityholder, decreased the Offer Price or changed the form of the consideration payable for the Shares.

12. Ownership of Securities of Inscape

Inscape is authorized to issue an unlimited number of Class B Subordinated Voting Shares (sometimes referred to herein as the “**Shares**”), of which 14,380,701 are issued and outstanding as of the date hereof, and up to 7,670,881 MVS Shares, of which Nil (0) are issued and outstanding as of the date hereof.

As of the date hereof, the only Convertible Securities of the Company were 405,179 Options issued and outstanding to acquire 405,179 Shares (none of which were in-the-money) and the only Share Awards outstanding were 344,623 RSUs issued and outstanding, and 344,623 PSUs issued and outstanding. The Shares are listed and posted for trading on the TSX under the symbol “INQ”. On November 22, 2022, the closing price of the Shares on the TSX was \$0.03.

The following table sets out the names and positions of each Director and officer of Inscape and the number and percentage of Shares, Options, RSUs, and PSUs beneficially owned or over which control or direction is exercised by each such person and, where known after reasonable enquiry, by each associate and affiliate of any insider of Inscape, each associate and affiliate of Inscape, any insider of Inscape other than a Director or officer of Inscape and each person or company acting jointly or in concert with Inscape as of November 22, 2022.

Name	Position	Number and Percentage of Class B Subordinated Voting Shares	Number and Percentage of Options	Number and Percentage of RSUs	Number and Percentage of PSUs
Eric Ehgoetz	Chief Executive Officer	24,860 (0.17%)	187,500 (46.28%)	Nil (0%)	Nil (0%)
Jon Szczur	Chief Financial Officer	Nil (0%)	75,000 (18.52%)	145,889 (42.34%)	145,889 (42.34%)
David LaSalle ⁽¹⁾	Director	2,174,600 (15.12%)	30,000 (7.40%)	Nil (0%)	Nil (0%)
Tania Bortolotto	Director	23,500 (0.16%)	30,000 (7.40%)	Nil (0%)	Nil (0%)
Tracy Tidy ⁽²⁾	Director	7,927,321 (55.12%)	Nil (0%)	Nil (0%)	Nil (0%)
Neil McDonnell	Independent Director	Nil (0%)	Nil (0%)	Nil (0%)	Nil (0%)
Bartley Bull ⁽³⁾	Former Director	1,510,001 (10.50%)	Nil (0%)	Nil (0%)	Nil (0%)
Dennis Dyke	Vice President (Supply Chain)	8,200 (0.057%)	82,679 (20.40%)	117,701 (34.15%)	117,701 (34.15%)
Laura Barski	Vice President (Marketing and Product)	Nil (0%)	Nil (0%)	81,033 (23.51%)	81,033 (23.51%)
Total:		14,380,701	405,179	344,623	344,623

Notes:

⁽¹⁾ Mr. Lasalle controls shares held through Perlus Microcap Fund L.P.

⁽²⁾ 7,927,321 Shares are held by Pender Growth Fund Inc. and certain funds for which PenderFund Capital Management Ltd. acts as trustee and manager (collectively, “**Pender**”). Ms. Tidy is an employee of Pender and does not exercise control or direction over such shares. Ms. Tidy was nominated for election as a director by Pender, the majority Shareholder of Inscape.

⁽³⁾ 1,510,001 Shares are held by Mr. Bull through Bullish Management Ltd., a company under his control and direction.

13. Trading in Securities of Inscape

None of Inscape or the Directors or officers of Inscape or, to their knowledge after reasonable enquiry, any associate or affiliate of any insider of Inscape, any associate or affiliate of Inscape, any insider of Inscape other than a Director or officer of Inscape or any person or company acting jointly or in concert with Inscape, has engaged in any transaction in securities of Inscape during the six-month period preceding the date of this Directors' Circular.

14. Issuances of Securities of Inscape to the Directors, Officers and other Insiders

The following table sets out the Shares and securities convertible into Shares that have been issued to the Directors, officers and other insiders of Inscape during the two-year period preceding the date of this Directors' Circular.

Name	Position	Nature of Issue	Class of Securities Issued	Number of Securities Issued	Price Per Share ⁽¹⁾	Date Issued
Bartley Bull	Former Director	Grant of Options	Options	7,500	NA	March 2020
		Grant of Options	Options	7,500	NA	December 2020
		Grant of Options	Options	7,500	NA	December 2021
David Lasalle	Director	Grant of Options	Options	7,500	NA	March 2020
		Grant of Options	Options	7,500	NA	December 2020
		Grant of Options	Options	7,500	NA	December 2021
Dezso Horvath	Former Director	Grant of Options	Options	7,500	NA	March 2020
		Grant of Options	Options	7,500	NA	December 2020
		Grant of Options	Options	7,500	NA	December 2021
Eric Ehgoetz	Director and CEO	Grant of Options	Options	7,500	NA	March 2020
		Grant of Options	Options	7,500	NA	December 2020
		Grant of Options	Options	150,000	NA	September 2021
		Grant of Options	Options	7,500	NA	December 2021
Jon Szczur	CFO	Grant of Options	Options	75,000	NA	December 2021
Quentin Kong	Former Director	Grant of Options	Options	7,500	NA	March 2020
		Grant of Options	Options	7,500	NA	December 2020
		Grant of Options	Options	7,500	NA	December 2021
Tania Bortolotto	Director	Grant of Options	Options	7,500	NA	March 2020
		Grant of Options	Options	7,500	NA	December 2020
		Grant of Options	Options	7,500	NA	December 2021

Notes:

⁽¹⁾ Options granted to Former Directors have been cancelled following their departure. All remaining Options are "out of the money" and will be cancelled pursuant to Cancellation Agreements executed between each applicable Option holder and Hilco. See the section of this Directors' Circular entitled "*Outstanding Inscape Securities*".

15. Arrangements Between Inscape and its Directors and Officers

Other than as described below or elsewhere in this Directors' Circular, no agreement, commitment or understanding has been made, or is proposed to be made, between Inscape and any of its Directors or officers, including any agreement, commitment or understanding pursuant to which a payment or other benefit is proposed to be made or given by way of compensation for loss of office or as to their remaining in or retiring from office if the Hilco Offer is successful.

Termination and Change of Control Benefits

Inscape has entered into employment agreements with Eric Ehgoetz and Jon Szczur in connection with each of their respective services as executive officers of Inscape, which provide for payments to each of them in connection with termination, retirement, or change of control of Inscape, as described below. The terms of the employment agreements for Mr. Ehgoetz and Mr. Szczur are described in the management information circular of Inscape dated July 29, 2022, which is available on SEDAR at www.sedar.com.

Eric Ehgoetz, Chief Executive Officer

Termination without Cause

Pursuant to the terms of Mr. Ehgoetz's employment agreement, in the event that Mr. Ehgoetz's employment is terminated by Inscape without just cause, Mr. Ehgoetz is entitled to a severance payment equal to six months base salary and a continuation of benefits, such as medical and dental benefits, during that time period.

Treatment of Options

As a condition of the Hilco Offer, Mr. Ehgoetz executed an option cancellation agreement with Inscape, pursuant to which all of Mr. Ehgoetz's options will be cancelled for no cash consideration, all conditional upon completion of the Hilco Offer.

Jon Szczur, Chief Financial Officer

Termination without Cause

Pursuant to the terms of Mr. Szczur's employment agreement, in the event that Mr. Szczur's employment is terminated by Inscape without just cause, Mr. Szczur is entitled to a severance payment equal to six months base salary and a continuation of benefits, such as medical and dental benefits, during that time period.

Treatment of Options, RSUs and PSUs

As a condition of the Hilco Offer, Mr. Szczur executed a cancellation agreement with Inscape, pursuant to which all of Mr. Szczur's options, RSUs, and PSUs will be cancelled for no cash consideration, all conditional upon completion of the Hilco Offer.

Estimated Incremental Payment on Termination Without Cause

The estimated incremental payments and benefits from Inscape to each of Mr. Ehgoetz and Mr. Szczur upon termination without cause, would be approximately \$162,500 (plus benefits) and \$120,000 (plus benefits), respectively. Neither Mr. Ehgoetz nor Mr. Szczur are entitled to similar payments solely upon the occurrence of a change of control of Inscape.

16. Arrangements Between Hilco and Securityholders of Inscape

Other than the Lock-Up Agreements, Inscape is not aware of any agreement, commitment or understanding made or proposed to be made between Hilco (or its affiliates) and a securityholder of Inscape relating to the Hilco Offer.

17. Relationship Between Hilco and the Directors and Officers of Inscape

To the knowledge of Inscape, except as otherwise disclosed herein, there are no arrangements, commitments or understandings made or proposed to be made between Hilco (or its affiliates) and any of the Directors or officers of Inscape, including any arrangements, commitments or understandings pursuant to which a payment or other benefit is proposed to be made or given by way of compensation for loss of office or as to Inscape's Directors or officers remaining in or retiring from office if the Hilco Offer is successful. No Directors or officers of Inscape are also directors or officers of Hilco or any of its subsidiaries.

18. Interests in Material Contracts of Hilco

None of the Directors or officers of Inscape or any of their respective associates or, to their knowledge after reasonable enquiry, any person or company who owns more than 10% of the Shares has any interest in any material transaction to which Hilco (or its affiliates) is a party.

19. Ownership of Securities of Hilco

None of Inscape or the Directors or officers of Inscape or, to their knowledge after reasonable enquiry, any associate or affiliate of any insider of Inscape, any associate or affiliate of Inscape, any insider of Inscape other than a Director or officer of Inscape or any person or company acting jointly or in concert with Inscape, beneficially owns, or exercises control or direction over, any securities of Hilco.

20. Other Transactions

Other than as described or referred to in the Hilco Offer and Circular or in this Directors' Circular, no negotiations are underway which relate to or would result in (a) an extraordinary transaction such as a merger or reorganization involving Inscape or any of its subsidiaries, (b) the purchase, sale or transfer of a material amount of assets by Inscape or any of its subsidiaries, (c) a competing take-over bid, (d) a bid by Inscape for its own securities or for those of another issuer, or (e) any material change in the present capitalization or dividend policy of Inscape.

Other than as described or referred to in this Directors' Circular, there is no transaction, Board resolution, agreement in principle or signed contract of Inscape which has occurred in response to the Hilco Offer and that related to one of the matters set forth in the preceding paragraph.

21. Material Changes in the Affairs of Inscape

Except as described in this Directors' Circular, no information is known to the Directors or officers of Inscape that indicates any material change in the affairs of Inscape since September 8, 2022, the date of the last published interim financial report of Inscape.

22. Other Information

Except as described in this Directors' Circular, no information is known to the Directors of Inscape that would reasonably be expected to affect the decision of Shareholders to accept or reject the Hilco Offer.

23. Statutory Rights

Securities legislation in the provinces and territories of Canada provides security holders of Inscape with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to those security holders. However, such rights must be exercised within prescribed time limits. Security holders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

24. Directors of Inscape

The directors of Inscape are as follows: Neil McDonnell (Chair), Tracy Tidy, David LaSalle, Eric Ehgoetz, and Tania Bortolotto.

25. Approval of Directors' Circular

The content of this Directors' Circular has been approved and its sending has been authorized by the Board.

CONSENT OF EVANS & EVANS, INC.

Dated: November 25, 2022

To the Board of Directors of Inscape Corporation.

We hereby consent to the references to our firm name and to the references to our fairness opinion dated October 28, 2022 (the “**Opinion**”), contained under the headings “Summary”, “Analysis and Reasons for the Board’s Conclusion and Recommendation”, “Opinion of the Financial Advisor” and “Background to the Hilco Offer” within the Directors’ Circular of Inscape Corporation (“**Inscape**”) dated November 25, 2022 (the “**Circular**”), and to the inclusion of the text of the Opinion as Schedule A to the Circular. The Opinion was given as at October 28, 2022 and remains subject to the assumptions, qualifications and limitations contained therein. In providing our consent, we do not intend that any person other than the Directors of Inscape shall be entitled to rely upon the Opinion.

(Signed) “EVANS & EVANS, INC.”

Evans & Evans, Inc.

CERTIFICATE OF INSCAPE CORPORATION

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Dated: November 25, 2022

On behalf of the Board of Directors

(Signed) "Eric Ehgoetz"
Director

(Signed) "Neil McDonnell"
Director

SCHEDULE A
OPINION OF EVANS & EVANS, INC.
(SEE ATTACHED)

EVANS & EVANS, INC.

SUITE 130, 3RD FLOOR, BENTALL II, 555 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA
CANADA V7X 1M8

19TH FLOOR, 700 2ND STREET SW
CALGARY, ALBERTA
CANADA T2P 2W2

6TH FLOOR, 176 YONGE STREET
TORONTO, ONTARIO
CANADA M5C 2L7

October 28, 2022

INSCAPE CORPORATION

67 Toll Road
Holland Landing, Ontario L9N 1H2

Attention: Special Committee of the Board of Directors

Dear Sirs / Mesdames:

Subject: Fairness Opinion

1.0 Introduction

- 1.01 Evans & Evans, Inc. (“Evans & Evans” or the “authors of the Opinion”) was engaged by the Special Committee (the “Committee”) of the Board of Directors (the “Board”) of Inscape Corporation (“Inscape” or the “Company”) to prepare a Fairness Opinion (the “Opinion”) with respect to the planned sale of 100% of the issued and outstanding shares (“Proposed Transaction”) of Inscape to Hilco Capital Limited (“Hilco” or the “Purchaser Parent”) in exchange for cash.

Evans & Evans has been requested by the Committee to prepare the Opinion to provide an independent opinion as to the fairness of the Consideration (as defined in section 1.04 below), from a financial standpoint to the shareholders of Inscape (the “Inscape Shareholders”) as at October 28, 2022.

Inscape is a designer and manufacturer of furnishings and movable wall systems for the workplace. The Company’s shares are listed for trading on the Toronto Stock Exchange (the “Exchange”) under the symbol “INQ”. Hilco is a private equity investment arm of Hilco Trading, LLC, specializing in restructuring of distressed investment, refinancing or acquisition of under-performing businesses.

- 1.02 Unless otherwise noted, all monetary amounts referenced herein are Canadian dollars.
- 1.03 The Company was incorporated in Canada under the laws and regulations of the *Canada Business Corporations Act*. It operates through two segments - the Furniture segment includes storage, benching, systems and seating products, and the Walls segment includes architectural and movable walls. The Company serves its clients through a network of dealers and representatives. Founded in 1888, the Company’s products are manufactured in two facilities: a 313,000 square foot plant in Holland Landing, Ontario, and a 30,000 square foot plant in Jamestown, New York, USA. Inscape has three showrooms, located in Chicago, New York and Washington, DC.

INSCAPE CORPORATION

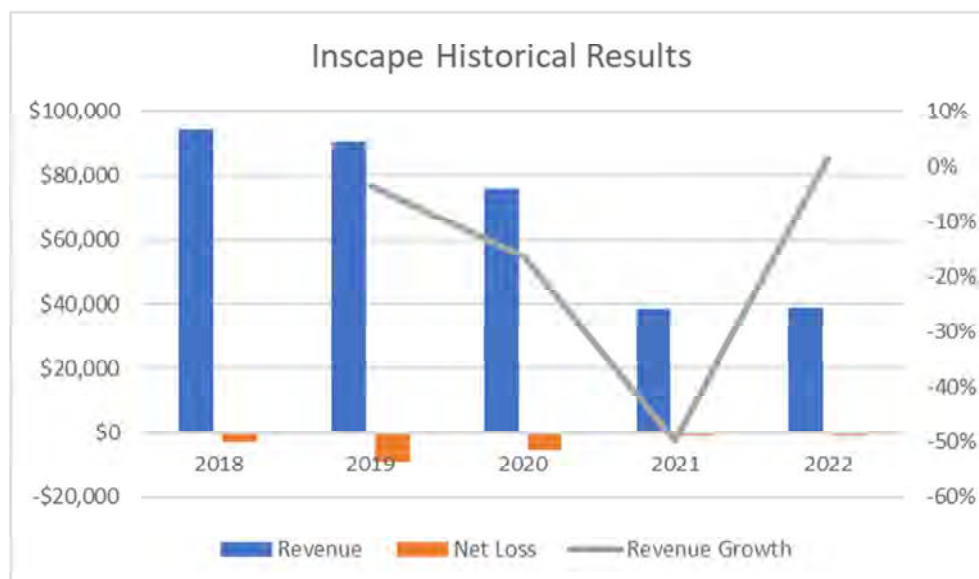
October 28, 2022

Page 2**Financial Results**

Inscape's fiscal year ("FY") ends on April 30. As can be seen from the following chart, for FYs 2018 to 2022, the Company's revenues have ranged between \$38.2 and \$99.9 million. For FY2021, revenues dropped substantially to \$38.2 million, a decline of 49.6%, mainly due to the impact of COVID-19, which reduced the customer demand and disrupted supply logistics. For FY2022, revenue increased by 1.4% to \$38.7 million as the business gradually rebound after the restrictions of COVID-19 lessened.

The Company generated a cumulative loss of approximately \$18.9 million for FYs 2018 to 2022. In FY2022, the Company incurred a net loss of \$0.8 million, compared to a net loss of \$0.9 million in FY2021. Inscape realized significant gains on the sale and leaseback of the Holland Landing head office property and on the sale of the adjacent unused land in FY2022. With the exclusion of these gains, in addition to other items such as stock-based compensation and severance expenses, FY2022 had an adjusted net loss before taxes of \$16.5 million.

In FY2021, the Company's sales were significantly lowered due largely to the impact of the COVID-19 pandemic, however there were significant unrealized gains related to derivative contracts, other income from tranche 2 forgivable government loan proceeds were received, and a deferred tax recovery related to assets held for sale. With the exclusion of these items in addition to other items such as stock-based compensation and severance expenses, FY2021 had an adjusted net loss before taxes of \$13.0 million compared with adjusted net loss before taxes of \$5.2 million in FY2020.



The two business segments for the Company are Furniture and Walls, accounting for approximately 74% and 26% of total revenues for FY 2022 respectively. A majority of the Company's revenue are derived from the US region, at approximately 95% of total revenue in FY2022.

INSCAPE CORPORATION

October 28, 2022

Page 3**Financial Position**

As at September 30, 2022, Inscape had cash-free debt-free working capital of approximately \$4.5 million and approximately \$27.9 million debt¹. The below table shows the key ratios of the Company as of September 30, 2022. As of the date of the Opinion, the Company's financial position had declined, and the cash position was nil.

(in thousands of Canadian Dollars)	As at Sept 30,		For the fiscal years ending April 30,			
	2022	2022	2021	2020	2019	2018
Cash-Free Debt-Free Net Working Capital	4,529	5,898	7,747	4,807	5,537	9,832
% of LTM Revenue	11.6%	15.2%	20.3%	6.3%	6.1%	10.5%
Current Ratio	1.5 x	2.1 x	1.3 x	1.3 x	1.4 x	2.0 x
Long Term Debt to Equity Ratio	6.4 x	1.9 x	0.7 x	0.2 x	0.0 x	0.0 x
Total Debt to Equity	7.0 x	2.0 x	1.3 x	0.6 x	0.0 x	0.0 x

Capital Structure

The capital structure of the Company is summarized as below.

	No. of issued and outstanding shares as of the date of the Opinion
Class A multiple voting	-
Class B subordinated voting	14,380,701
Total	14,380,701

The Class B subordinated voting shares ("Class B shares") are listed and posted for trading on the Exchange. As of April 30, 2022, the Company had issued and outstanding share options of 520,145, which were issued as a long-term incentive plan to the employee. The options are convertible into Class B shares at exercise prices ranging from \$0.78 to \$4.02. All of options are out of the money as of the date of the Opinion.

1.04 As of the date of the Opinion, Evans & Evans had been provided with a proposal (the "Proposal") issued by the Purchaser to the Company. The Proposal sets out the key terms of the Proposed Transaction as outlined below. As of the date of the Opinion, the Proposed Transaction had not been publicly announced.

- The Purchaser will make a formal offer to acquire 100% of the issued share capital of Inscape and initiate the process to take the Company private through a takeover bid for an upfront purchase price of \$0.007 per share (the "Consideration"), approximately \$100,000 in aggregate.
- The Purchaser will provide an interim secured 24-month working capital facility to the Company up to \$5,000,000 at 12% above the Canadian Prime Rate annualized, given the immediate funding requirement of the business and the time required to complete the Proposed Transaction. The termination fee is 5% of facility size.

¹ Debt includes lease liabilities only.

INSCAPE CORPORATION

October 28, 2022

Page 4

Evans & Evans was not provided with a draft definitive agreement related to the Proposed Transaction and as such can comment only on the aspects of the Proposed Transaction as outlined above.

- 1.05 The Committee retained Evans & Evans to act as an independent advisor to the Committee and to prepare and deliver the Opinion to the Committee and the Board to provide an independent opinion as to the fairness of the Proposed Transaction, from a financial point of view, to the Inscope's shareholders as at the date of the Opinion.

2.0 Engagement of Evans & Evans, Inc.

- 2.01 Evans & Evans was formally engaged by the Committee pursuant to an engagement letter signed October 18, 2022 (the "Engagement Letter") to prepare the Opinion.
- 2.02 The Engagement Letter provides the terms upon which Evans & Evans has agreed to provide the Opinion to the Committee. The terms of the Engagement Letter provide that Evans & Evans is to be paid a fixed professional fee for its services. In addition, Evans & Evans is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by Inscope in certain circumstances. The fee established for the Opinion is not contingent upon the opinions presented.
- 2.03 Evans & Evans has no present or prospective interest in Inscope or the Purchaser Parent, or any entity that is the subject of this Opinion, and we have no personal interest with respect to the parties involved.

3.0 Scope of Review

- 3.01 In connection with preparing the Opinion, Evans & Evans has reviewed and relied upon, or carried out, among other things, the following:
- Interviewed management on several occasions to understand the current position of the Company, short-term expectations, and the rationale for the Proposed Transaction.
 - Reviewed the Company's website www.myinscape.com.
 - Reviewed the Proposal dated October 5, 2022, prepared by the Purchaser Parent.
 - Reviewed the Company's consolidated financial statements for the years ended April 30, 2019 to 2022 as audited by Deloitte LLP of Toronto, Ontario.
 - Reviewed the unaudited interim financial statements of the Company for the quarter ended July 31, 2022.
 - Reviewed the unaudited consolidated financial statements of the Company for the five months ended September 30, 2022

INSCAPE CORPORATION

October 28, 2022

Page 5

- Reviewed the Company's annual reports for FYs 2019 to 2022.
- Reviewed management-prepared documents for the Special Committee meeting dated May 3, 2022, which include liquidation value analysis of Inscape.
- Reviewed management-prepared documents for Board of Directors meetings dated July 14, 2022 and September 7, 2022, which includes minutes, CEO's overview, market update, competitor assessment, supply chain update, FY2023 forecast and liquidation value analysis, etc.
- Reviewed management-prepared documents for the Audit Committee meeting dated September 7, 2022, which include FY2023 Q1 business update, variance analysis, and FY2023 forecast.
- Reviewed the FY23 Forecast Update Addendum of the Company prepared by the management.
- Reviewed the account receivable aging summary as of October 20, 2022.
- Reviewed the key terms of leasehold termination penalties as summarized by the management.
- Reviewed right of use and lease liabilities amortization breakdown as at August 31, 2022.
- Reviewed the trading price of the Company on the Exchange for the period between October 28, 2021 and October 27, 2022. As can be seen from the chart below, the Company's stock price declined significantly in 2022. The share price achieved a high of \$1.30 in December 2021 and then gradually declined to \$0.20 in October 2022. Overall, trading volumes tend to be very low, with the average daily trading volume being less than 0.7% of total issued shares in the 90-days preceding the date of the Opinion.



INSCAPE CORPORATION

October 28, 2022

Page 6

- Reviewed the Company's press releases for the 18 months preceding the date of the Opinion.
- Reviewed information on mergers & acquisitions involving companies in the office furnishings and equipment industry.
- Reviewed stock market trading data and financial information on the following companies: MillerKnoll, Inc., Interface, Inc., HNI Corporation, Kimball International, Inc., Virco Mgt. Corporation, Steelcase Inc. and DIRT Environment Solution Ltd.
- Reviewed information on the Company's market from a variety of sources.

Limitation and Qualification: Evans & Evans did not visit the Company's office.

4.0 Market Overview

- 4.01 In assessing the fairness of the Proposed Transaction as of the date of the Opinion, Evans & Evans did review the Company's market.
- 4.02 The U.S. office furniture market size was valued at USD 14.0 billion in 2021 and is expected to expand at a compound annual growth rate ("CAGR") of 5.3% from 2022 to 2030. One of the major factors impacting the market growth over the forecast period is the increasing building of households, offices, and commercial complexes. The growing number of people working from home or from remote locations is increasing the demand for home office equipment among retailers and manufacturers. Customers are attracted to smart, comfy, and flexible furniture design because of the easy and quick delivery alternatives.²
- 4.03 One of the primary factors propelling the market growth is the widespread adoption of the work-from-home ("WFH") paradigm as a result of the COVID-19 pandemic. Because of the unexpected spread of the infection and the statewide lockdown, many people are continuing to work from home, which is boosting the demand for comfortable and sturdy office furniture for home offices.²
- 4.04 Unlike home office products, demand in institutional or corporate office furniture is cyclical, with lagged fluctuations in macroeconomic trends such as employment level, construction and leasing activity in office, government and commercial building. According to a study issued by Business Institutional Furniture Manufacturers Association ("BIFMA") in May 2021, residential construction declined in 2022, and home improvement spending outpaced new construction. Home offices remain in demand. Increased remote work will reduce the need for office space and it could be five years before growth resumes.³

² <https://www.grandviewresearch.com/industry-analysis/us-office-furniture-market>

³ https://cdn.ymaws.com/www.bifma.org/resource/resmgr/forecast/ihs_economic_forecast_may_21.pdf

INSCAPE CORPORATION

October 28, 2022

Page 7

- 4.05 Given the slowing economy and the cyclical nature of the office furniture industry, softening order rates are now observed for some market players. Both MillerKnoll Inc. and Steelcase Inc. recently reported reductions in incoming order rates that occurred despite solid quarterly sales gains. MillerKnoll Inc. reported that orders for the recently completed first quarter of fiscal year 2023 declined 17% organically from a year earlier in the key Americas business unit and 11% globally. Executives of the two companies are seeing clients ease into adapting their offices to the new work environment and taking longer than expected to transition to hybrid work models.⁴

5.0 Prior Valuations

- 5.01 Inscape represented to Evans & Evans that there have been no formal valuations or appraisals relating to Inscape or any affiliate or any of its material assets or liabilities made in the preceding two years which are in the possession or control of Inscape.

6.0 Conditions and Restrictions

- 6.01 The Opinion is for the Committee's internal use only. The Opinion may be shared with the Committee's legal advisors, the Board and management of Inscape at the discretion of the Committee. The final Opinion is intended for placement on Inscape's file. The final Opinion may be included in any materials provided to the Company's shareholders. The final Opinion may be shared with the court approving the Proposed Transaction.
- 6.02 The Opinion may not be issued to any international stock exchange and/or regulatory authority beyond the Exchange.
- 6.03 The Opinion may not be issued and/or used to support any type of value with any other third parties, legal authorities, nor stock exchanges, or other regulatory authorities, nor any tax authority. Nor can it be used or relied upon by any of these parties or relied upon in any legal proceeding and/or court matter.
- 6.04 Any use beyond that defined above is done so without the consent of Evans & Evans and readers are advised of such restricted use as set out above.
- 6.05 The Opinion should not be construed as a formal valuation or appraisal of Inscape or its securities or assets. Evans & Evans, has, however, conducted such analyses as we considered necessary in the circumstances.
- 6.06 In preparing the Opinion, Evans & Evans has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by the Company. Evans & Evans has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information.

⁴ <https://mibiz.com/sections/manufacturing/return-to-office-uncertainty-softening-orders-for-furniture-giants>

INSCAPE CORPORATION

October 28, 2022

Page 8

Publicly available information deemed relevant for the purpose of the analyses contained in the Opinion has also been used.

The Opinion is based on: (i) our interpretation of the information which Inscape, as well as its representatives and advisers, have supplied to-date; (ii) our understanding of the terms of the Proposed Transaction; and (iii) the assumption that the Proposed Transaction will be consummated in accordance with the expected terms.

- 6.07 The Opinion is necessarily based on economic, market and other conditions as of the date hereof, and the written and oral information made available to us until the date of the Opinion. It is understood that subsequent developments may affect the conclusions of the Opinion, and that, in addition, Evans & Evans has no obligation to update, revise or reaffirm the Opinion.
- 6.08 Evans & Evans denies any responsibility, financial, legal, or other, for any use and/or improper use of the Opinion however occasioned.
- 6.09 Evans & Evans is expressing no opinion as to the price at which any securities of Inscape will trade on any stock exchange at any time.
- 6.10 Evans & Evans is expressing no opinion as to whether any alternative transaction might have been more beneficial to the Inscape Shareholders.
- 6.11 Evans & Evans reserves the right to review all information and calculations included or referred to in the Opinion and, if it considers it necessary, to revise part and/or its entire Opinion and conclusion in light of any information which becomes known to Evans & Evans during or after the date of this Opinion.
- 6.12 In preparing the Opinion, Evans & Evans has relied upon a letter from management of Inscape confirming to Evans & Evans in writing that the information and management's representations made to Evans & Evans in preparing the Opinion are accurate, correct, and complete, and that there are no material omissions of information that would affect the conclusions contained in the Opinion.
- 6.13 Evans & Evans has based its Opinion upon a variety of factors. Accordingly, Evans & Evans believes that its analyses must be considered as a whole. Selecting portions of its analyses or the factors considered by Evans & Evans, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. Evans & Evans' conclusions as to the fairness, from a financial point of view to the Inscape Shareholders of the Proposed Transaction were based on its review of the Proposed Transaction taken as a whole, in the context of all of the matters described under "Scope of Review", rather than on any particular element of the Proposed Transaction or the Proposed Transaction outside the

INSCAPE CORPORATION

October 28, 2022

Page 9

context of the matters described under “Scope of Review”. The Opinion should be read in its entirety.

- 6.14 Evans & Evans was not requested to, and we did not, solicit indications of interest or proposals from third parties regarding a possible acquisition of or merger with the Company. Our opinion also does not address the relative merits of the Proposed Transaction as compared to any alternative business strategies or transactions that might exist for the Company, the underlying business decision of the Company to proceed with Proposed Transaction, or the effects of any other transaction in which the Company will or might engage.
- 6.15 Evans & Evans expresses no opinion or recommendation as to how any Inscape Shareholder should vote or act in connection with the Proposed Transaction, any related matter, or any other transactions. We are not experts in, nor do we express any opinion, counsel, or interpretation with respect to, legal, regulatory, accounting or tax matters. We have assumed that such opinions, counsel, or interpretation have been or will be obtained by the Company from the appropriate professional sources. Furthermore, we have relied, with the Company’s consent, on the assessments by the Company and its advisors, as to all legal, regulatory, accounting and tax matters with respect to the Company and the Proposed Transaction, and accordingly we are not expressing any opinion as to the value of the Company’s tax attributes or the effect of the Proposed Transaction thereon.
- 6.16 Evans & Evans and all of its Principal’s, Partner’s, staff or associates’ total liability for any errors, omissions, or negligent acts, whether they are in contract or in tort or in breach of fiduciary duty or otherwise, arising from any professional services performed or not performed by Evans & Evans, its Principal, Partner, any of its directors, officers, shareholders or employees, shall be limited to the fees charged and paid for the Opinion. No claim shall be brought against any of the above parties, in contract or in tort, more than two years after the date of the Opinion.

7.0 Assumptions

- 7.01 In preparing the Opinion, Evans & Evans has made certain assumptions as outlined below.
- 7.02 With the approval of Inscape and as provided for in the Engagement Letter, Evans & Evans has relied upon, and has assumed the completeness, accuracy and fair presentation of, all financial information, business plans, forecasts and other information, data, advice, opinions and representations obtained by it from public sources or provided by the Company or its affiliates or any of their respective officers, directors, consultants, advisors or representatives (collectively, the “Information”). The Opinion is conditional upon such completeness, accuracy, and fair presentation of the Information. In accordance with the terms of the Engagement Letter, but subject to the exercise of its professional judgment, and except as expressly described herein, Evans & Evans has not attempted to verify independently the completeness, accuracy, or fair presentation of any of the Information.

INSCAPE CORPORATION

October 28, 2022

Page 10

- 7.03 Senior officers of Inscape represented to Evans & Evans that, among other things: (i) the Information (other than estimates or budgets) provided orally by an officer or employee of Inscape or in writing by Inscape (including, in each case, affiliates and their respective directors, officers, consultants, advisors and representatives) to Evans & Evans relating to Inscape, its affiliates or the Proposed Transaction, for the purposes of the Engagement Letter, including in particular preparing the Opinion was, at the date the Information was provided to Evans & Evans, fairly and reasonably presented and complete, true and correct in all material respects, and did not, and does not, contain any untrue statement of a material fact in respect of Inscape, its affiliates or the Proposed Transaction and did not and does not omit to state a material fact in respect of Inscape, its affiliates or the Proposed Transaction that is necessary to make the Information not misleading in light of the circumstances under which the Information was made or provided; (ii) with respect to portions of the Information that constitute financial estimates or budgets, they have been fairly and reasonably presented and reasonably prepared on bases reflecting the best currently available estimates and judgments of management of Inscape or its associates and affiliates as to the matters covered thereby and such financial estimates and budgets reasonably represent the views of management of Inscape; and (iii) since the dates on which the Information was provided to Evans & Evans, except as disclosed in writing to Evans & Evans, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its affiliates and no material change has occurred in the Information or any part thereof which would have, or which would reasonably be expected to have, a material effect on the Opinion.
- 7.04 In preparing the Opinion, we have made several assumptions, including that all final or executed versions of documents will conform in all material respects to the drafts provided to us, all of the conditions required to implement the Proposed Transaction will be met, all consents, permissions, exemptions or orders of relevant third parties or regulating authorities will be obtained without adverse condition or qualification, the procedures being followed to implement the Proposed Transaction are valid and effective and that the disclosure provided or (if applicable) incorporated by reference in any documents provided to shareholders with respect to Inscape and the Proposed Transaction will be accurate in all material respects and will comply with the requirements of applicable law. Evans & Evans also made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of Evans & Evans and any party involved in the Proposed Transaction. Although Evans & Evans believes that the assumptions used in preparing the Opinion are appropriate in the circumstances, some or all of these assumptions may nevertheless prove to be incorrect.
- 7.05 The Company and all of its related parties and their principals had no contingent liabilities, unusual contractual arrangements, or substantial commitments, other than in the ordinary course of business, nor litigation pending or threatened, nor judgments rendered against, other than those disclosed by management and included in the Opinion that would affect the evaluation or comment.

INSCAPE CORPORATION

October 28, 2022

Page 11

- 7.06 As of September 30, 2022 all assets and liabilities of Inscape, have been recorded in their accounts and financial statements and follow International Financial Reporting Standards.
- 7.07 There were no material changes in the financial position of the Company between the date of the financial statements and the date of the Opinion unless noted in the Opinion.
- 7.08 Representations made by the Company as to the number of shares outstanding and the share structure of the Company are accurate.
- 7.09 The Consideration will be paid in cash at closing of the Proposed Transaction.

8.0 Purchase Price

- 8.01 As outlined above, the Consideration is C\$100,000 for 100% equity interest of the Company, implying C\$0.007 per share. As of September 30, 2022, the Company had debt of approximately \$27.9 million, and no excess cash balance is assumed as operating cash is required in coming months as discussed below, implying an enterprise value (“EV”) of approximately \$28.0 million.

9.0 Analysis of Inscape

- 9.01 In assessing the fairness of the Consideration, Evans & Evans considered the following analyses and factors, amongst others: (1) guideline company analysis; (2) precedent transaction analyses; (3) current trading price; (4) asset-based approach; and (5) other considerations.
- 9.02 Evans & Evans reviewed the financial position of Inscape as of the date of the Opinion. Inscape was in a positive working capital position; however, it had not yet achieved profitable operations. The Company did generate gross proceeds of \$34.5 million from the sale and lease back of the land and buildings at 67 Toll Road in Holland Landing, Ontario, resulting in an overall increase in cash balance at the end of FY2022.

In FY 2022, Inscape’s cash outflow from operating activities, including change in working capital, was \$18.8 million, implying monthly cash requirement of \$1.57 million to maintain the operation. Similar result is observed in the first five months of FY 2023. Operating cash outflow from May to September 2023 was \$8.3 million, equivalent to a monthly cash burn of approximately \$1.67 million.

Overall, with total cash balance of approximately \$4 million as of September 30, 2022, and monthly cash burn of \$1.57 to \$1.67 million, the Company did not have insufficient funds to operate, which is in line with the FY 2023 Forecast Update Addendum prepared by the management that deficit cash balance and funding of approximately \$1 million was required between September to December of 2022. The Committee represented to Evans & Evans that as of the date of the Opinion the Company’s cash balance was \$nil.

INSCAPE CORPORATION

October 28, 2022

Page 12

- 9.03 Evans & Evans assessed the reasonableness of the \$0.007 price per share based on a review of the trading price of the Company's shares on the Exchange. As can be seen from the following table, the Company's average closing share price has been declining over the 180-trading days preceding the date of the Opinion.

Trading Price (C\$)		October 27, 2022		
		<u>Minimum</u>	<u>Average</u>	<u>Maximum</u>
10-Days Preceding		\$0.20	\$0.20	\$0.20
30-Days Preceding		\$0.12	\$0.19	\$0.30
90-Days Preceding		\$0.12	\$0.42	\$0.75
180-Days Preceding		\$0.12	\$0.62	\$1.01

It is important to note that the recent decline in the Company's trading price has come on very small trading volumes. As can be seen from the following table, only 81,300 shares of Inscape traded in the 90 trading days preceding the date of the Opinion, representing less than 0.7% of the Company's issued and outstanding common shares. Overall, trading volumes were less than 1,000 shares per day in the 90 trading days preceding the date of the Opinion, which makes it difficult to assess the reasonableness of the market capitalization as a means of determining the fundamental value of Inscape.

Trading Volume		October 27, 2022				
		<u>Minimum</u>	<u>Average</u>	<u>Maximum</u>	<u>Total</u>	<u>%</u>
10-Days Preceding		0	0	0	0	0.0%
30-Days Preceding		0	2,310	21,700	69,300	0.5%
90-Days Preceding		0	903	21,700	81,300	0.6%
180-Days Preceding		0	687	21,700	123,700	0.9%

- 9.04 Evans & Evans assessed the reasonableness of the implied \$28.0 million EV by comparing certain of the related valuation metrics to the metrics indicated by transactions involving the acquisition of companies within Inscape's industry. Evans & Evans identified four transactions in the 24 months preceding the date of the Opinion. The review of transactions included a transaction involving Inscape, whereby Pender Growth Fund Inc. acquired a 47.89% equity interest from Bhayana Management Ltd. in November 2020. From the identified transactions, Evans & Evans found that EV to revenue multiples ranged from 0.22x to 1.96x. The EV to revenue multiple implied by the Proposed Transaction is within the range of the selected transactions.

(Canadian Dollars Millions)			Enterprise		EV /
Date	Target	Description	Value	Revenues	Revenues
18-Nov-20	Inscape Corporation	Inscape Corporation, together with its subsidiaries, manufactures office furniture and wall products in the United States and Canada.	6.51	66.51	0.22 (x)
10-Jun-22	HALCON Corporation	HALCON Corporation designs, manufactures, and markets customized office furniture.	175.85	89.85	1.96 (x)
19-Jul-21	Knoll, Inc.	Knoll, Inc., together with its subsidiaries, designs, manufactures, markets, and sells commercial and residential furniture, accessories, and coverings for the workplace and residential markets in the United States, Canada, Europe, and internationally.	2,553.69	1,452.48	1.76 (x)
21-May-21	ISI Store Fixtures, Inc.	ISI Store Fixtures, Inc. designs, manufactures, and markets display fixtures and closed-cell foam products for supermarket chains in North America and internationally.	108.24	84.54	1.28 (x)

INSCAPE CORPORATION

October 28, 2022

Page 13

- 9.05 Evans & Evans assessed the reasonableness of the implied \$28.0 million EV by comparing certain of the related valuation metrics to the metrics indicated for referenced guideline public companies. The identified guideline companies selected were considered reasonably comparable to Inscape. In the table below we have summarized the EV to trailing 12-month (“TTM”) revenues of selected public companies. Inscape currently trades at a multiple that is within the range of its peers.

The Proposed Transaction pricing implies an EV / TTM revenues⁵ of 0.72x which is close to the average of guideline companies trading. However, in reviewing the data on the guideline companies, most companies had either positive earnings before interest, taxes, depreciation and amortization (“EBITDA”) or were realizing significantly higher growth rates in revenues as compared to Inscape.

(in millions of Canadian Dollars) Company Name	Exchange / Ticker	Market Capitalization	Enterprise Value	TTM Revenue	TTM EBITDA	EV/ TTM Revenue	EV/ CFY Revenue	EV/ NFY Revenue	EV/ EBITDA
Inscape Corporation	TSX:INQ	3	25	40	-16	0.6 x	0.6 x	N/A	N/A
MillerKnoll, Inc.	NasdaqGS:MLKN	2,038	4,561	5,547	556	0.8 x	0.9 x	0.8 x	8.2 x
Interface, Inc.	NasdaqGS:TILE	870	1,609	1,662	233	1.0 x	1.1 x	0.9 x	6.9 x
HNI Corporation	NYSE:HNI	1,568	1,960	3,289	224	0.6 x	0.7 x	0.7 x	8.7 x
Kimball International, Inc.	NasdaqGS:KBAL	349	450	858	40	0.5 x	0.5 x	0.4 x	11.2 x
Virco Mfg. Corporation	NasdaqGM:VIRC	93	160	272	10	0.6 x	0.7 x	N/A	16.6 x
Steelcase Inc.	NYSE:SCS	1,117	2,091	4,023	172	0.5 x	0.6 x	0.5 x	12.2 x
DIRTT Environmental Solutions Ltd.	TSX:DRT	40	145	206	-74	0.7 x	0.8 x	0.5 x	N/A
Minimum						0.5 x	0.5 x	0.4 x	6.9 x
Average						0.7 x	0.7 x	N/A	N/A
Median						0.6 x	0.7 x	N/A	N/A
Maximum						1.0 x	1.1 x	0.9 x	16.6 x
Coefficient of Variance						0.2	0.2	N/A	N/A

- 9.06 Evans & Evans also assessed the fairness of the Consideration under a liquidation scenario by using Asset-Based Approach. Evans & Evans estimated a liquidation value of the Company as at the date of the Opinion based on the financial position as of September 30, 2022. Liquidation value refers to the estimated amount of money received when the assets are sold, and the debts are paid.

The calculation of liquidation value is often related to bankruptcy procedures. Intangible assets, like goodwill, intellectual property, and brands, are not considered as part of estimation of liquidation value. Receivables are often sold for at a discount to book value as the purchaser assumes the risk of delayed payments and non-collections. Inventories liquidation value is often based on a certain percentage of the book value, depending on the degree of obsolescence and condition. The equipment value depends on its age, condition, and purpose.

By referencing the recovery rates and liquidation costs applied in the liquidation analysis for the Board of Directors Meeting dated September 7, 2022, a liquidation value of Inscape was estimated.

In determining the liquidation value, Evans & Evans also considered the cash burn over the period of an orderly liquidation, severance costs and legal and accounting expenses associated with winding up the Company. In undertaking the liquidation analysis, Evans

⁵ TTM revenues to September 30, 2022

INSCAPE CORPORATION

October 28, 2022

Page 14

& Evans found the midpoint of the high and low scenario was supportive of the Proposed Transaction.

9.07 In assessing the reasonableness of the above, Evans & Evans considered the following:

- there are a limited number of directly comparable public companies, when one considers differentiating factors such as size and market niche
- no company considered in the analysis is identical to Inscope.
- an analysis of the results of the foregoing necessarily involves complex considerations and judgments concerning the differences in the financial and operating characteristics of Inscope, comparable public companies, the Proposed Transaction and other factors that could affect the trading value and aggregate transaction values of the companies to which they are being compared
- loss making performance and cash required by Inscope to operate in coming months

Given the above-noted factors and our analysis of the observed multiples of selected public companies, Evans & Evans considered this approach with the precedent transaction analysis and a review of investor interest in the sector in making the final determination of the reasonableness of the consideration and the fairness of the Proposed Transaction.

10.0 Fairness Conclusions

10.01 In considering fairness, from a financial point of view, Evans & Evans considered the Consideration from the perspective of the Inscope Shareholders as a group and did not consider the specific circumstances of any particular shareholder, including with regard to income tax considerations.

10.02 Based upon and subject to the foregoing and such other matters as we consider relevant, it is our opinion, as of the date of the Opinion, that the Consideration is fair, from a financial point of view to the Inscope Shareholders. In arriving at this conclusion, Evans & Evans considered the following.

- a. The implied enterprise value of Inscope is supported by precedent transactions.
- b. The implied enterprise value of Inscope under the guideline company analysis is reasonable.
- c. The ability of Inscope Shareholders to receive greater than the Consideration under a liquidation scenario is limited, and highly subject to numerous conditions, e.g., discounts to dispose the assets or liquidation costs.
- d. The Company did engage an advisor in March 2022 to undertake a strategic process, looking for purchase or invest in Inscope from strategic and financial buyers / investors.

INSCAPE CORPORATION

October 28, 2022

Page 15

The process was suspended shortly thereafter. The advisor had been actively involved and in discussions with management and the Board since March/April of 2020. In essence, Inscape was exposed to the market and no offers were received that exceeded the Consideration. Generally, when a formal process has been undertaken, the offers received are reflective of the market value of the asset.

- e. The Company does require short-term funding to maintain its operations. Given the recent results of Inscape there is no assurance equity financing would be available on terms that are not highly dilutive to the Inscape Shareholders.

11.0 Qualifications & Certification

- 11.01 The Opinion preparation was carried out by Jennifer Lucas and thereafter reviewed by Michael Evans.

Mr. Michael A. Evans, MBA, CFA, CBV, ASA, Principal, founded Evans & Evans, Inc. in 1988. For the past 36 years, he has been extensively involved in the financial services and management consulting fields in Vancouver, where he was a Vice-President of two firms, The Genesis Group (1986-1989) and Western Venture Development Corporation (1989-1990). Over this period, he has been involved in the preparation of over 3,000 technical and assessment reports, business plans, business valuations, and feasibility studies for submission to various Canadian stock exchanges and securities commissions as well as for private purposes.

Mr. Michael A. Evans holds: a Bachelor of Business Administration degree from Simon Fraser University, British Columbia (1981); a Master's degree in Business Administration from the University of Portland, Oregon (1983) where he graduated with honors; the professional designations of Chartered Financial Analyst (CFA), Chartered Business Valuator (CBV) and Accredited Senior Appraiser. Mr. Evans is a member of the CFA Institute, the Canadian Institute of Chartered Business Valuators ("CICBV") and the American Society of Appraisers ("ASA").

Ms. Jennifer Lucas, MBA, CBV, ASA, Partner, joined Evans & Evans in 1997. Ms. Lucas possesses several years of relevant experience as an analyst in the public and private sector in British Columbia and Saskatchewan. Her background includes working for the Office of the Superintendent of Financial Institutions of British Columbia as a Financial Analyst. Ms. Lucas has also gained experience in the Personal Security and Telecommunications industries. Since joining Evans & Evans Ms. Lucas has been involved in writing and reviewing over 1,500 valuation and due diligence reports for public and private transactions.

Ms. Lucas holds: a Bachelor of Commerce degree from the University of Saskatchewan (1993), a Masters in Business Administration degree from the University of British Columbia (1995). Ms. Lucas holds the professional designations of Chartered Business Valuator and Accredited Senior Appraiser. She is a member of the CICBV and the ASA.


INSCAPE CORPORATION

October 28, 2022

Page 16

- 11.02 The analyses, opinions, calculations and conclusions were developed, and this Opinion has been prepared in accordance with the standards set forth by the Canadian Institute of Chartered Business Valuators.
- 11.03 The authors of the Opinion have no present or prospective interest in the Company, or any entity that is the subject of this Opinion, and we have no personal interest with respect to the parties involved.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Evans & Evans", is written over a horizontal line.

EVANS & EVANS, INC.

EVANS & EVANS, INC.

Depositary for the Hilco Offer:



TSX Trust Company
100 Adelaide Street West, Suite 301
Toronto, Ontario
M5H 4H1
Attention: Corporate Actions

Telephone: (416) 682-3860
Toll Free: +1-800-387-0825
E-Mail: shareholderinquiries@tmx.com

**This is Exhibit "V" referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 11th day of January, 2023**

DocuSigned by:

Monica Fabeim

A927328446B742A

A COMMISSIONER FOR TAKING AFFIDAVITS.

Court File No.: CV-23-00692784-00CL

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

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

AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF
INSCAPE CORPORATION, INSCAPE (NEW YORK) INC. AND INSCAPE
INC.. (collectively, the "**Applicants**")

CONSENT OF THE PROPOSED MONITOR

ALVAREZ & MARSAL CANADA INC. hereby consents to act as Court-appointed Monitor of the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended, in these proceedings.

Dated at Toronto this 10th day of January, 2023

**ALVAREZ & MARSAL CANADA INC., IN
ITS CAPACITY AS PROPOSED MONITOR
OF THE APPLICANTS AND NOT IN ITS
PERSONAL CAPACITY**

Per: 

Name: Josh Nevsky

Title: Senior Vice-President

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **INSCAPE CORPORATION, INSCAPE (NEW YORK) INC., AND INSCAPE INC.**
the Applicants

Estate/Court File No.: CV-23-00692784-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced at Toronto

AFFIDAVIT OF ERIC EHGOETZ
(SWORN JANUARY 11, 2023)

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON Canada M5H 3S1

Larry Ellis LSO# 49313K
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Monica Faheim LSO# 82213R
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mfaheim@millerthomson.com

Lawyers for the Applicants

TAB 3

Court File No. CV-23-00692784-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MADAM)	THURSDAY, THE 12 TH
)	
JUSTICE CONWAY)	DAY OF JANUARY, 2023

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF INSCAPE CORPORATION, INSCAPE
(NEW YORK) INC., AND INSCAPE INC.
(collectively, the “**Applicants**”)

INITIAL ORDER

THIS APPLICATION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) was heard this day by Zoom videoconference,

ON READING the affidavit of Eric Ehgoetz sworn January 10, 2023, and the exhibits thereto (the “**Ehgoetz Affidavit**”) and the pre-filing report of Alvarez & Marsal Canada Inc. (“**A&M**”), to be filed, in its capacity as proposed monitor of the Applicants (the “**Proposed Monitor**”) 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 Applicants, and counsel for the Proposed Monitor, and such other parties listed on the Counsel Slip, and no one appearing for any other party although duly served as appears from the affidavit of service of Maureen McLaren, sworn January 11, 2023, and on reading the consent of A&M to act as the Monitor (in such capacity, the “**Monitor**”),

SERVICE

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

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that each of the Applicants are companies to which the CCAA applies.

POSSESSION OF PROPERTY AND OPERATIONS

3. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of its business (the “**Business**”) and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

4. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the banking and centralized cash management system currently in place as more particularly described in the Ehgoetz Affidavit, or replace it with another substantially similar central cash management system (the “**Cash Management System**”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as

provider of the Cash Management System, an unaffected creditor under any plan of compromise or arrangement (a “**Plan**”) with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

5. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

6. **THIS COURT ORDERS** that the Applicants may make payments in respect of amounts incurred prior to the date of this Order, provided that the Applicants shall obtain the consent of the Monitor to make such payment(s) or leave of this Court.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

8. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal,

interest thereon or otherwise on account of amounts owing by the Applicants to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of their business or operations, and to dispose of redundant or non-material assets not exceeding \$50,000 in any one transaction or \$250,000 in the aggregate;
- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate; and
- (c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

12. **THIS COURT ORDERS** that until and including January 20, 2023, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

13. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

14. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

15. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be

agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

16. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

17. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

18. **THIS COURT ORDERS** that the Applicants shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

19. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the “**Directors’ Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$750,000 as security for the

indemnity provided in paragraph 18 of this Order. The Directors' Charge shall have the priority set out in paragraphs 30 and 32 herein.

20. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 18 of this Order.

APPOINTMENT OF MONITOR

21. **THIS COURT ORDERS** that A&M is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their respective shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

22. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicants in their preparation of their cash flow statements;
- (d) monitor all payments, obligations and any transfers as between the Applicants, consistent with the Cash Management System;

- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) perform such other duties as are required by this Order or by this Court from time to time.

23. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

24. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

25. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

26. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

27. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on, or subsequent to the date of this Order by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a weekly basis.

28. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, if any, and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$250,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 30 and 32 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

30. **THIS COURT ORDERS** that the priorities of the Directors' Charge and the Administration Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$250,000); and

Second – Directors' Charge (to the maximum amount of \$750,000).

31. **THIS COURT ORDERS** that the filing, registration or perfection of the Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

32. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges 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.

33. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge or the Administration Charge, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

34. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") 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) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) 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 Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which they are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges;
- (c) the payments made by the Applicants pursuant to this Order and the granting of the Charges do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

35. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants’ interest in such real property leases.

RELIEF FROM REPORTING OBLIGATIONS

36. **THIS COURT ORDERS** that none of the directors, officers, employees, or other representatives of the Applicants, nor the Monitor (and their respective directors, officers, employees or representatives) shall have any personal liability for the Applicants failure to file annual information forms, annual and quarterly management discussion and analysis, annual and quarterly financial statements (including related audits, reports, and certifications) for the Stay Period, which period may be extended pursuant to further Order of the Court. Notwithstanding the foregoing, the Applicants shall continue to advise the appropriate regulators of material updates in this proceeding.

37. **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses in relation to any filings (including financial statements), disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively, the “**Securities Filings**”) that may be required by any federal, provincial or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act (Ontario)*, RSO 1990, c S.5 and

comparable statutes enacted by other provinces of Canada, and the rules, regulations and policies of the Toronto Stock Exchange (collectively, the “**Securities Provisions**”), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of the Applicants failing to make any Securities Filings required by the Securities Provisions.

38. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of the Applicants nor the Monitor shall have any personal liability for any failure by the Applicants to make any Securities Filings required by the Securities Provisions.

SERVICE AND NOTICE

39. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe and Mail National Edition, a notice containing the information prescribed under the CCAA, (ii) within five (5) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against any of the Applicants of more than \$1000 (excluding individual employees, former employees with retirement savings plan entitlements, and retirees and beneficiaries who have entitlements under any retirement savings plan), and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of individuals who are creditors publicly available unless otherwise ordered by this Court.

40. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that

a Case Website shall be established in accordance with the Protocol with the following URL '<http://www.alvarezandmarsal.com/InscapeCorporation>' (the "**Website**").

41. **THIS COURT ORDERS** that the Applicants and the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

42. **THIS COURT ORDERS** that, except with respect to any motion to be heard on the Comeback Date (as defined below), and subject to further Order of this Court in respect of urgent motions, any interested party wishing to object to the relief sought in a motion brought by the Applicants or the Monitor in these CCAA proceedings shall, subject to further Order of this Court, provide the service list in these proceedings (the "**Service List**") with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the grounds for such objection by no later than 5:00 p.m. (Toronto time) on the date that is two (2) days prior to the date such motion is returnable (the "**Objection Deadline**"). The Monitor shall have the ability to extend the Objection Deadline after consulting with the Applicants.

43. **THIS COURT ORDERS** that following the expiry of the Objection Deadline, counsel to the Monitor or counsel to the Applicants shall inform the Court, including by way of a 9:30 a.m. appointment, of the absence or the status of any objections to the motion and the judge having carriage of the motion may determine (a) whether a hearing in respect of the motion is necessary, (b) if a hearing is necessary, the date and time of the hearing, (c) whether such hearing will be in person, by telephone or videoconference, or by written submissions only, and (d) the parties from whom submissions are required. In the absence of any such determination, a hearing will be held in the ordinary course on the date specified in the notice of motion.

GENERAL

44. **THIS COURT ORDERS** that any interested party that wishes to amend or vary this Order shall be entitled to appear or bring a motion before this Court on January 20, 2023 or such other date as may be set by this Court upon the granting of this Order (the “**Comeback Date**”), provided, however, that the Chargees shall be entitled to rely on this Order as issued and entered and on the Charges and priorities set forth in paragraphs 30 and 32 hereof with respect to any fees, expenses, liabilities and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed

45. **THIS COURT ORDERS** that notwithstanding paragraph 44 of this Order, each of the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of its powers and duties under this Order or in the interpretation of this Order hereunder.

46. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

47. **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 Applicants, the Monitor 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

48. **THIS COURT ORDERS** that each of the Applicants and the Monitor 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 Monitor 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.

49. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

50. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
INSCAPE CORPORATION, INSCAPE (NEW YORK) INC., AND INSCAPE INC.

Court File No.: CV-23-00692784-00CL

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at TORONTO

INITIAL ORDER
(RETURNABLE JANUARY 12,
2023)

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TAB 4

Revised: January 21, 2014

Court File No. — CV-23-00692784-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE — MADAM) ~~WEEKDAY~~ THURSDAY, THE # 12TH
 JUSTICE — CONWAY)
 DAY OF ~~MONTH~~ JANUARY,
20YR 2023

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
 ARRANGEMENT OF ~~[APPLICANT'S NAME]~~ (the
 "~~Applicant~~" INSCAPE CORPORATION, INSCAPE (NEW
YORK) INC., AND INSCAPE INC.
(collectively, the "Applicants"))

INITIAL ORDER

THIS APPLICATION, made by the ~~Applicant~~, Applicants pursuant to the *Companies'*
Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "~~CCAA~~") was heard this
 day ~~at 330 University Avenue, Toronto, Ontario.~~ by Zoom videoconference,

ON READING the affidavit of ~~[NAME]~~ Eric Ehgoetz sworn ~~[DATE]~~ January 10, 2023,
 and the ~~Exhibits~~ exhibits thereto, (the "Ehgoetz Affidavit") and the pre-filing report of Alvarez
& Marsal Canada Inc. ("A&M"), to be filed, in its capacity as proposed monitor of the
Applicants (the "Proposed Monitor") 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 ~~[NAMES]~~, the Applicants, and counsel for the Proposed Monitor, and
such other parties listed on the Counsel Slip, and no one appearing for ~~[NAME]~~ any other party

although duly served as appears from the affidavit of service of ~~[NAME]~~ Maureen McLaren, sworn ~~[DATE]~~ January 11, 2023, and on reading the consent of ~~[MONITOR'S NAME]~~ A&M to act as the Monitor, ~~— (in such capacity, the “Monitor”).~~

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated² so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that each of the ~~Applicant is a company~~ Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

~~3. — THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “Plan”).~~

POSSESSION OF PROPERTY AND OPERATIONS

3. ~~4.~~ **THIS COURT ORDERS** that the ~~Applicant~~ Applicants shall remain in possession and control of ~~its~~ their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “Property”). Subject to further Order of this Court, the ~~Applicant~~ Applicants shall continue to carry on business in a manner consistent with the preservation of its business (the “Business”) and Property. The ~~Applicant is~~ Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “Assistants”) currently retained or employed by ~~it~~ them, with liberty to retain such

further Assistants as ~~it deems~~they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

4. ~~5.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall be entitled to continue to utilize the ~~central~~banking and centralized cash management system³ currently in place as more particularly described in the Ehgoetz Affidavit ~~of [NAME] sworn [DATE]~~, or replace it with another substantially similar central cash management system (the "Cash Management System") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the ~~Applicant~~Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the ~~Applicant~~Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under ~~the~~any plan of compromise or arrangement (a "Plan") with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.}

5. ~~6.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the ~~Applicant~~Applicants in respect of these proceedings, at their standard rates and charges.

6. **THIS COURT ORDERS** that the Applicants may make payments in respect of amounts incurred prior to the date of this Order, provided that the Applicants shall obtain the consent of the Monitor to make such payment(s) or leave of this Court.

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the ~~Applicant~~Applicants shall be entitled but not required to pay all reasonable expenses incurred by the ~~Applicant~~Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the ~~Applicant~~Applicants following the date of this Order.

8. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) ~~Quebec Pension Plan,~~ ~~and (iv)~~ income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the ~~Applicant~~Applicants in connection with the sale of goods and services by the ~~Applicant~~Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal

realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the ~~Applicant~~Applicants.

9. **THIS COURT ORDERS** that until a real property lease is disclaimed~~for-resiliated~~⁴ in accordance with the CCAA, the ~~Applicant~~Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the ~~Applicant~~Applicants and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the ~~Applicant~~Applicants ~~is~~ hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the ~~Applicant~~Applicants to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall, subject to such requirements as are imposed by the CCAA~~and such covenants as may be contained in the Definitive Documents (as hereinafter defined)~~, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of ~~its~~their business or operations, ~~and~~ to dispose of redundant or non-material assets not exceeding \$~~50,000~~50,000 in any one transaction or \$~~250,000~~250,000 in the aggregate⁵;

- (b) ~~it~~ terminate the employment of such of ~~its~~their employees or temporarily lay off such of ~~its~~their employees as ~~it deems~~they deem appropriate; and
- (c) pursue all avenues of refinancing of ~~its~~their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the ~~Applicant~~Applicants to proceed with an orderly restructuring of the Business ~~(the "Restructuring")~~.

~~12. — THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims [or resiliates] the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer [or resiliation] of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.~~

~~13. — THIS COURT ORDERS that if a notice of disclaimer [or resiliation] is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer [or resiliation], the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer [or resiliation], the relevant landlord shall be entitled to take possession of any such leased premises without waiver~~

~~of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.~~

NO PROCEEDINGS AGAINST THE ~~APPLICANT~~APPLICANTS OR THE PROPERTY

12. ~~14.~~ **THIS COURT ORDERS** that until and including ~~[DATE — MAX. 30 DAYS]~~January 20, 2023, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the ~~Applicant~~Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the ~~Applicant~~Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the ~~Applicant~~Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

13. ~~15.~~ **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the ~~Applicant~~Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the ~~Applicant~~Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the ~~Applicant~~Applicants to carry on any business which the ~~Applicant is~~Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

14. ~~16.~~ **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the ~~Applicant~~Applicants, except with the written consent of the ~~Applicant~~Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

15. ~~17.~~ **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the ~~Applicant~~Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the ~~Applicant~~Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the ~~Applicant~~Applicants, and that the ~~Applicant~~Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the ~~Applicant~~Applicants in accordance with normal payment practices of the ~~Applicant~~Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the ~~Applicant~~Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

16. ~~18.~~ **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the ~~Applicant~~Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.⁶

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

17. ~~19.~~ **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any

of the former, current or future directors or officers of the ~~Applicant~~Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the ~~Applicant~~Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the ~~Applicant~~Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the ~~Applicant~~Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

18. ~~20.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the ~~Applicant~~Applicants after the commencement of the within proceedings,⁷ except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

19. ~~21.~~ **THIS COURT ORDERS** that the directors and officers of the ~~Applicant~~Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge")⁸ on the Property, which charge shall not exceed an aggregate amount of \$~~750,000~~750,000 as security for the indemnity provided in paragraph ~~20~~18 of this Order. The Directors' Charge shall have the priority set out in paragraphs ~~38~~30 and ~~40~~32 herein.

20. ~~22.~~ **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors'Charge, and (b) the ~~Applicant's~~Applicants' directors and officers shall only be entitled to the benefit of the Directors'Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~20~~18 of this Order.

APPOINTMENT OF MONITOR

21. ~~23.~~ **THIS COURT ORDERS** that ~~[MONITOR'S NAME]~~A&M is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the ~~Applicant~~Applicants with the powers and obligations set out in the CCAA or set forth herein and that the ~~Applicant~~Applicants and ~~its~~their respective shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the ~~Applicant~~Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

22. ~~24.~~ **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the ~~Applicant's~~Applicants' receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- ~~(c) — assist the Applicant, to the extent required by the Applicant, in its dissemination, to the DIP Lender and its counsel on a [TIME INTERVAL] basis of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;~~
- (c) ~~(d) advise~~assist the ~~Applicant~~Applicants in ~~its~~their preparation of ~~the Applicant's~~their cash flow statements ~~and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Lender;~~
- ~~(e) — advise the Applicant in its development of the Plan and any amendments to the Plan;~~
- ~~(f) — assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;~~

(d) monitor all payments, obligations and any transfers as between the Applicants, consistent with the Cash Management System;

(e) ~~(g)~~ have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the ~~Applicant~~Applicants, to the extent that is necessary to adequately assess the ~~Applicant's~~Applicants' business and financial affairs or to perform its duties arising under this Order;

(f) ~~(h)~~ be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(g) ~~(i)~~ perform such other duties as are required by this Order or by this Court from time to time.

23. ~~25.~~ **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

24. ~~26.~~ **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of

any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

25. ~~27.~~ **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the ~~Applicant and the DIP Lender~~ Applicants with information provided by the ~~Applicant~~ Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the ~~Applicant~~ Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the ~~Applicant~~ Applicants may agree.

26. ~~28.~~ **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

27. ~~29.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the ~~Applicant~~ Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on, or subsequent to the date of this Order by the ~~Applicant~~ Applicants as part of the costs of these proceedings. The ~~Applicant is~~ Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the ~~Applicant~~ Applicants on a ~~[TIME INTERVAL]~~ weekly basis ~~and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, retainers in the amount[s] of \$●-[, respectively,] to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.~~

28. ~~30.~~ **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

29. ~~31.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, if any, and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the

"Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$~~250,000~~250,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~[38]~~[30] and ~~[40]~~[32] hereof.

DIP FINANCING

~~32. — THIS COURT ORDERS that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from [DIP LENDER'S NAME] (the "DIP Lender") in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$~~250,000~~ unless permitted by further Order of this Court.~~

~~33. — 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 Applicant and the DIP Lender dated as of [DATE] (the "Commitment Letter"), filed.~~

~~34. — THIS COURT ORDERS that the Applicant 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 Applicant 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.~~

~~35. — 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 the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs [38] and [40] hereof.~~

~~36. — 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;~~
- (b) ~~upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon 90 days notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts owing by the DIP Lender to the Applicant against the obligations of the Applicant to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and~~
- (c) ~~the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.~~

37. ~~THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the Bankruptcy and Insolvency Act of Canada (the "BIA"), with respect to any advances made under the Definitive Documents.~~

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

30. ~~38.~~ **THIS COURT ORDERS** that the priorities of the Directors' Charge, and the Administration Charge and (collectively, the ~~DIP Lender's Charge~~ "Charges"), as among them, shall be as follows⁹:

First – Administration Charge (to the maximum amount of \$●250,000); and

Second—~~DIP Lender's Charge; and~~

~~Third~~ – Directors' Charge (to the maximum amount of \$●750,000).

31. ~~39.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "Charges")~~ shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

32. ~~40.~~ **THIS COURT ORDERS** that each of the ~~Directors' Charge, the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein)~~Charges shall constitute a charge on the Property and such Charges 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.

33. ~~41.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the ~~Applicant~~Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge; or the Administration Charge ~~or the DIP Lender's Charge~~, unless the ~~Applicant~~Applicants also ~~obtains~~obtain the prior written consent of the Monitor, ~~the DIP Lender~~ and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

34. ~~42.~~ **THIS COURT ORDERS** that the ~~Directors' Charge, the Administration Charge, the Commitment Letter, the Definitive Documents and the DIP Lender's Charge~~Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the

benefit of the Charges (collectively, the "Chargées") ~~and/or 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) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) 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 ~~Applicant~~Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges ~~nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents~~ shall not create or be deemed to constitute a breach by the ~~Applicant~~Applicants of any Agreement to which ~~it is~~they are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from ~~the Applicant entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and~~
- (c) the payments made by the ~~Applicant~~Applicants pursuant to this Order, ~~the Commitment Letter or the Definitive Documents~~, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

35. ~~43.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the ~~Applicant's~~Applicants' interest in such real property leases.

RELIEF FROM REPORTING OBLIGATIONS

36. **THIS COURT ORDERS** that none of the directors, officers, employees, or other representatives of the Applicants, nor the Monitor (and their respective directors, officers, employees or representatives) shall have any personal liability for the Applicants failure to file annual information forms, annual and quarterly management discussion and analysis, annual and quarterly financial statements (including related audits, reports, and certifications) for the Stay Period, which period may be extended pursuant to further Order of the Court. Notwithstanding the foregoing, the Applicants shall continue to advise the appropriate regulators of material updates in this proceeding.

37. **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses in relation to any filings (including financial statements), disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively, the “**Securities Filings**”) that may be required by any federal, provincial or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act (Ontario)*, RSO 1990, c S.5 and comparable statutes enacted by other provinces of Canada, and the rules, regulations and policies of the Toronto Stock Exchange (collectively, the “**Securities Provisions**”), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of the Applicants failing to make any Securities Filings required by the Securities Provisions.

38. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of the Applicants nor the Monitor shall have any personal liability for any failure by the Applicants to make any Securities Filings required by the Securities Provisions.

SERVICE AND NOTICE

39. ~~44.~~ **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in ~~[newspapers specified by the Court]~~ the Globe and Mail National Edition, a notice containing the information prescribed under the CCAA, (ii) within five (5) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against any of the

~~Applicant~~Applicants of more than \$1000, ~~(excluding individual employees, former employees with retirement savings plan entitlements, and retirees and beneficiaries who have entitlements under any retirement savings plan),~~ and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the claims, names and addresses of individuals who are creditors publicly available unless otherwise ordered by this Court.

40. ~~45.~~ **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at ~~<http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>~~<http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/commercial/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ‘~~@~~<http://www.alvarezandmarsal.com/InscapeCorporation/>’ (the “**Website**”).

41. ~~46.~~ **THIS COURT ORDERS** that ~~if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant~~the Applicants and the Monitor ~~and their respective counsel~~ are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by ~~prepaid ordinary mail, courier, personal delivery or facsimile transmission~~electronic message to the ~~Applicant~~Applicants's creditors or other interested parties ~~at and~~ their ~~respective addresses as last shown on the records of the Applicant and that~~advisors. For greater certainty, any such ~~service or distribution by courier, personal delivery or facsimile transmission~~or service shall be deemed to be ~~received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing~~in satisfaction of a legal or judicial obligation, and notice requirements

within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2175 (SOR/DORS).

42. **THIS COURT ORDERS** that, except with respect to any motion to be heard on the Comeback Date (as defined below), and subject to further Order of this Court in respect of urgent motions, any interested party wishing to object to the relief sought in a motion brought by the Applicants or the Monitor in these CCAA proceedings shall, subject to further Order of this Court, provide the service list in these proceedings (the “**Service List**”) with responding motion materials or a written notice (including by e-mail) stating its objection to the motion and the grounds for such objection by no later than 5:00 p.m. (Toronto time) on the date that is two (2) days prior to the date such motion is returnable (the “**Objection Deadline**”). The Monitor shall have the ability to extend the Objection Deadline after consulting with the Applicants.

43. **THIS COURT ORDERS** that following the expiry of the Objection Deadline, counsel to the Monitor or counsel to the Applicants shall inform the Court, including by way of a 9:30 a.m. appointment, of the absence or the status of any objections to the motion and the judge having carriage of the motion may determine (a) whether a hearing in respect of the motion is necessary, (b) if a hearing is necessary, the date and time of the hearing, (c) whether such hearing will be in person, by telephone or videoconference, or by written submissions only, and (d) the parties from whom submissions are required. In the absence of any such determination, a hearing will be held in the ordinary course on the date specified in the notice of motion.

GENERAL

44. **THIS COURT ORDERS** that any interested party that wishes to amend or vary this Order shall be entitled to appear or bring a motion before this Court on January 20, 2023 or such other date as may be set by this Court upon the granting of this Order (the “**Comeback Date**”), provided, however, that the Chargees shall be entitled to rely on this Order as issued and entered and on the Charges and priorities set forth in paragraphs 30 and 32 hereof with respect to any fees, expenses, liabilities and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed

45. ~~47.~~ **THIS COURT ORDERS** that notwithstanding paragraph 44 of this Order, each of the ~~Applicant~~ Applicants or the Monitor may from time to time apply to this Court to amend, vary

or supplement this Order or for advice and directions in the discharge of its powers and duties under this Order or in the interpretation of this Order hereunder.

46. ~~48.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the ~~Applicant~~Applicants, the Business or the Property.

47. ~~49.~~ **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 ~~Applicant~~Applicants, the Monitor 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 ~~Applicant~~Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the ~~Applicant~~Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

48. ~~50.~~ **THIS COURT ORDERS** that each of the ~~Applicant~~Applicants and the Monitor 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 Monitor 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.

~~51. — THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.~~

49. ~~52.~~ **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

50. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
INSCAPE CORPORATION, INSCAPE (NEW YORK) INC., AND INSCAPE INC.

Court File No.: CV-23-00692784-00CL

Applicants

Double Click on mouse to Add space for Third Party



Double Click on mouse to Add more space to parties line



ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at TORONTO

INITIAL ORDER
(RETURNABLE JANUARY 12,
2023)

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Document 2 ID	iManage://MTDMSWSSC.MILLERTHOMSON.CORP/Legal/67181644/2
Description	#67181644v2<Legal> - Initial Order (Draft)(As served)
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Format changes	0
Total changes	590

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
INSCAPE CORPORATION, INSCAPE (NEW YORK) INC., AND INSCAPE INC.
Applicants

Court File No.: CV-23-00692784-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at **TORONTO**

APPLICATION RECORD

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