

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.
(collectively, the “**Applicants**”)

Applicants

MOTION RECORD OF THE APPLICANTS
(Returnable March 24, 2023)

March 21, 2023

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TO: THE SERVICE LIST

**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
(the "CCAA")

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

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(as of March 21, 2023)

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Applicants

INDEX

TAB	DOCUMENT
1.	Notice of Motion, returnable March 24, 2023
2.	Affidavit of Eric Ehgoetz sworn March 21, 2023
Exhibits to the Affidavit of Eric Ehgoetz sworn March 21, 2023	
Exhibit A	Amended and Restated Order and Endorsement of Justice Conway dated January 20, 2023
Exhibit B	Order of Justice Conway and Endorsement dated March 8, 2023
Exhibit C	Affidavit of Eric Ehgoetz sworn February 28, 2023, without exhibits
Exhibit D	Fully Executed Gordon Brothers Agreement
Exhibit E	Dealer Terms and Conditions
3.	Draft Approval and Vesting Order
4.	Draft Ancillary Order

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Applicants

NOTICE OF MOTION
(Returnable March 24, 2023)

Inscape Corporation (“**Inscape**”), Inscape (New York) Inc. (“**Inscape New York**”) and Inscape Inc. (“**Inscape Delaware**”, and collectively with Inscape and Inscape New York, the “**Inscape Group**” or the “**Applicants**”) will bring a motion before the Court on March 24, 2023, at 11:00 a.m., or as soon after that time as the motion can be heard, via Zoom videoconference,

PROPOSED METHOD OF HEARING: The motion is to be heard:

- ☐ In person
☐ By telephone conference
☒ By video conference

at the following location

Zoom Link to be updated on Caselines.

THE MOTION IS FOR:

1. The following orders:

- (a) an order (“**Approval and Vesting Order**”), substantially in the form of the draft order at **Tab “3”** of the Motion Record, among other things:
 - (i) abridging the time for and validating service of this notice of motion and the motion record and dispensing with service on any person other than those served;
 - (ii) approving an asset purchase agreement dated as of March 10, 2023 (“**Gordon Brothers Agreement**”) and made between Inscape, Inscape New York and Inscape Delaware as sellers, and Gordon Brothers Canada ULC, as purchaser (“**Gordon Brothers**”), and the transactions contemplated therein;
 - (iii) vesting in Gordon Brothers all of the Applicants’ right, title and interest in and to the Acquired Assets upon Closing, free and clear of all Claims and Encumbrances upon Closing (all capitalized terms as defined in the Gordon Brothers Agreement);
 - (iv) authorizing the Applicants, with the assistance of Gordon Brothers as agent for the Applicants, to market and sell certain inventory of the Applicants in accordance with Article 6 of the Gordon Brothers Agreement (“**Inventory Sale**”), free and clear of all Claims and Encumbrances, which Claims and Encumbrances (net of amounts payable to Gordon Brothers pursuant to the Gordon Brothers Agreement) shall attach to the proceeds of the Inventory Sale; and
- (b) an order (“**Ancillary Order**”), substantially in the form of the draft order at **Tab “4”** to the Motion Record, among other things:

- (i) scheduling an early hearing date and approving a motion timetable for the summary determination of the set-off claims that Inscape dealer Prevolv Inc. (“**Dealer**”) has raised to refuse payment of an \$2,147,490 USD Inscape receivable (“**Inscape Receivable**”) on account of furniture products manufactured by Inscape and sold on by the Dealer (“**Inscape Product**”) to certain major end customers (“**End Customers**”) in the United States (“**Dealer Claim**”);
- (ii) an interim order, if necessary, directing the Dealer to provide an accounting to Inscape and the Monitor as to amounts that it has already received and/or expects to receive from End Customers on account of the sale of Inscape Product (“**Inscape Product Collections**”);
- (iii) an interim order, if necessary, directing the Dealer to deposit Inscape Product Collections up to the amount of the Inscape Receivable with the Monitor to be held in trust pending the final determination or settlement of the Dealer Claim;
- (iv) authorizing and directing the Monitor to make distributions to HUK 116 Limited (“**Hilco**”) up to the amount of its secured indebtedness, and without further Order of this Court, on account of the Applicants’ secured indebtedness owing to Hilco for principal, interest and any fees payable in connection therewith;
- (v) approving each of the First Report of the Monitor dated January 18, 2023 (together with the appendices thereto, the “**First Report**”), the Second Report of the Monitor dated March 2, 2023 (together with the appendices thereto, the “**Second Report**”) and the Third Report of the Monitor, and the conduct and activities of the Monitor described in each report;
- (vi) approving the fees and disbursements of the Monitor and its legal counsel, Aird & Berlis LLP, as set out in each of the fee affidavits appended to the Third Report; and

- (vii) such further and other relief as counsel may advise and as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

2. The Applicants are in the business of designing, manufacturing and selling office furniture and architectural walls for customers across North America and Europe on contract.

3. The Inscape Group's business operated at a net loss and experienced declining financial performance in each of the five years preceding this insolvency filing. The financial distress was exacerbated by the Covid-19 pandemic. Among other challenges, the Applicants experienced a dramatic decline in the size and sales mix of incoming orders, and much lower than expected order volumes. Shortages of production materials, supply chain issues, and increases in the costs of raw materials all combined to destroy profit margins.

4. As a result of its insolvency, the Inscape Group determined that the best path forward to maximize value for its stakeholders was through a court-supervised process under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended ("CCAA"), including a liquidation of its assets and an orderly wind-up of the business.

Initial Order

5. On January 12, 2023, the Applicants applied for relief pursuant to the CCAA and this Court granted the Initial Order in favour of the Applicants. Pursuant to the Initial Order, among other things, the Court:

- (a) granted an initial stay of proceedings in favour of the Applicants and its directors and officers up to and including January 20, 2023;
- (b) appointed Alvarez & Marsal Canada Inc. as the Monitor of the Applicants (in such capacity, the “**Monitor**”);
- (c) granted the following charges against the Property, in the following priority rankings:
 - (i) first, an administration charge in the amount of \$250,000 in favour of counsel for the Applicants, the Monitor and its counsel (the “**Administration Charge**”); and
 - (ii) second, a directors’ and officers’ charge in the amount of \$750,000 (the “**Directors’ Charge**”);
- (d) authorized the Applicants to incur no further expenses in relation to the Securities Filings (as defined in the Initial Order); and
- (e) authorized the Applicants to maintain and continue to utilize their cash management system.

Comeback Hearing

6. On January 20, 2023 (the “**Comeback Hearing**”) Justice Conway granted the Amended and Restated Initial Order, which, among other things:

- (a) extended the stay of proceedings up to and including March 9, 2023;

- (b) approved a Key Employee Retention Plan (the “**KERP**”) and authorized the Applicants to make the payments in accordance with the terms of the KERP;
- (c) granted a charge over the Property (as defined in the Initial Order) of the Applicants in favour of the proposed KERP beneficiaries (the “**KERP Charge**”) in the aggregate amount of \$350,000;
- (d) declared that, pursuant to section 5(5) of the *Wage Earner Protection Program Act* (“**WEPPA**”) Inscope is a “former employer” in accordance with the criteria established by section 3.2 of the Wage Earner Protection Program Regulations (“**WEPP Regulations**”);
- (e) authorized Inscope Corporation, or, in the alternative, Eric Ehgoetz, to act as the foreign representative (“**Foreign Representative**”) in respect of these CCAA Proceedings, for the purpose of having these CCAA Proceedings recognized in the United States pursuant to chapter 15 of title 11 of the United States Code, 11 U.S.C. § 101-1532 (the “**US Bankruptcy Code**”); and
- (f) increased the amount of the Administration Charge to \$800,000.

7. On March 8, 2023, Justice Conway granted an order that, among other things, extended the stay of proceedings in favour of the Applicants to April 21, 2023.

Update on CCAA Proceedings

8. In accordance with the restructuring provisions at paragraph 12 of the Amended and Restated Initial Order, the Applicants were granted the right to, among other things, permanently

or temporarily cease, downsize or shut down any of their business or operations, terminate the employment of employees, and pursue all avenues of selling the Applicants' business or property.

Results of Sale and Liquidation Process

9. The Applicants and the Monitor designed and implemented a commercially reasonable sale and marketing process ("**Sale and Liquidation Process**") for the purpose of identifying one or more value-maximizing transactions for the Applicants' assets and/or business. The Sale and Liquidation Process is described in the Monitor's Second Report.

Gordon Brothers Agreement

10. The Applicants recently entered into the Gordon Brothers Agreement. The Gordon Brothers Agreement has two major components: an equipment liquidation component ("**Equipment Liquidation**"), and an Inventory Sale component.

Equipment Liquidation

11. The following is a summary of the key terms of the Equipment Liquidation component of the Gordon Brothers Agreement:

- (a) **Purchase Price:** CAD \$1,189,000
- (b) **Closing Date:** March 10, 2023
- (c) **Acquired Assets:** Certain enumerated equipment, furniture, and fixtures, as set out at Exhibit "A" to the Gordon Brothers Agreement.

- (d) **Post-Closing Auction:** Gordon Brothers may conduct a private sale or auction of the Acquired Assets and coordinate the removal of the Acquired Assets, as applicable, by the ultimate purchasers.

Inventory Sale

12. The Gordon Brothers Agreement contemplates that, if requested, Gordon Brothers may act as agent (“**Agent**”) of the Inscope Group for the purpose of conducting a future Inventory Sale. In such capacity, the Agent is permitted to market and sell various inventory in accordance with the “Conduct of Inventory Sale” term (section 6.3) of the Gordon Brothers Agreement. In exchange for its services in connection with the Inventory Sale, the Agent is entitled to charge and retain from purchasers a premium of 18%.

Approval and Vesting Order

13. It is a post-closing requirement of the Gordon Brothers Agreement that the Applicants seek an order (i) approving the Gordon Brothers Agreement (including the Equipment Liquidation and the Inventory Sale), and (ii) vesting the Acquired Assets (as defined in the Gordon Brothers Agreement) in Gordon Brothers free and clear of all Claims and Encumbrances.

14. In accordance with the terms of the Gordon Brothers Agreement, the proposed Approval and Vesting Order contemplates that any sale of inventory pursuant to the Inventory Sale shall be made free and clear of all Claims and Encumbrances.

15. As described in the Third Report of the Monitor, the Gordon Brothers Agreement is a product of the commercially reasonable sale efforts undertaken by the Applicants and the Monitor over several weeks. The market has been thoroughly and appropriately canvassed in order to obtain the best price for the assets that are subject to the Gordon Brothers Agreement.

16. The Applicants and the Monitor believe that approval of the Gordon Brothers Agreement and the transactions contemplated thereby are in the best interest of creditors.

Dealer Claim

17. Subject to any legally valid rights of set-off, the Dealer owes Inscape the Inscape Receivable (\$2,147,490 USD).

18. The Dealer has only recently raised set-off as a defence to payment of the Inscape Receivable.

19. The written dealer agreement made between Inscape and the Dealer includes terms and conditions of sale that prohibit set-off, saying “[Dealer] shall not withhold payment of any amounts due and payable by reason of any set-off of any claim or dispute with Inscape”.

20. The Dealer has no defence to payment of the Inscape Receivable.

21. The Dealer has sold Inscape Product (which products generated the Inscape Receivable), and has collected, or will shortly collect, the very substantial proceeds of the sales.

22. In the above circumstances, and in the circumstances of this CCAA, the Dealer ought now to account for its collection of monies on account of the sale of Inscape Products.

23. It is just and appropriate, and protects the interests of creditors in this CCAA, that the Dealer deposit the Inscape Product Collections with the Monitor as and when they are received. The Monitor should be directed to hold such proceeds in trust pending this Court’s determination of the Dealer Claim.

Activities and Fee Approval

24. The proposed Ancillary Order seeks approval of the First, Second and Third Report of the Monitor, and the fees and activities of the Monitor and its legal counsel.

General

25. The provisions of the CCAA, including sections 11, 36, and the statutory, inherent and equitable jurisdiction of this Court.

26. Rules 1.04, 2.03, 3.02, 16, 37 and 39 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended, and section 106 and 137 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended; and

27. Such further other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) the Affidavit of Eric Ehgoetz sworn March 21, 2023;
- (b) the Third Report of the Monitor, to be filed; and
- (c) such further and other evidence as counsel may advise and this Court may permit.

March 21, 2023

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TO: THE SERVICE LIST

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

ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST
Proceeding commenced at TORONTO

NOTICE OF MOTION
(Returnable March 24, 2023)

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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 A PLAN OF COMPROMISE OR
ARRANGEMENT OF **INSCAPE CORPORATION, INSCAPE
(NEW YORK) INC., AND INSCAPE INC.** (the "Applicants")

**AFFIDAVIT OF ERIC EHGOETZ
(Sworn March 21, 2023)**

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**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 A PLAN OF COMPROMISE OR
ARRANGEMENT OF **INSCAPE CORPORATION, INSCAPE**
(NEW YORK) INC., AND INSCAPE INC. (the “**Applicants**”)

Applicants

**AFFIDAVIT OF ERIC EHGOETZ
(Sworn March 21, 2023)**

I, Eric Ehgoetz, of the City of Mississauga, in the Province of Ontario, 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**”, and, collectively 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’s Board of Directors and Chair of its Audit Committee. Among other professional qualifications I hold a Chartered Financial Analyst (CFA) charter holder designation, as well as an ICD.D.

3. 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 information obtained from others, I have stated the source of that information and belief and believe such information to be true.

4. All references to dollar amounts herein are Canadian dollars unless otherwise indicated.

5. I swear this affidavit in support of a motion by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), seeking the following orders:

(a) an order ("**Approval and Vesting Order**"), substantially in the form of the draft order at **Tab "3"** of the Motion Record, among other things:

- (i) abridging the time for and validating service of this notice of motion and the motion record and dispensing with service on any person other than those served;
- (ii) approving an asset purchase agreement dated as of March 10, 2023 ("**Gordon Brothers Agreement**") and made between Inscape, Inscape New York and Inscape Delaware as sellers, and Gordon Brothers Canada ULC, as purchaser ("**Gordon Brothers**"), and the transactions contemplated therein;
- (iii) vesting in Gordon Brothers all of the Applicants' right, title and interest in and to the Acquired Assets upon Closing, free and clear of all Claims and Encumbrances upon Closing (all capitalized terms as defined in the Gordon Brothers Agreement);

- (iv) authorizing the Applicants, with the assistance of Gordon Brothers as agent for the Applicants, to market and sell certain inventory of the Applicants in accordance with Article 6 of the Gordon Brothers Agreement (“**Inventory Sale**”), free and clear of all Claims and Encumbrances, which Claims and Encumbrances (net of amounts payable to Gordon Brothers pursuant to the Gordon Brothers Agreement) shall attach to the proceeds of the Inventory Sale; and
- (b) an order (“**Ancillary Order**”), substantially in the form of the draft order at **Tab “4”** to the Motion Record, among other things:
 - (i) scheduling an early hearing date and approving a motion timetable for the summary determination of the set-off claims that Inscape dealer Prevolv Inc. (“**Dealer**”) has raised to refuse payment of an \$2,147,490 USD Inscape receivable (“**Inscape Receivable**”) on account of furniture products manufactured by Inscape and sold by the Dealer (“**Inscape Product**”) to certain major end customers (“**End Customers**”) in the United States (“**Dealer Claim**”);
 - (ii) if necessary, directing the Dealer to provide an accounting to Inscape and the Monitor as to amounts that it has already received and/or expects to receive from End Customers on account of the sale of Inscape Product (“**Inscape Product Collections**”);

- (iii) if necessary, directing the Dealer to deposit Inscape Product Collections up to the amount of the Inscape Receivable with the Monitor to be held in trust pending the final determination or settlement of the Dealer Claim;
- (iv) authorizing and directing the Monitor to make distributions to HUK 116 Limited (“**Hilco**”) up to the amount of its secured indebtedness, and without further Order of this Court, on account of the Applicants’ secured indebtedness owing to Hilco for principal, interest and any fees payable in connection therewith;
- (v) approving each of the First Report of the Monitor dated January 18, 2023 (together with the appendices thereto, the “**First Report**”), the Second Report of the Monitor dated March 2, 2023 (together with the appendices thereto, the “**Second Report**”) and the Third Report of the Monitor, and the conduct and activities of the Monitor described in each report;
- (vi) approving the fees and disbursements of the Monitor and its legal counsel, Aird & Berlis LLP, as set out in each of the fee affidavits appended to the Third Report; and
- (vii) such further and other relief as counsel may advise and as this Honourable Court may deem just.

BACKGROUND

Filing for CCAA Protection

6. The Inscape Group is in the business of manufacturing and selling office furniture equipment on contract to customers across North America and Europe.

7. The Inscape Group's business operated at a net loss and experienced declining financial performance in each of the last five years leading up to the Filing Date (as defined below). The Applicants' financial distress was exacerbated by the Covid-19 pandemic. Among other challenges, the Applicants experienced a dramatic decline in the size and mix of customer orders, and much lower than expected order volumes. Shortages of production materials, supply chain disruptions, and increases in the costs of raw materials all combined to destroy profit margins.

8. As a result of its insolvency, the Inscape Group determined that the best path forward to maximize value for its stakeholders was through a court-supervised CCAA process, including an orderly wind-up of the business and a controlled liquidation of assets.

Initial Order

9. On January 12, 2023 (the "**Filing Date**"), the Honourable Madam Justice Conway granted the Initial Order, which, among other things:

- (a) granted an initial stay of proceedings in favour of the Inscape Group and its directors and officers up to and including January 20, 2023;
- (b) appointed Alvarez & Marsal Canada Inc. as the monitor of the Inscape Group (in such capacity, the "**Monitor**");

- (c) granted the following charges against the Property, in the following priority rankings:
 - (i) first, an administration charge in the amount of \$250,000 in favour of counsel for the Applicants, the Monitor and its counsel (“**Administration Charge**”); and
 - (ii) second, a directors’ and officers’ charge in the amount of \$750,000;
- (d) authorized the Applicants to incur no further expenses in relation to the Securities Filings (as defined in the Initial Order); and
- (e) authorized the Applicants to continue utilizing its cash management system.

Comeback Hearing

10. On January 20, 2023 (“**Comeback Hearing**”), Justice Conway granted the Amended and Restated Initial Order, which, among other things:

- (a) extended the stay of proceedings up to and including March 9, 2023 (“**Stay Period**”);
- (b) approved a Key Employee Retention Plan (“**KERP**”) and authorized the Applicants to make payments in accordance with the terms of the KERP;
- (c) granted a charge over the Property (as defined in the Initial Order) of the Applicants in favour of the proposed KERP beneficiaries (“**KERP Charge**”) in the aggregate amount of \$350,000;

- (d) declared that, pursuant to section 5(5) of the *Wage Earner Protection Program Act* (“**WEPPA**”) Inscape is a “former employer” in accordance with the criteria established by section 3.2 of the Wage Earner Protection Program Regulations (“**WEPP Regulations**”);
- (e) authorized either Inscape Corporation or, in the alternative to Inscape Corporation, Eric Ehgoetz, to act as the foreign representative in respect of these CCAA proceedings, for the purpose of having these CCAA proceedings recognized in the United States pursuant to chapter 15 of title 11 of the United States Code, 11 U.S.C. § 101-1532 (“**US Bankruptcy Code**”); and
- (f) increased the amount of the Administration Charge to \$800,000.

11. A copy of the Amended and Restated Initial Order and Endorsement of Justice Conway dated January 20, 2023, is attached hereto as **Exhibit “A”**.

12. On March 8, 2023, Justice Conway granted an Order, among other things, extending the stay of proceedings in favour of the Applicants to April 21, 2023. A copy of the Order and Endorsement of Justice Conway dated March 8, 2023 is attached hereto as **Exhibit “B”**.

13. A copy of my affidavit sworn February 28, 2023 (“**Third Ehgoetz Affidavit**”) is attached hereto, without exhibits, as **Exhibit “C”**

UPDATE ON CCAA PROCEEDINGS

14. In accordance with the restructuring provisions at paragraph 12 of the Amended and Restated Initial Order, the Applicants were granted the right to, among other things, permanently

or temporarily cease, downsize or shut down any of their business or operations, terminate the employment of employees, and pursue all avenues of selling the Applicants' business or property.

15. The Applicants have worked, and continue to work, diligently with their advisors in furtherance of an orderly wind-down of operations and a commercially reasonable realization of their assets.

16. As set out in the Monitor's Second Report and the Third Ehgoetz Affidavit, the Applicants and the Monitor designed and implemented a commercially reasonable sale and marketing process ("**Sale and Liquidation Process**") for the purpose of identifying one or more value-maximizing transactions for the Applicants' assets and/or business.

Gordon Brothers Agreement

17. One of the bids received in the Sale and Liquidation Process was in respect of the majority of the Applicants' remaining furniture, equipment and fixtures (the "**Gordon Brothers Bid**").

18. At the time of the March 8, 2023 hearing, the purchase agreement in respect of the Gordon Brothers Bid was in the process of being negotiated and finalized for execution by the parties. On March 10, 2023, the terms of the Gordon Brothers Bid were finalized and memorialized in the Gordon Brothers Agreement, a copy of which is attached hereto as **Exhibit "D"**.

19. The Gordon Brothers Agreement has two major components: an equipment liquidation component ("**Equipment Liquidation**"), and an Inventory Sale component.

20. The following is a summary of the key terms of the Equipment Liquidation component:

- (a) **Purchase Price:** CAD \$1,189,000
- (b) **Closing Date:** March 10, 2023
- (c) **Acquired Assets:** Certain enumerated equipment, furniture, and fixtures, as set out at Exhibit “A” to the Gordon Brothers Agreement.
- (d) **Post-Closing Auction:** Gordon Brothers may conduct a private sale or auction of the Acquired Assets and coordinate the removal of the Acquired Assets, as applicable, by the ultimate purchasers.

21. In terms of the Inventory Sale component, the Gordon Brothers Agreement contemplates that, if requested, Gordon Brothers may act as agent (“**Agent**”) of the Inscape Group for the purpose of conducting a future Inventory Sale. In such capacity, the Agent is permitted to market and sell various inventory in accordance with the “Conduct of Inventory Sale” term (section 6.3) of the Gordon Brothers Agreement.

22. In exchange for its services in connection with the Inventory Sale, the Gordon Brothers Agreement entitles the Agent to charge and retain from purchasers an industry standard premium of 18%.

23. As indicated below, the Applicants are seeking an order approving the Gordon Brothers Agreement and vesting the Acquired Assets in Gordon Brothers free and clear of all Claims and Encumbrances (as such terms are defined in the Gordon Brothers Agreement).

Accounts Receivable Collection Efforts

24. The Applicants continue to work diligently to collect accounts receivable. Since the Filing Date, approximately \$1.9 million has been collected, and approximately \$5.8 million remains to be collected by the Applicants.

25. As described in the Third Ehgoetz Affidavit and further below, the \$5.8 accounts receivable figure takes into account the sale proceeds of certain additional goods produced following the Filing Date.

Inscape Receivable Owing by Dealer

26. Of the Applicants' remaining accounts receivable, the largest portion by far, being \$2,147,490 USD (defined as the "Inscape Receivable", above), is attributable to Inscape Product completed during the course of the CCAA proceedings and sold by the Dealer to End Customers.

27. During the course of the CCAA proceedings, the Applicants continued limited manufacturing operations for the purpose of completing Inscape Product necessary to fulfil specific orders placed by the Dealer. The decision to maintain limited operations and complete these orders was made in order to maximize the value of work in process as at the Filing Date. The positive economics of this decision, from an estate perspective, were reported on at paragraphs 3.4 to 3.6 of the Monitor's Second Report.

28. The Inscape Product was completed in full by February 24, 2023, and released for shipment to End Customers by February 27, 2023.

29. The completion and shipment of the Inscape Product obligates the End Customer to pay the Dealer for the order in full within 30 days, per the applicable Terms and Conditions (as defined below) or, if approved by Inscape, within 60 days from shipment to the Dealer.

30. On or about March 6, 2023, the Dealer took the position for the first time that Inscape's CCAA wind-down constituted a "business interruption" (for the Dealer), entitling the Dealer to a "fulsome reconciliation and determination" of amounts that it was entitled to "set-off" against the Inscape Receivable. Prior to this time, the principal of the Dealer, Mr. John Ewine, had made numerous verbal commitments to myself, and otherwise led me to believe, that his company would promptly pay the Inscape Receivable in full.

31. Relying on its alleged right of set-off the Dealer has so far declined to pay any portion of the Inscape Receivable. This is despite the fact that the Inscape Receivable was generated by Inscape's final manufacturing efforts completed during the CCAA proceedings in order to maximize estate value and realizations for all creditors.

32. At the same time, the Dealer has collected, or shortly will collect, payment (well in excess of \$2,147,490 USD) for the Inscape Product from End Customers.

33. The Dealer's legal position is at odds with the relevant Dealer agreements and the written Terms and Conditions of Sale ("**Terms and Conditions**") to which it agreed.

34. The Terms and Conditions specifically prohibit set-off:

PAYMENT

Inscape invoices all orders in the currency indicated on the Order Acknowledgment. Payment must be made in this same currency and may be made by cheque or wire transfer in accordance with the instructions set out in the invoice. Subject to credit approval, **Buyer must pay all invoiced amounts due to Inscape within 30 days from**

the invoice date. In some cases a deposit will be required before the order will be scheduled for production. Delinquent accounts are subject to a 1.5% per month charge or the largest amount permitted by law. Inscape reserves the right to delay or cancel any shipment where an account is delinquent. **Buyer shall not withhold payment of any amounts due and payable by reason of any set-off of any claim or dispute with Inscape** (emphasis added).

35. Attached as **Exhibit “E”** is a copy of the Terms and Condition.

36. The Inscape Receivable is the Applicants’ largest outstanding account receivable. It was generated in part during the course of this proceeding and has been included in the Applicants’ cash flow as accounts receivable to be collected during the forecast period.

37. If the Dealer is going to maintain its non-payment position it is important that set-off rights be determined in this proceeding as soon as practicable. In the interim, the Applicants ask that the Dealer account to the Court, the Monitor, the Applicants and other creditors as to what it has received from End Customers. Finally, and to ensure that the rights of all claimants (including the Dealer) to the Inscape Receivable are best and most appropriately protected, the Applicants ask that the Dealer be directed to deposit \$2,147,490 USD (being the amount of the Inscape Receivable) with the Monitor to be held to the credit of the dispute.

RELIEF SOUGHT

Approval and Vesting Order

38. It is a post-closing requirement of the Gordon Brothers Agreement that the Applicants seek an order (i) approving the Gordon Brothers Agreement (including the Equipment Liquidation and the Inventory Sale), and (ii) vesting the Acquired Assets (as defined in the Gordon Brothers Agreement) in Gordon Brothers free and clear of all Claims and Encumbrances.

39. In accordance with the terms of the Gordon Brothers Agreement, the proposed Approval and Vesting Order contemplates that any sale of inventory pursuant to the Inventory Sale shall be made free and clear of all Claims and Encumbrances.

40. As described in the Monitor's Third Report, to be filed, the Gordon Brothers Agreement is a product of the commercially reasonable sale efforts undertaken by the Applicants and the Monitor over several weeks. The market has been thoroughly and appropriately canvassed in order to obtain the best price for the assets that are subject to the Gordon Brothers Agreement.

41. I believe that approval of the Gordon Brothers Agreement and the transactions contemplated thereby is in the best interest of creditors.

Relief Sought in Respect of Dealer Claim

42. The Applicants seek the procedural relief set out in the notice of motion, including the scheduling of a hearing date, and the establishment of a motions timetable for the determination of the Dealer Claim.

43. Additionally, by way of interim relief on this motion, the Applicants ask that the Dealer:

- (a) provide an accounting to Inscape and the Monitor as to amounts that it has collected from End Customers on account of the sale of the Inscape Product at issue;
- (b) deposit Inscape Product Collections (up to the amount of the Inscape Receivable) with the Monitor as and when they are received, which amounts will be held in trust by the Monitor to the credit of the dispute; and

- (c) in the alternative to (b), post a letter of credit or provide some other form of reasonable security acceptable to the Applicants and the Monitor on account of its retention of the Inscape Receivable.

44. The balance of the relief sought is further discussed in the Third Report of the Monitor.

FORM OF ORDER AND CONCLUSION

45. I swear this affidavit in support of the Applicant's motion for orders substantially in the form attached at **Tabs "3"** and **"4"** to this Motion 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
21st day of March, 2023

DocuSigned by:

Monica Faheim

A927328446B742A...

DocuSigned by:

Eric Ehgoetz

EDEF7B1AED28246B...

ERIC EHGOETZ

A Commissioner for taking Affidavits
MONICA FAHEIM

**This is Exhibit "A" referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 21st day of March, 2023**

DocuSigned by:

Monica Eklund

A COMMISSIONER FOR TAKING AFFIDAVITS



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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MADAM)	FRIDAY, THE 20 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**”)

AMENDED AND RESTATED 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 11, 2023, and the exhibits thereto (the “**Initial Ehgoetz Affidavit**”), the affidavit of Eric Ehgoetz sworn January 17, 2023 and the exhibits thereto (the “**Second Ehgoetz Affidavit**”), the Pre-Filing Report of Alvarez & Marsal Canada Inc. (“**A&M**”), in its capacity as proposed monitor of the Applicants (the “**Proposed Monitor**”), filed, and the First Report of A&M dated January 18, 2023 (the “**First Report**”), in its capacity as court-appointed Monitor of the Applicants (in such capacity, the “**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, counsel for the 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 12, 2023 and the affidavit of service of Maureen McLaren, sworn January 18, 2023, and on reading the consent of A&M to act as 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.

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS AND DECLARES** that the Applicants 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

4. **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 their 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.

5. **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 Initial 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 with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. **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.

7. **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.

8. **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.

9. **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.

10. **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.

11. **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 their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. **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;
- (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, restructuring, selling and reorganizing the Business or Property, in whole or part, provided that, if the Monitor determines that approval of this Court is appropriate in the circumstances, the Applicants shall seek and obtain such approval of the Court before any material refinancing, restructuring, sale or reorganization,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business.

13. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants' 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 Applicants' 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 Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days' notice to such landlord and any such

secured creditors. If the Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, they 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 of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

14. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, 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 Applicants 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 APPLICANTS OR THE PROPERTY

15. **THIS COURT ORDERS** that until and including March 9, 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

16. **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

17. **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

18. **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 their 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

19. **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

20. **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

21. **THIS COURT ORDERS** that the Applicants shall indemnify their 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.

22. **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 21 of this Order. The Directors’ Charge shall have the priority set out in paragraphs 35 and 37 herein.

23. **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 21 of this Order.

APPOINTMENT OF MONITOR

24. **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.

25. **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.

26. **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.

27. **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.

28. **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.

29. **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.

30. **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.

31. **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.

ADMINISTRATION CHARGE

32. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, if any, and the Applicants' 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 \$800,000, 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 35 and 37 hereof.

KEY EMPLOYEE RETENTION PLAN

33. **THIS COURT ORDERS** that the Applicants' key employee retention plan (the "**KERP**") described in Second Ehgoetz Affidavit and the First Report be and is hereby approved and the Applicants are authorized and directed to make the payments contemplated thereunder should the employees become entitled thereto in accordance with the terms and conditions of the KERP.

34. **THIS COURT ORDERS** that the beneficiaries of the KERP shall be entitled to the benefit of and are hereby granted a charge (the "**KERP Charge**") on the Property in the amount of \$350,000. The KERP Charge shall have the priority set out in paragraphs 35 and 37 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

35. **THIS COURT ORDERS** that the priorities of the Directors' Charge, the KERP Charge and the Administration Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$800,000);

Second – Directors' Charge (to the maximum amount of \$750,000); and

Third – KERP Charge (to the maximum amount of \$350,000).

36. **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.

37. **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.

38. **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.

39. **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.

40. **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.

WAGE EARNER PROTECTION PROGRAM ACT

41. **THIS COURT ORDERS AND DECLARES** that pursuant to section 5(5) of the *Wage Earner Protection Program Act (Canada)*, SC 2005, c 47, s1 (“**WEPPA**”), Inscope Corporation and its former employees meet the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 and are individuals to whom the WEPPA applied as of the date this Order.

RELIEF FROM REPORTING OBLIGATIONS

42. **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents and press releases (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 during the Stay Period.

43. **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 during the Stay Period, 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 such failure by the Applicants.

SERVICE AND NOTICE

44. **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.

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/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**").

46. **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).

FOREIGN PROCEEDINGS

47. **THIS COURT ORDERS** that either one of Inscape Corporation, or in the alternative to Inscape Corporation, Eric Ehgoetz, is hereby authorized and empowered to act as the foreign representative (the "**Foreign Representative**") in respect of the within proceedings for the purposes of having these proceedings recognized in a jurisdiction outside of Canada.

48. **THIS COURT ORDERS** that the Foreign Representative is hereby authorized to apply for foreign recognition of these proceedings, as necessary, in any jurisdiction outside of Canada, including the United States pursuant to Chapter 15 of Title 11 of the United States Code 11 U.S.C. §§ 101 -1532.

GENERAL

49. **THIS COURT ORDERS** that, 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.

50. **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.

51. **THIS COURT ORDERS** that any interested party (including the Applicants 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, 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 35 and 37 hereof with respect to any fees, expenses, liabilities and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

52. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

53. **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.

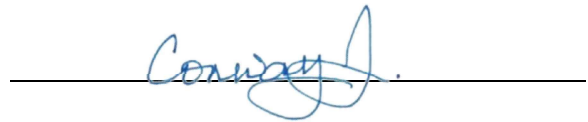
54. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this 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 Foreign Representative in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

55. **THIS COURT ORDERS** that the Foreign Representative 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 Foreign Representative 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.

56. **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.

57. **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

AMENDED AND RESTATED
INITIAL ORDER
(RETURNABLE JANUARY 20,
2023)

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Lawyers for the Applicant



SUPERIOR COURT OF JUSTICE

COUNSEL SLIP

COURT FILE NO.:

CV-23-00692784-00CL

DATE: 20 January 2023

NO. ON LIST: 4

TITLE OF PROCEEDING: INSCAPE LEGAL ET AL

BEFORE JUSTICE: CONWAY

PARTICIPANT INFORMATION**For Plaintiff, Applicant, Moving Party, Crown:**

Name of Person Appearing	Name of Party	Contact Info
David Ward	On Behalf of the Applicant	dward@millerthomson.com
Monica Faheim	On Behalf of the Applicant	mfaheim@millerthomson.com
Jamie Eisen,	Willkie Farr & Gallagher LLP, US counsel for the Applicants;	jeisen@willkie.com
Courtenay Cullen	ON Behalf of Willkie Farr & Gallagher LLP, US counsel for the Applicants	ccullen@willkie.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
Maya Poliak	On Behalf of Ontario Securites Commission	maya@chaitons.com
Philip Cho	On Behalf of Prevlov Inc	pcho@weirfoulds.com
Matthew Cressatti,	On Behalf of Cedar city Paradise Toll Rd INC	mcressatti@osler.com
Daniel Daigle	On Behalf of United Steelworkers Local 1-500	ddaigle@usw.ca
David Garner & Ian Breneman	On Behalf of Empire Office Inc	dgarner@ahbl.ca & ibreneman@ahbl.ca
David Tanabe	On Behalf of Prevoly (American Counsel)	

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Matilda Lici	On Behalf of the Monitor Alvarez & Marsal	kplunkett@airdberlis.com
Kyle Plunkett	On Behalf of the Monitor Alvarez & Marsal	kplunkett@airdberlis.com
Stephen Moore - Monitor, Alvarez & Marsal	Monitor, Alvarez & Marsal	smoore@alvarezandmarsal.com
Josh Nevsky	On Behalf of CCAA Monitor	jnevsky@alvarezandmarsal.com

ENDORSEMENT OF JUSTICE CONWAY

All defined terms used in this Endorsement shall, unless otherwise defined, have the meanings ascribed to them in the Factum of the Applicants for today's motion.

This is the comeback motion on this CCAA matter in which I granted the Initial Order on January 12, 2023. The background of this liquidating CCAA proceeding is described in my Endorsement of that date. The Initial Stay Period expires today.

The Applicants bring this motion for an Amended and Restated Initial Order. All of the relief sought is unopposed or consented to, and is supported by the Monitor.

The Applicant seek an extension of the stay to March 9, 2023. The stay is required to permit the Applicants to execute the Orderly Wind-Down. The Applicants are projected to have sufficient liquidity during the Extended Stay Period. The Monitor does not believe any creditor will be prejudiced by the extension. The Applicants are acting in good faith and with due diligence. I grant the extension.

The Applicants seek approval of a KERP and KERP Charge for critical employees of the business whose services are required to provide the required stability to enable the Orderly Wind-Down to be completed. The Monitor supports this relief. I am satisfied that it should be granted under s. 11 of the CCAA.

I grant the authorization for Inscape Corporation or Mr. Ehgoetz to act as the foreign representative for chapter 15 proceedings under the Bankruptcy Code. I further grant the requested WEPPA declaration.

I approve the increase of the Administration Charge is to \$800,000 and the amended Priority Charges - \$800,000 for the Administration Charge, \$750,000 for the Directors' Charge and \$350,000 for the KERP Charge.

Counsel for the Ontario Securities Commission (the "**Commission**") and for the directors have consented to the form of order. I wish to make it clear that nothing in the order or this Endorsement is intended to encroach on the jurisdiction of the Commission or other similar securities regulatory authorities in the matter of regulating the conduct of market participants and to issue cease trade orders if and when required pursuant to applicable securities law. Further, nothing in the order or this Endorsement shall constitute or be construed as an admission by the Commission that the court has jurisdiction over matters that are within the exclusive jurisdiction of the Commission under the *Securities Act*, R.S.O. 1990, c. S.5.

Amended and Restated Initial Order to go as signed by me and attached to this Endorsement. This order is effective from today's date and is enforceable without the need for entry and filing.

I have scheduled a further hearing **before me on March 2, 2023 at 11 a.m. for one hour (confirmed with the Commercial List office)**.

A handwritten signature in blue ink, appearing to read "Conway J.", with a stylized flourish at the end.

**This is Exhibit "B" referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 21st day of March, 2023**

DocuSigned by:

Monica Faleim

A927329-140D742A

A COMMISSIONER FOR TAKING AFFIDAVITS



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

ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST

THE HONOURABLE

)

WEDNESDAY, THE 8TH

)

)

JUSTICE CONWAY

)

DAY OF MARCH, 2023

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

ORDER

(STAY EXTENSION)

THIS MOTION, 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 notice of motion dated February 28, 2023, the affidavit of Eric Ehgoetz sworn February 28, 2023 ("**Ehgoetz Affidavit**"), the second report ("**Second Report**") of Alvarez & Marsal Canada Inc. ("**A&M**"), in its capacity as court-appointed monitor of the Applicants (the "**Monitor**") dated March 2, 2023, the affidavit of John Ewine sworn March 4, 2023, and on hearing the submissions of counsel for the Applicants, counsel for the 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 February 28, 2023,

DEFINED TERMS

1. **THIS COURT ORDERS** that all terms capitalized but not defined herein shall have the meanings ascribed to such terms in the amended and restated initial order of Justice Conway dated January 20, 2023 (“**Amended and Restated Initial Order**”).

SERVICE

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

EXTENSION OF STAY

3. **THIS COURT ORDERS** that until and including April 21, 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.

SEALING

4. **THIS COURT ORDERS** that Confidential Appendix “1” appended to the Second Report be and hereby is sealed until the next attendance before this Court seeking approval of any sale transaction for the Applicants’ equipment, furniture and fixtures, subject to further order of this Court.

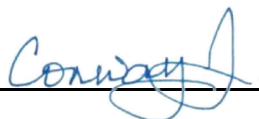
GENERAL

5. **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 Foreign Representative in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

6. **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.

7. **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

ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST

Proceeding commenced at TORONTO

ORDER
(MARCH 8, 2023)

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SUPERIOR COURT OF JUSTICE

COUNSEL SLIPCOURT FILE
NO.:

CV-23-00692784-00CL

DATE: 8 March 2023

NO. ON LIST: 1TITLE OF
PROCEEDING:
BEFORE
JUSTICE:INSCAPE CORP, INSCAPE (NEW YORK) INC,
INSCAPE INC
CONWAY**PARTICIPANT INFORMATION****For Plaintiff, Applicant, Moving Party, Crown:**

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ENDORSEMENT OF JUSTICE CONWAY:

All defined terms used in this Endorsement shall, unless otherwise defined, have the meanings ascribed to them in the Motion Record of the Applicants dated February 28, 2023.

The Applicants bring this motion for an extension of the stay (expires on March 9, 2023) to April 21, 2023. They submit that this will enable them to further advance their realization and wind-down efforts. Specifically, they wish to finalize and seek Court approval of the Equipment Liquidation APS.

The Applicants further seek a sealing order with respect to Confidential Appendix “1” to the Monitor’s Second Report, which contains a summary of the sale and liquidation bids received by the Monitor.

The motion is unopposed. The Monitor supports the stay extension as set out in its Second Report. It has described in detail the sales and liquidation process that the Applicants have engaged in with the assistance of the Monitor. It has also prepared an Updated Cash Flow Forecast that forecasts sufficient liquidity for the Applicants to fund their operations during the extended stay period.

I am satisfied that the relief sought should be granted. I accept the Monitor’s view that the Applicants continue to act in good faith and with due diligence, that no creditor will be prejudiced if the extension is granted, that it will afford the Applicants stability to continue the execution of the orderly wind-down, and that the Applicants will have sufficient liquidity to fund their operations through the extended stay period.

I am granting the sealing order for Confidential Appendix “1” to the Monitor’s Second Report. It is commercially sensitive information and could prejudice the stakeholders in obtaining the best price for assets if it is not sealed pending Court approval of any sale transaction. The sealing order meets the *Sierra Club/Sherman* test. **Counsel for the Monitor is directed to file a hard copy of the Confidential Appendix “1” to the Second Report with the Court in a sealed order along with a copy of this endorsement and the order.**

Counsel for the Applicant has revised the order to refer to the affidavit filed by Mr. Ewine (who is putting his evidence before the court but is not opposing the relief sought today).

The record filed before me today includes evidence in support of a sale of certain of the Applicants’ assets to the “successful bidder” as it relates to the Equipment Liquidation Bid. Counsel for the Applicants and the Monitor said that following execution of the asset purchase agreement, the Applicants intend to apply to the Court for an order vesting title in these assets to the successful bidder (“AVO”). Counsel further advised that the AVO was a condition subsequent to the proposed transaction. During the hearing, I reminded counsel that the Court would, at the appropriate time, review the request for approval of the transaction on its merits and is not obligated in any way to grant the AVO or approve the transaction. I also made it clear to counsel that nothing in the relief granted today impacts the Court’s future decision in connection with the Applicants’ request for an AVO related to the Equipment Liquidation Bid.

Order to go as signed by me and attached to this Endorsement. This order is effective from today's date and is enforceable without the need for entry and filing.

A handwritten signature in blue ink, appearing to read "Conway J.", is located at the bottom left of the page.

**This is Exhibit "C" referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 21st day of March, 2023**

DocuSigned by:

Monica Faleim

A COMMISSIONER FOR TAKING AFFIDAVITS

**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

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

**AFFIDAVIT OF ERIC EHGOETZ
(Sworn February 28, 2023)**

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**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 A PLAN OF COMPROMISE OR
ARRANGEMENT OF **INSCAPE CORPORATION, INSCAPE**
(NEW YORK) INC., AND INSCAPE INC. (the “**Applicants**”)

Applicants

**AFFIDAVIT OF ERIC EHGOETZ
(Sworn February 28, 2023)**

I, Eric Ehgoetz, of the City of Mississauga, in the Province of Ontario, 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**”, and, collectively 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’s Board of Directors and Chair of its Audit Committee. Among other professional qualifications I hold a Chartered Financial Analyst (CFA) charter holder designation, as well as an ICD.D.

3. 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 information obtained from others, I have stated the source of that information and belief and believe such information to be true.

4. All references to dollar amounts herein are Canadian dollars unless otherwise indicated.
5. I swear this affidavit in support of a motion by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), seeking an Order, substantially in the form of the draft order attached as **Tab "3"** to the Motion Record, among other things:
- (a) abridging the time for and validating service of this notice of motion and the motion record and dispensing with service on any person other than those served;
 - (b) extending the stay of proceedings granted pursuant to the order of the Honourable Madam Justice Conway dated January 20, 2023 ("**Amended and Restated Initial Order**"), to and including April 21, 2023 (the "**Extended Stay Period**");
 - (c) sealing the Confidential Appendices to the second report of Alvarez & Marsal Canada Inc. ("**A&M**"), in its capacity as the Monitor of the Inscope Group (in such capacity, the "**Monitor**"), to be filed by the Monitor in support of the Applicants' motion (the "**Second Report**"); and
 - (d) such further and other relief as counsel may advise and as this Honourable Court may deem just.

BACKGROUND

Filing for CCAA Protection

6. My first affidavit in these CCAA proceedings was sworn on January 11, 2023 ("**First Ehgoetz Affidavit**"). All terms capitalized but not defined in this Affidavit are as defined in the

First Ehgoetz Affidavit. A copy of the First Ehgoetz Affidavit, without exhibits, is attached hereto as **Exhibit “A”**.

7. The Inscape Group is in the business of manufacturing and selling office furniture equipment on contract to customers across North America and Europe.

8. The Inscape Group’s business operated at a net loss and experienced declining financial performance in each of the last five years leading up to the Filing Date (as defined below). The Applicants’ financial distress was exacerbated by the Covid-19 pandemic. Among other challenges, the Applicants experienced a dramatic decline in the size and mix of customer orders, and much lower than expected order volumes. Shortages of production materials, supply chain disruptions, and increases in the costs of raw materials all combined to destroy profit margins.

9. As a result of its insolvency, the Inscape Group determined that the best path forward to maximize value for its stakeholders was through a court-supervised CCAA process, including an orderly wind-up of the business and a controlled liquidation of assets.

Initial Order

10. On January 12, 2023 (the “**Filing Date**”), the Honourable Madam Justice Conway granted the Initial Order, which, among other things:

- (a) granted an initial stay of proceedings in favour of the Inscape Group and its directors and officers up to and including January 20, 2023;
- (b) appointed A&M as the Monitor of the Inscape Group;

- (c) granted the following charges against the Property, in the following priority rankings (the “**Priority Charges**”):
 - (i) first, an administration charge in the amount of \$250,000 in favour of counsel for the Applicants, the Monitor and its counsel (the “**Administration Charge**”); and
 - (ii) second, a directors’ and officers’ charge in the amount of \$750,000 (the “**Directors’ Charge**”);
- (d) authorized the Applicants to incur no further expenses in relation to the Securities Filings (as defined in the Initial Order); and
- (e) authorized the Applicants to continue utilizing its cash management system.

Amended and Restated Initial Order

11. On January 20, 2023 (the “**Comeback Hearing**”), Justice Conway granted the Amended and Restated Initial Order, which, among other things:

- (a) extended the Stay Period up to and including March 9, 2023 (“**Stay Period**”);
- (b) approved a Key Employee Retention Plan (the “**KERP**”) and authorized the Applicants to make payments in accordance with the terms of the KERP;
- (c) granted a charge over the Property (as defined in the Initial Order) of the Applicants in favour of the proposed KERP beneficiaries (the “**KERP Charge**”) in the aggregate amount of \$350,000;

- (d) declared that, pursuant to section 5(5) of the *Wage Earner Protection Program Act* (“**WEPPA**”) Inscape is a “former employer” in accordance with the criteria established by section 3.2 of the Wage Earner Protection Program Regulations (“**WEPP Regulations**”);
- (e) authorized either Inscape Corporation, or in the alternative to Inscape Corporation, Eric Ehgoetz, to act as the foreign representative (the “**Foreign Representative**”) in respect of these CCAA proceedings, for the purpose of having these CCAA proceedings recognized in the United States pursuant to chapter 15 of title 11 of the United States Code, 11 U.S.C. § 101-1532 (the “**US Bankruptcy Code**”); and
- (f) increased the amount of the Administration Charge to \$800,000.

UPDATE ON CCAA PROCEEDINGS

12. In accordance with the restructuring provisions at paragraph 12 of the Amended and Restated Initial Order, the Applicants were granted the right to, among other things, permanently or temporarily cease, downsize or shut down any of their business or operations, terminate the employment of employees, and pursue all avenues of selling the Applicants’ business or property.

13. In the weeks since the Comeback Hearing, the Applicants have worked diligently with their advisors in furtherance of an orderly wind-down of operations and a commercially reasonable realization of their assets. Among other things, the Applicants have continued to

liaise with creditors, regulatory authorities and other stakeholders, with a view to keeping all stakeholders apprised of developments in the CCAA proceedings.

Asset Sales and Collection Efforts

14. The Applicants have made steady progress with their wind-down and collection efforts. The focus has been on the realization of four categories of assets: equipment and inventory, tax refunds, leases, and accounts receivable.

Equipment and Inventory

15. Relying on the authority of the Amended and Restated Initial Order, the Applicants and the Monitor designed and implemented a commercially reasonable marketing process (“**Sale and Liquidation Process**”) for the purpose of identifying one or more value-maximizing transaction for the Applicants’ assets and/or business.

16. In furtherance of the Sale and Liquidation Process, the Applicants and the Monitor engaged with 20 potential purchasers, including professional liquidators, office furniture manufacturers and distributors, and other parties who in the opinion of the Applicants or the Monitor may be interested in acquiring any of the Applicants’ assets and/or business (“**Potential Purchasers**”).

17. The Monitor will provide more details on the Sale and Liquidation Process in its Second Report. The following is a high level summary of the process and its outcome(s) to date:

- (a) in order to participate in the Sale and Liquidation Process, Potential Purchasers were required to execute a non-disclosure agreement and thereafter were provided

with significant detail about the Applicants' assets and business, including asset listings and financial information;

- (b) the Applicants and the Monitor facilitated due diligence requests from Potential Purchasers, as well as management meetings, site tours, and plant visits;
- (c) Potential Purchasers were provided with a process letter ("**Bid Process Letter**"), a copy of which will be appended to the Monitor's Second Report. The Bid Process Letter published the deadlines and milestones of the Sale and Liquidation Process, including the deadline to submit a letter of intent by February 8, 2023 (the "**Bid Deadline**");
- (d) ten (10) letters of intent were submitted by Potential Purchasers to the Monitor by the Bid Deadline; and
- (e) the Applicants and the Monitor evaluated all bids received following the expiry of the Bid Deadline and engaged in follow-up discussions with certain Potential Purchasers with a view to clarifying and improving business terms.

18. For the reasons to be detailed in the Monitor's Second Report, it was ultimately determined that two of the bids (the "**Successful Bids**") were superior to the other offers received by the Bid Deadline. In making this determination the Applicants and the Monitor considered the value and structure of the purchase price, the specific asset parcels included or excluded in the transaction, the proposed timing for completion, and matters affecting conditionality and deal certainty.

19. The Successful Bids comprised of:

- (a) a bid submitted for assets in respect of a fiber laser system and compressor (**“Fiber Laser Bid”**); and
- (b) a liquidation bid submitted for the majority of the Applicants’ remaining equipment, furniture, and fixtures (the **“Equipment Liquidation Bid”**).

20. The negotiated purchase price for the assets which are subject to the Fiber Laser Bid was USD \$925,000. The transaction was completed in accordance with the terms of a purchase agreement dated February 24, 2023 (**“Fiber Laser APS”**). A copy of the executed Fiber Laser APS is attached as **Exhibit “B”**.

21. The purchase agreement in respect of the Equipment Liquidation Bid (the **“Equipment Liquidation APS”**) is in the process of being negotiated and finalized for execution by the parties. The deal will be conditional on the granting of a sale approval and vesting order. Once finalized, the Applicants intend to bring a motion seeking court approval of the Equipment Liquidation APS at the earliest opportunity, and on notice to the service list.

Tax Refunds

22. Deloitte Canada (**“Deloitte”**), the Applicants’ auditor, is in the process of pursuing an claimed HST refund of approximately \$1.3 million. This amount had and continues to be withheld by Canada Revenue Agency pending the determination of a notice of objection. Deloitte remains engaged and these efforts are ongoing.

Holland Landing Lease

23. As described in the First Ehgoetz Affidavit, Inscope is party to a January 2022 lease agreement (**“Holland Landing Lease”**) in respect of a property in East Gwillimbury, Ontario,

which comprises of the Applicants' head office and furniture manufacturing plant contained within a 313,002 square foot facility (the "**Holland Landing Facility**").

24. Inscape and the landlord (the "**Landlord**") under the Holland Landing Lease are in late stage discussions regarding a potential arrangement with a replacement tenant. A properly structured arrangement, if achieved, would be in the financial interest of the Landlord and the new tenant, and would also contribute material value to the Inscape Group's estate in liquidation.

Accounts Receivable

25. The Applicants are working diligently to collect accounts receivable. Since the Filing Date, approximately \$1.1 million has been collected, and approximately \$6.5 million remains to be collected by the Applicants.

26. The \$6.5 million accounts receivable figure takes into account the sales proceeds of certain additional goods produced following the Filing Date. In this regard, the Applicants continued manufacturing operations through to February 24, 2023 in order to finish certain customer orders that were nearing completion or were otherwise beneficial to complete. This work added value to the company in that the cost of completion will be more than offset by the associated sales revenue that will be collected.

27. A receivable of approximately \$2.8 million is expected to be received from Prevolv, Inc. ("**Prevolv**") in payment for multiple orders that required completion but which are now in transit. The Applicants have discussed payment arrangements with Prevolv, and Prevolv has committed to making full payment of the receivable within 60 days of delivery of the shipment.

28. Collection efforts are otherwise ongoing.

U.S. Chapter 15 Proceeding

29. On January 23, 2023, the Foreign Representative filed a petition (“**Petition**”) commencing a proceeding (“**Chapter 15 Proceeding**”) requesting recognition of the CCAA proceedings in the United States Bankruptcy Court for the Southern District of New York (“**US Bankruptcy Court**”) pursuant to the Bankruptcy Code. Attached hereto as **Exhibit “C”** is a copy of the Petition.

30. The US Bankruptcy Court convened a hearing on February 21, 2023 to consider the Petition. At the conclusion of the hearing, the Honourable Justice Wiles requested certain additional information from the Foreign Representative and continued the hearing to March 1, 2023. Specifically, His Honour requested the filing of supplemental materials addressing the question of the center of main interest (“**COMI**”) of each of Inscape New York and Inscape Delaware. The requested additional materials, consisting of a Supplement to the Verified Petition was filed with the US Bankruptcy Court on February 27, 2023. Attached as **Exhibit “D”** is a copy of the Supplement to the Verified Petition

Vacation Pay Claim

31. At the commencement of these proceedings, Inscape employed approximately 83 unionized workers who were members of the United Steelworkers 1-500 union (“**USW**”). Approximately 4 unionized workers are currently employed by Inscape and engaged in various wind-up activities.

32. On February 22, 2023, the Applicants received a letter (“**Gowlings Letter**”) from independent counsel for the director and officers of the Applicants regarding a certain USW Grievance Request. The Gowlings Letter asks that the Applicants pay all amounts claimed for

vacation for all employees, and demands indemnification, if necessary, for amounts (if any) that directors and officers may be liable for in the future. Attached as **Exhibit “E”** is a copy of the Gowlings Letter.

33. The Applicants are reviewing the scope and nature of this grievance with the Monitor, with a view to resolving the issue as soon as possible.

RELIEF SOUGHT

Extension of the Stay

34. The Applicants have acted, and continue to act in good faith and with due diligence throughout these CCAA proceedings.

35. The Stay Period is currently set to expire on March 9, 2023. The requested extension of the stay of proceedings up to and including to April 21, 2023 will afford time for the Applicants and the Monitor to, among other things:

- (a) continue to further their ongoing wind-down, asset realization, and collection efforts;
- (b) finalize the terms of the Equipment Liquidation APS;
- (c) assess the results of the wind-down and determine whether or not realizations are sufficient to justify a claims process;
- (d) if a claims process is advisable, to develop and propose an appropriate claims process and return to court to seek approval thereof; and

- (e) further the purpose of the Chapter 15 Proceeding, namely, to grant recognition to the orders of this Court in the CCAA proceedings and grant a stay to protect from creditors in the United States as the Applicants complete an orderly, timely, and cost-effective liquidation.

36. The Monitor supports the proposed extension to the Stay Period. As set out in the updated Cash Flow Forecast, a copy of which will be appended to the Second Report, the Applicants will have sufficient liquidity to carry out the ongoing wind up of operations, during the proposed extension.

FORM OF ORDERS AND CONCLUSION

37. I swear this affidavit in support of the Applicant's motion for the Amended and Restated Initial Order, substantially in the form attached at **Tab "3"** to this Motion 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 28th day of February, 2023

DocuSigned by:

Eric Ehgoetz

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ERIC EHGOETZ

DocuSigned by:

Monica Faheim

A927325445B742A

A Commissioner for taking Affidavits
MONICA FAHEIM

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 FEBRUARY 28, 2023)

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Lawyers for the Applicants

**This is Exhibit “D” referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 21st day of March, 2023**

DocuSigned by:

Monica Fakeim

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A COMMISSIONER FOR TAKING AFFIDAVITS

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this “**Agreement**”), dated as of March 10, 2023, is entered into by and among Inscope Corporation, Inscope Inc. and Inscope (New York) Inc. (collectively, “**Seller**”), as sellers, and Gordon Brothers Canada ULC (“**Buyer**”), as buyer, with the consent of Alvarez & Marsal Canada Inc., in its capacity as the Court-appointed monitor (the “**Monitor**”) of the Seller, appointed pursuant to the Initial Order (as defined below) made pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). Seller and Buyer are referred to collectively as the “**Parties**”, and each individually as a “**Party**.”

RECITALS

WHEREAS, on January 12, 2023, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made an initial order (the “**Initial Order**”) granting Seller certain relief pursuant to the CCAA and commencing CCAA proceedings, including, *inter alia*, appointing the Monitor;

WHEREAS, on January 20, 2023, the Court issued an amended and restated Initial Order (the “**A&R Initial Order**”), which provided, *inter alia*, that Seller shall have the right to pursue a refinancing, restructuring, sale or reorganization of its business or assets subject to, if the Monitor deems appropriate, approval of the Court;

WHEREAS, on January 24, 2023, the Monitor published a letter requesting the submission of offers by parties interested in purchasing the business or property of Seller;

WHEREAS, on February 8, 2023, the Buyer submitted a letter of intent to purchase the Acquired Assets (as defined herein); and

WHEREAS, Seller is willing to sell and Buyer is willing to purchase the Acquired Assets upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1 **DEFINITIONS**

“**A&R Initial Order**” has the meaning set forth in the Recitals.

“**Action**” means any action, cause of action, demand, notice of violation, suit, proceeding or litigation (including arbitration proceeding), investigation, complaint, claim, dispute, charge, grievance, order, audit, governmental charge or inquiry, whether civil, criminal, administrative, regulatory, at law, in equity or otherwise.

“**Acquired Assets**” means the machinery and equipment, spare parts, shop equipment, warehouse furniture, fixtures and equipment and mechanical equipment located at the Facilities, including but not limited to the items listed on **Exhibit A** hereto, together with any manuals, certificates of title, engine logs, machinery history, documentation (including all usage, maintenance and repair records), and manufacturer and other similar warranties (to the extent transferable) related to the foregoing, but excluding the Excluded Assets.

“**Agent**” has the meaning set forth in Section 6.2.

“Agreement” has the meaning set forth in the introductory paragraph.

“Amada” means the complete Amada combination laser turret and twin tower system, components and ancillary assets previously owned by Seller and located at the Holland Landing Facility.

“Auction and Removal” has the meaning set forth in Section 6.1.

“Buyer” has the meaning set forth in the introductory paragraph.

“Canadian Approval and Vesting Order” has the meaning set forth in Section 3.3.

“Closing” has the meaning set forth in Section 3.1.

“Closing Date” has the meaning set forth in Section 3.1.

“Closing Deliverables” has the meaning set forth in Section 3.2.

“Court” has the meaning set forth in the Recitals.

“Encumbrances” means any and all liens (including mechanics’, materialmen’s, repair, storage and other consensual and non-consensual liens and statutory liens), security interests, encumbrances, adverse rights, trusts (including deemed trusts), and claims, rights of distraint, reclamation claims, mortgages, deeds of trust, pledges, covenants, restrictions, hypothecations, charges (including Court ordered charges), indentures, loan agreements, instruments, contracts, leases, licenses, options, rights of first refusal, rights of offset, recoupment, rights of recovery, judgments, orders and decrees of any court or foreign or domestic governmental entity, claims for reimbursement, contribution, indemnity or exoneration, assignment, debts, charges, suits, rights of recovery, interests, products liability, alter-ego, environmental, successor liability, tax and other liabilities (including probate liabilities), causes of action and claims, to the fullest extent of the Law, in each case whether secured or unsecured, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, allowed or disallowed, contingent or non-contingent, liquidated or unliquidated, matured or unmatured, material or non-material, disputed or undisputed, or known or unknown, whether imposed by agreement, understanding, Law, equity or otherwise, or any other interest of any nature whatsoever of, on or with respect to any property or property interest.

“Excluded Assets” means the items listed on Exhibit B hereto.

“Facilities” means the Holland Landing Facility and the Jamestown Facility.

“Gross Proceeds” means the sum of the gross proceeds from sales of Inventory, net only of Sales Taxes, if any.

“Holland Landing Facility” means Seller’s leased manufacturing facility in Holland Landing, East Gwillimbury, Ontario.

“Initial Order” has the meaning set forth in the Recitals.

“Inspection Date” means January 23, 2023.

“Inventory” means all finished goods, work-in-process and raw materials located at the Facilities or otherwise provided to Buyer to sell as agent on Seller’s behalf.

“Inventory Sale” has the meaning set forth in Section 6.2.

“Jamestown Facility” means Seller’s leased manufacturing facility in Jamestown, New York.

“Law” means all laws (including common law), statutes, rules, regulations, codes, injunctions, decrees, orders, convention, judgment, reporting or license requirement, ordinances and other pronouncements or provisions having the force or effect of law of the United States, Canada, any foreign country or any domestic or foreign state, county, city, province or other political subdivision or of any authority.

“Liability” means any liability, obligation or commitment of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise.

“Material Adverse Effect” means any event, change, circumstance, effect or other matter that has, or could reasonably be expected to have, either individually or in the aggregate with all other events, changes, circumstances, effects or other matters, with or without notice, lapse of time or both, a material adverse effect on the Acquired Assets, taken as a whole.

“Occupancy Period” is the period beginning on the Closing Date and ending on the earlier of: (i) the date that all Acquired Assets and, if applicable, Inventory, have been sold by Buyer; and (ii) June 30, 2023; which period may be extended by the mutual agreement of the Parties provided, however, that Buyer shall use best efforts to complete the sale of the Acquired Assets and, if applicable, Inventory, prior to June 30, 2023.

“Purchase Price” has the meaning set forth in Section 2.3.

“Sales Taxes” means all transfer, documentary, sales, use, stamp, registration, value added and other such taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the related documents (including any real property transfer tax and any other similar tax).

“Secured Parties” means all creditors and others holding Encumbrances on or in respect of the Acquired Assets or Inventory.

ARTICLE 2

PURCHASE AND SALE

SECTION 2.1 Purchase and Sale of Acquired Assets. Effective as of the Closing, on the terms and conditions set forth herein, Seller agrees to sell, transfer, convey, and assign to Buyer, and Buyer agrees to purchase from Seller, all of Seller’s rights, title, and interest in and to the Acquired Assets. The Acquired Assets are being sold, transferred, conveyed, and assigned to Buyer free and clear of all Encumbrances pursuant to the Canadian Approval and Vesting Order.

SECTION 2.2 No Assumption of Liabilities. Buyer does not and shall not be deemed to assume any Liabilities related to the Acquired Assets or Liabilities of the Monitor or Seller.

SECTION 2.3 Purchase Price. The purchase price for the Acquired Assets shall be \$1,189,000 CAD (the **“Purchase Price”**). Buyer shall be afforded an opportunity to conduct a final inspection of the Acquired Assets no more than two business days before the Closing Date. The Purchase Price shall be reduced to the extent such final inspection reveals missing Acquired Assets (based on Buyer’s asset count and reconciliation against Exhibit A), but only by an amount that is commensurate with the reasonable price attributable to any such missing Acquired Assets. At Closing, Buyer shall pay or cause to be paid to Seller the Purchase Price plus any applicable Sales Taxes by wire transfer of immediately available funds in accordance with the payment instructions provided by Seller at the Closing.

SECTION 2.4 No Warranties. The Acquired Assets shall be transferred to Buyer “AS-IS, WHERE IS”, with all faults, and there is no warranty by Seller relating to title, possession, quiet enjoyment, merchantability, fitness, or the like in this disposition, and Seller expressly disclaims any such warranty(ies) in the Acquired Assets; provided, however, that the foregoing shall not be construed as limiting or diminishing the effect of any of Seller’s representations and warranties set forth in Article 4 hereof or the free and clear nature of the sale, transfer, conveyance and assignments contemplated herein.

ARTICLE 3 **CLOSING**

SECTION 3.1 Closing. The closing of the purchase and sale of the Acquired Assets contemplated by this Agreement (the “**Closing**”) shall take place on March 10, 2023, or such other date as the Parties may mutually agree (the “**Closing Date**”).

SECTION 3.2 Closing Deliverables. At the Closing, Seller shall deliver to Buyer the following: (i) a bill of sale in substantially the form attached as **Exhibit C** duly executed by Seller; (ii) certificates of title and such other consents, instruments of transfer, filings or documents, in form and substance reasonably satisfactory to Buyer, as Buyer may reasonably request to effectuate the transfer to Buyer of title to any of the Acquired Assets and for peaceful use and occupancy of the Facilities to effectuate the Auction and Removal during the Occupancy Period; (iii) such consents and approvals contemplated by this Agreement and the transactions contemplated hereby and releases of Encumbrances as the Buyer may require from the Monitor, where applicable, and the Secured Parties, which consents, approvals and releases shall be in form and substance acceptable to the Buyer (collectively, the “**Closing Deliverables**”).

SECTION 3.3 Post-Closing Deliverables. As soon as reasonably practicable following the Closing Date, Seller shall deliver to Buyer the following: (i) an order of the Court in form and substance satisfactory to the Buyer vesting: (A) the Acquired Assets in the Buyer; and (B) as and when sold by the Agent to one or more third party purchasers, the Inventory in such purchasers, in each case free and clear of all claims and Encumbrances (the “**Canadian Approval and Vesting Order**”), which Canadian Approval and Vesting Order shall have been made on reasonable notice to such Secured Parties and others as Buyer may require; and (ii) an order from the United States Bankruptcy Court for the Southern District of New York pursuant to chapter 15 of the United States Bankruptcy Code recognizing and giving effect in the United States of America to the Canadian Approval and Vesting Order.

ARTICLE 4 **REPRESENTATIONS AND WARRANTIES OF SELLER**

Seller represents and warrants to Buyer that as of the date of this Agreement and as of the Closing Date, the statements set forth in this Article 4 are true and correct:

SECTION 4.1 Organization and Authority of Seller; Enforceability. Subject to the consent of the Monitor, Seller has full power and authority to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by Seller of this Agreement and the documents to be delivered hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Seller. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by the Seller, and (assuming due authorization, execution and delivery by Buyer) this Agreement and the documents to be delivered

hereunder constitute legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms.

SECTION 4.2 Title and Condition of Acquired Assets. The Seller has possession or control of the Acquired Assets to be conveyed as of the Closing, has good and marketable title to all of the Acquired Assets and will deliver title to such Acquired Assets to Buyer free and clear of all Encumbrances pursuant to the Canadian Approval and Vesting Order.

SECTION 4.3 Title and Condition of Inventory. The Seller has possession or control of the Inventory, has good and marketable title to all of the Inventory and will deliver title to such Inventory to the purchasers thereof free and clear of all Encumbrances pursuant to the Canadian Approval and Vesting Order.

SECTION 4.4 Legal Proceedings. To Seller's knowledge, there is no Action pending or threatened: (a) relating to or affecting the Acquired Assets; or (b) that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. To Seller's knowledge, no event has occurred, or circumstances exist, that may give rise to, or serve as a basis for, any such Action.

SECTION 4.5 No Fees. Seller has not incurred any obligation for any broker, finder or agent fee or commission in connection with the transactions contemplated by this Agreement in a manner that may result in Liability on the part of Buyer.

SECTION 4.6 Compliance With Laws. Seller is in compliance with all applicable Laws.

SECTION 4.7 Adequate Notice. Seller has given due and adequate notice to creditors and interested parties in connection with the CCAA proceedings, sale process and this Agreement.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that as of the date of this Agreement and as of the Closing Date, the statements set forth in this Article 5 are true and correct:

SECTION 5.1 Organization and Authority of Buyer; Enforceability. Buyer is an unlimited liability company duly formed, validly existing and in good standing under the laws of the Province of Nova Scotia, Canada. Buyer has full power and authority to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by Buyer of this Agreement and the documents to be delivered hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Buyer. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by Buyer, and (assuming due authorization, execution and delivery by Seller) this Agreement and the documents to be delivered hereunder constitute legal, valid and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms. No additional approval by the board of directors of Buyer is necessary.

SECTION 5.2 No Conflicts; Consents. The execution, delivery and performance by Buyer of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby, do not and will not: (a) violate or conflict with the certificate of incorporation, by-laws or other organizational documents of Buyer; (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Buyer; or (c) violate any contract or agreement to which Buyer is a party. No consent, approval, waiver or authorization is required to be obtained by Buyer from any person or entity (including any governmental authority) in connection with the execution, delivery

and performance by Buyer of this Agreement and the consummation of the transactions contemplated hereby.

SECTION 5.3 Legal Proceedings. There is no Action pending or, to Buyer's knowledge, threatened against or by Buyer that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred, or circumstances exist, that may give rise to, or serve as a basis for, any such Action.

SECTION 5.4 No Fees. Buyer has not incurred any obligation for any broker, finder or agent fee or commission in connection with the transactions contemplated by this Agreement in a manner that may result in Liability on the part of the Monitor or Seller.

SECTION 5.5 Compliance With Laws. Buyer is in compliance with all applicable Laws.

SECTION 5.6 Insurance. Buyer has in full force and effect adequate liability insurance coverage to compensate for any claim(s) that might be made against the Monitor or Seller for injury to person or property resulting from Buyer's or Buyer's agents' actions or omissions at the Facilities.

ARTICLE 6

POST-CLOSING AUCTION AND INVENTORY SALE

SECTION 6.1 Auction and Removal. Immediately upon the Closing, Buyer may, in Buyer's sole and absolute discretion, make preparations for and conduct one or more private or public sales or auctions of the Acquired Assets and the removal of such Acquired Assets by the ultimate purchasers (the "**Auction and Removal**") and Buyer shall retain for its sole and exclusive benefit all proceeds from the Auction and Removal. Buyer acknowledges that the Amada has been sold to a third-party purchaser that will have access to the Holland Landing Facility during the Occupancy Period for the purpose of conducting a further sale of the Amada, and that there may be additional dispositions of Excluded Assets to third-party purchasers. Buyer covenants and agrees to cooperate with all such purchasers in all respects. Seller shall be liable to Buyer for any theft of, or damage to, the Acquired Assets caused by such purchasers or any other third parties at the Facilities.

SECTION 6.2 Appointment of Agent. Solely upon the written request of Seller, Buyer may serve as Seller's exclusive agent (in its capacity as such, "**Agent**") for the limited purpose of conducting a sale of certain Inventory in accordance with the terms and conditions of this Agreement (the "**Inventory Sale**"). Any such written request shall clearly indicate the Inventory that is to be subject to the Inventory Sale.

SECTION 6.3 Conduct of Inventory Sale. To the extent Seller requests that Agent conduct the Inventory Sale and Buyer agrees to do so:

(a) Agent shall conduct the Inventory Sale in the name of and on behalf of Seller. Agent shall set all policies and procedures for the Inventory Sale, and Agent shall have the right to determine the prices, any buyer fees that may apply, the method of sale (including without limitation commercial sales, arms' length transactions, public auctions, and cleanup auctions as needed), and the terms and conditions to be accepted in exchange for sales of Inventory; provided, that such policies, procedures, terms and conditions shall be commercially reasonable and consistent with Agent's customary practices and industry best practices.

(b) Agent shall be permitted to establish and implement advertising, signage and promotion programs in connection with the Inventory Sale. Agent shall assign project managers to clean the Facilities and organize the Inventory for sale, prepare the appropriate sales and marketing materials,

coordinate all site activities and coordinate all operational and sale logistics, including removal of the Inventory.

(c) All purchasers of Inventory shall be required to pay applicable Sales Taxes, if any, arising solely in connection with the sale of the Inventory pursuant to this Agreement, which Agent shall be responsible to collect and remit to the appropriate jurisdiction. In no event shall Agent be responsible for any such Sales Taxes, except to the extent Agent fails to collect, or once collected fails to remit, any such Sales Taxes.

(d) All purchasers of Inventory, unless otherwise agreed jointly by the Agent and Seller, shall be required to pay Agent for such Inventory by cash, wire transfer of immediately available funds, or by certified or bank check. Agent shall provide accounting for and remit all Gross Proceeds (excluding the compensation set out in Section 6.4) to Seller on a biweekly basis.

(e) All sales of Inventory shall be made by the Agent as agent in fact for the Seller. Title to the Inventory shall remain with Seller, unless and until paid for by, and transferred to, a purchaser through a sale.

(f) If Seller elects to pursue the Inventory Sale with Agent, Agent shall be the sole party authorized to sell the Inventory that has been designated by Seller to be included in the Inventory Sale. Such Inventory shall be sold in such lots as Agent may determine, in its commercially reasonable judgement. All sales of Inventory shall be “final sales” and “as is,” and all advertisements and sales receipts will reflect the same.

SECTION 6.4 Agent Compensation. In consideration of its services as Agent hereunder, Agent shall be entitled to charge and retain from purchasers an industry standard buyer’s premium of 18%.

ARTICLE 7 **COVENANTS**

SECTION 7.1 Access to Facilities. Prior to the Closing, Seller shall permit Buyer, its agents and subcontractors reasonable access to the Facilities and Acquired Assets and, if applicable, Inventory. All access will be conducted at reasonable times agreed upon in advance by Seller and Buyer. On and after the Closing Date, Buyer shall have peaceful use and occupancy of the Facilities for the Occupancy Period to effect the sale and removal of the Acquired Assets and, if applicable, Inventory. For certainty, Buyer shall be permitted access to the Facilities day and night, on a “24/7” basis. Such access shall include commercially reasonable, and in the ordinary course, physical security, building insurance, utilities, and access to an employee knowledgeable about the Acquired Assets and building utilities, each at the cost of Seller. Without limiting the foregoing, Seller shall ensure that all rents are paid and the leases for the Facilities are in good standing (other than any breaches of such leases arising from the insolvency of the Seller and the commencement and continuance of the CCAA proceedings the remedies for which are stayed by the A&R Initial Order) throughout the Occupancy Period. If Buyer’s access to the Facilities is in any way restricted during the Occupancy Period, the Occupancy Period shall be automatically extended for an amount of time equivalent to such period of restriction, at no additional cost to Buyer, to permit Buyer to complete the Auction and Removal, provided that any such extension shall not exceed 15 days. If such restriction materially interferes with Buyer’s ability to complete the Auction and Removal with respect to any Acquired Assets within the Occupancy Period (as may be extended), the Parties shall work in good faith to adjust the Purchase Price to compensate Buyer for such interference.

SECTION 7.2 Condition of Facility at the Conclusion of Occupancy Period. Upon expiration of the Occupancy Period, Buyer shall not be required to return the Facilities to any prior condition and shall have the right to abandon any unsold Acquired Assets and Acquired Assets not removed from the Facilities

without Liability to Seller or any other party; provided that Buyer shall use best efforts to arrange for the removal/sale of any unsold Acquired Assets at Seller's cost. Buyer shall work with Seller throughout the Occupancy Period to identify any Acquired Assets that are likely to remain unsold and the Parties shall cooperate in all respects on a best efforts basis to ensure that no Acquired Assets are left at the Facility at the conclusion of the Occupancy Period. Without limiting the generality of the foregoing, Buyer's best efforts shall include utilizing rigging equipment already on site to remove unsold assets or Buyer providing assistance to Seller to secure riggers and rigging equipment necessary to remove unsold Acquired Assets, in each case, where possible.

SECTION 7.3 Public Announcements and Advertising. Buyer shall be permitted to make a public announcement regarding this Agreement and the transactions contemplated hereby and shall be permitted to advertise the sale of the Acquired Assets and, if applicable, the Inventory in all customary manners. Seller grants Buyer a license and right to use Seller's trade names and logos for the purpose of advertising the sale of the Acquired Assets and, if applicable, the Inventory. Buyer is authorized to sell the Acquired Assets and, if applicable, the Inventory without removing any decals or other indicia of Seller's name or prior ownership. To Seller's knowledge, the advertising and sale of the Acquired Assets and, if applicable, the Inventory in their existing conditions will not infringe on any patent, copyright, trademark, agreement or similar right of any third party.

SECTION 7.4 Bulk Sales Laws. The Parties hereby waive compliance with the provisions of any bulk sales, bulk transfer or similar laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Acquired Assets to Buyer.

SECTION 7.5 Further Assurances. Seller shall execute and deliver such further instruments of conveyance and transfer and take such additional action as Buyer may reasonably request to effect, consummate, confirm or evidence the transfer to Buyer of the Acquired Assets. Seller shall execute such documents as may be necessary to assist Buyer in preserving or perfecting its rights in the Acquired Assets. Following the Closing, Seller and Buyer shall cooperate with each other to provide each other with all information and documentation reasonably necessary to permit the preparation and filing of all federal, state, local and other tax returns with respect to the Acquired Assets.

ARTICLE 8

CONDITIONS TO CLOSING

SECTION 8.1 Buyer Conditions. The obligation of Buyer to consummate the transactions contemplated by this Agreement is subject to the satisfaction, on or before the Closing Date, of the following conditions (any of which Buyer may waive in whole or in part): (a) Seller must have performed Seller's obligations hereunder required to have been performed before the Closing Date, in all material respects, and the representations and warranties of Seller contained in this Agreement must be true and correct in all material respects on and as of the Closing Date; (b) all Closing Deliverables must have been delivered; (c) on the Closing Date, the Acquired Assets must be in the same condition as on the Inspection Date; (d) there must not be in effect any Law or judgment that would prohibit or make illegal the consummation of any of the transactions contemplated by this Agreement; and (e) since the date of this Agreement, there must not have been any Material Adverse Effect.

SECTION 8.2 Seller Conditions. The obligation of Seller to consummate the transactions contemplated by this Agreement is subject to the satisfaction, on or before the Closing Date, of the following conditions (any of which Seller may waive in whole or in part): (a) Buyer must have performed Buyer's obligations hereunder required to have been performed before the Closing Date, in all material respects, and the representations and warranties of Buyer contained in this Agreement must be true and correct in all material respects on and as of the Closing Date; and (b) there must not be in effect any Law or judgment that would prohibit or make illegal the consummation of any of the transactions contemplated

by this Agreement.

ARTICLE 9

TERMINATION

SECTION 9.1 Termination. This Agreement may be terminated at any time prior to the Closing:

- (a) by mutual written consent of the Parties;
- (b) by Seller, if Buyer shall have breached or failed to perform in any material respect any of its respective representations, warranties, covenants or other agreements contained in this Agreement, and such breach or failure to perform: (i) would give rise to the failure of a closing condition set forth in Section 8.2; and (ii) cannot be or has not been cured prior to the date that is five (5) days from the date that Buyer is notified by Seller of such breach or failure to perform; provided, however, that Seller shall not have a right to terminate this Agreement under this Section 9.1(b) if the Seller is then in material breach of this Agreement; and
- (c) by Buyer, if Seller shall have breached or failed to perform in any material respect any of its respective representations, warranties, covenants or other agreements contained in this Agreement, and such breach or failure to perform: (i) would give rise to the failure of a condition set forth in Section 8.1; and (ii) cannot be or has not been cured prior to the date that is five (5) days from the date that Seller is notified by Buyer of such breach or failure to perform; provided, however, that Buyer shall not have a right to terminate this Agreement under this Section 9.1(c) if Buyer is then in material breach of this Agreement.

ARTICLE 10

MISCELLANEOUS

SECTION 10.1 Notices. Any notices or communications required or permitted hereunder shall be sufficiently given (a) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); or (b) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient. Such communications must be sent to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 10.1):

If to Seller:

c/o Inscape Corporation
67 Toll Road
Holland Landing, ON L9N 1H2
Attention: Jon Szczur, CFO; Eric Ehgoetz, CEO
Emails; jszczur@myinscape.com;
eehgoetz@myinscape.com

With copies to:

Miller Thomson LLP
40 King Street West, Suite 5800
Toronto, ON M5H 3S1
Attention: Larry Ellis, Sam Massie
E-Mails: lellis@millerthomson.com;
smassie@millerthomson.com

Alvarez & Marsal Canada Inc.
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900, P.O. Box 22
Toronto, ON M5J 2J1
Attention: Josh Nevsky; Stephen Moore
E-Mails: jnevsky@alvarezandmarsal.com;
smoore@alvarezandmarsal.com

Aird & Berlis LLP
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9
Attention: Kyle Plunkett
E-Mail: kplunkett@airdberlis.com

If to Buyer:

Gordon Brothers Canada ULC
c/o Gordon Brothers Group, LLC
800 Boylston Street
Boston, MA 01299
Attention: Michael Guelfo; David Braun
E-Mail: mguelfo@gordonbrothers.com;
dbraun@gordonbrothers.com

With a copy to:

Fasken
Bay Adelaide Centre
333 Bay Street, Suite 2400
P.O. Box 20, Toronto, ON, M5H 2T6
Attention: Stuart Brotman
E-Mail: sbrotman@fasken.com

SECTION 10.2 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

SECTION 10.3 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

SECTION 10.4 Survival. The representations and warranties contained in this Agreement shall survive the Closing and remain in full force and effect until expiry of the longest statute of limitations period (including any extension thereof) applicable to the underlying claim.

SECTION 10.5 Entire Agreement. This Agreement and the documents to be delivered hereunder constitute the sole and entire agreement of the Parties to this Agreement with respect to the subject matter contained herein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and the documents to be delivered hereunder or the Exhibits, the statements in the body of this Agreement will control.

SECTION 10.6 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party may assign its rights or obligations hereunder without the prior written consent of the other Party, which consent shall

not be unreasonably withheld or delayed; provided, however, Seller expressly consents to Buyer's entry into a joint venture agreement with Crescent Commercial Corporation in connection with the transactions contemplated by this Agreement. No assignment shall relieve the assigning party of any of its obligations hereunder.

SECTION 10.7 No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns (including Crescent Commercial Corporation) and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

SECTION 10.8 Amendments; Waivers. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party hereto. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving.

SECTION 10.9 Governing Law. This Agreement shall be governed by and construed in accordance with the internal 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.

SECTION 10.10 Submission to Jurisdiction. Any legal suit, Action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in the Ontario Superior Court of Justice (Commercial List), and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, Action or proceeding.

SECTION 10.11 Specific Performance. The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

SECTION 10.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

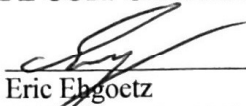
SECTION 10.13 Binding Agreement; Assignment. This Agreement and the right of the Parties hereunder shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

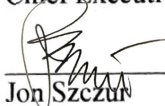
[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned parties have entered into and executed this Agreement to be effective as of the day and year first above written.


SELLER:

INSCAPE CORPORATION

By: 
Name: Eric Ehgoetz
Title: Chief Executive Officer

By: 
Name: Jon Szczur
Title: Chief Financial Officer

INSCAPE INC.

By: 
Name: Eric Ehgoetz
Title: Chief Executive Officer

By: 
Name: Jon Szczur
Title: Chief Financial Officer

INSCAPE (NEW YORK) INC.

By: 
Name: Eric Ehgoetz
Title: Chief Executive Officer

By: 
Name: Jon Szczur
Title: Chief Financial Officer

BUYER:

GORDON BROTHERS CANADA ULC

By: _____
Name: Patricia Parent
Title: Vice President, Assistant Treasurer,
Assistant Secretary

IN WITNESS WHEREOF, the undersigned parties have entered into and executed this Agreement to be effective as of the day and year first above written.

SELLER:

INSCAPE CORPORATION

By: _____
Name: Eric Ehgoetz
Title: Chief Executive Officer

By: _____
Name: Jon Szczur
Title: Chief Financial Officer

INSCAPE INC.

By: _____
Name: Eric Ehgoetz
Title: Chief Executive Officer

By: _____
Name: Jon Szczur
Title: Chief Financial Officer


INSCAPE (NEW YORK) INC.

By: _____
Name: Eric Ehgoetz
Title: Chief Executive Officer

By: _____
Name: Jon Szczur
Title: Chief Financial Officer

BUYER:

GORDON BROTHERS CANADA ULC

By:  _____
Name: Patricia Parent
Title: Vice President, Assistant Treasurer,
Assistant Secretary

THE FOREGOING is acknowledged and consented to by the undersigned as of the date first written above.

MONITOR:

ALVAREZ & MARSAL CANADA INC.,
solely in its capacity as Monitor of Inscope Corporation,
Inscope Inc., and Inscope (New York) Inc.


By: 
Name: Josh Nevsky
Title: Managing Director

EXHIBIT A

Acquired Assets

Holland Landing Location

LocationNo	Qty	Year	Mfg	Model	SizeCap	SAT	GAT	SerialNo	AssetNo
4	1	1	Brown-Beggs	46LS	50-Ton	001	Punch Press	9084	667
1	1	1	Allsteel	160-12	160-Ton x 12'	Hydraulic Press	Brake	1738	1205
4	1	1	Ledge & Shipley	45213	150-Ton	Mechanical Press	Brake	FW845322-9	4262
1	1	1	Holden & Hunt	No. 2	15-kva	Spot	Welder	98-08	1360
1	1	1	Wysong	THS140-144	140-Ton x 12'	Hydraulic Press	Brake	TH9-100	1372
1	1	1	Mawer	RA	50-kva	Spot	Welder	1156.144.2	1375
1	1	1	Allsteel	95-8	95-Ton x 8'	Hydraulic Press	Brake	95267	1405
1	1	1	Allsteel	95-8	95-Ton x 8'	Hydraulic Press	Brake	95268	1406
1	1	1	Cincinnati	90CBII x 6 FT	90-Ton x 6'	Hydraulic Press	Brake	52511	1409
1	1	1	Allsteel	175-14	175-Ton x 14'	Hydraulic Press	Brake	23055	1414
1	1	1	Cincinnati	90CBII x 6 FT	90-Ton x 6'	Hydraulic Press	Brake	52471	1416
1	1	1	Cincinnati	90CBII x 6 FT	90-Ton x 6'	Hydraulic Press	Brake	52472	1417
1	1	1	Allsteel	175-8	175-Ton x 8'	Hydraulic Press	Brake	20372	1435
1	1	1	Mawer	Special	75-kva/Head	Spot	Welder	1156.1	1499
1	1	1	2007 Roylan Industries	2-Robot	2-Robot	Spot	Welding System	P07-0136	1541
1	1	1	2007 Roylan Industries	66-kva/Head	66-kva/Head	Spot	Welder	ASSY-Fix	1560
1	1	1	2014 AVN Automation	72-kva/Head	72-kva/Head	Spot	Welder	28400 020	1562
1	1	1	2015 AVN Automation	72-kva/Head	72-kva/Head	Spot	Welder	29713	732
1	1	1	1955 Cincinnati	12 Series x 10'	200-Ton x 10'	Mechanical Press	Brake	L5468	861
1	1	1	Chicago Dreis & Krump	68-L	90-Ton x 8'	Mechanical Press	Brake	39550	1013
1	1	1	1974 Cincinnati	13 Series x 12'	400-Ton x 12'	Mechanical Press	Brake	402899	4494
4	4	4	1985 Amada	RG400	400-Ton x 118"	Hydraulic Press	Brake	403167	4203
4	4	4	1986 Amada	RG400	400-Ton	Hydraulic Press	Brake	403253	4204
4	4	4	1987 Amada	RG400	435-Ton	Hydraulic Press	Brake	38672	1229
1	1	1	1972 Cincinnati	5 Series x 10'	135-Ton x 10'	Mechanical Press	Brake	P54051	1284
1	1	1	Niagara	HBM-175-10-12	175-Ton x 12'	Hydraulic Press	Brake	P54053	1285
1	1	1	Niagara	HBM-175-10-12	175-Ton x 12'	Hydraulic Press	Brake	MT13-115	1316
1	1	1	Wysong	MTH175-168	175-Ton x 14'	Hydraulic Press	Brake	40516 1647	4218
4	4	4	Aida	NC2-160(2)	176-Ton	Gap Frame	Punch Press	49620	1319
1	1	1	Cincinnati	90CBII x 6 FT	90-Ton x 6'	Hydraulic Press	Brake	49621	1320
1	1	1	Cincinnati	90CBII x 6 FT	90-Ton x 6'	Hydraulic Press	Brake	49623	1322
1	1	1	Cincinnati	90CBII x 8 FT	90-Ton x 8'	Hydraulic Press	Brake	49622	1323
1	1	1	Cincinnati	90CBII x 6 FT	90-Ton x 6'	Hydraulic Press	Brake	TH1-116	1330
1	1	1	Wysong	THS100-120	100-Ton x 10'	Mechanical Press	Brake	PBU2/382	1356
1	1	1	Atek Bantam	B224	24-Ton x 2'	Mechanical Press	Brake	50105891	1388
1	1	1	1999 Amada	D-9E	100-Ton	Hydraulic Press	Brake	TH5-117	1392
1	1	1	Wysong	THS60-72	60-Ton x 6'	Hydraulic Press	Brake	TH5-115	1393
1	1	1	Wysong	THS60-72	60-Ton x 6'	Hydraulic Press	Brake	TH2-120	1407
1	1	1	Wysong	THS100-96	100-Ton x 8'	Hydraulic Press	Brake	13974	1427
1	1	1	Allsteel	135-8	135-Ton x 8'	Hydraulic Press	Brake	13975	1428
1	1	1	Allsteel	135-8	135-Ton x 8'	Hydraulic Press	Brake	50249	1429
1	1	1	Cincinnati	90CBII x 6 FT	90-Ton x 6'	Hydraulic Press	Brake	13973	1430
1	1	1	Allsteel	135-8	135-Ton x 8'	Hydraulic Press	Brake	13972	1431
1	1	1	Allsteel	135-8	135-Ton x 8'	Hydraulic Press	Brake	MG-6689-C1	1437
1	1	1	65-8	65-Ton x 8'	65-Ton x 8'	Hydraulic Press	Brake	TH12-101	1464
1	1	1	THS100-168	100-Ton x 14'	100-Ton x 14'	Hydraulic Press	Brake	49617	1470
1	1	1	CBII-90-6	90-Ton x 6'	90-Ton x 6'	Hydraulic Press	Brake	XH2-100	1494
1	1	1	Wysong	XCH250-120	250-Ton x 10'	Hydraulic Press	Brake		

1	1	Wysong	THS140-144	140-Ton x 12'	Hydraulic Press	Brake	TH9-103	1497
1	1	Cincinnati	90CBII-90-6	90-Ton x 6'	Hydraulic Press	Brake	49618	1507
1	1	1957 Cincinnati	5 Series	135-Ton	Mechanical Press	Brake	30744	1512
1	1	2008 Finn-Power	E100-3100 E-Brake	100-Ton x 10'	Press	Brake	M2022	1549
1	1	2008 Finn-Power	E65-2550 E-Brake	65-Ton x 8'	Press	Brake	M2092	1551
1	1	Finn-Power	E65-2550 E-Brake		Press	Brake		1552
1	1	Niagara	HBM-175-10-12	175-Ton x 12'	Hydraulic Press	Brake	P54054	4005
1	1	Wysong	THS100-120	100-Ton x 10'	Hydraulic Press	Brake	TH1-125	4020
1	1	Allsteel	30-6	30-Ton x 6'	Press	Brake	304	4025
1	1	Allsteel	175-12	175-Ton x 12'	Hydraulic Press	Brake	20369	4168
1	1	Allsteel	350TC-10	350-Ton x 10'	Hydraulic Press	Brake	32532	4173
1	1	Allsteel	175-12	175-Ton x 12'	Hydraulic Press	Brake	20370	4181
1	1	Niagara	HBM-175-10-12	175-Ton x 12'	Hydraulic Press	Brake	P54335	4183
1	1	2000 Amada	RG100	100-Ton x 10'	Hydraulic Press	Brake	105022	4186
1	1	Allsteel	65-8	65-Ton x 8'	Hydraulic Press	Brake	MG-6687	4230
1	1	1999 Amada	RG100	100-Ton x 10'	Hydraulic Press	Brake	105930	1501
1	1	Brown Boggs	17 1/2J	60-Ton	OBI	Punch Press		1025
1	1	Piranha	SEPP 35 160	35-Ton		Punch Press	F697	1404
1	4	Magnum	HBH-6B	6.14-Ton	Hydraulic	Punch Press	21162, 21161, 21160, 21159	1420
1	1	Aida	NC2-200(2)	220-Ton	Gap Frame	Punch Press	B0520-0009	1424
1	1	1997 Magnum	HBM-35B	35-Ton	Hydraulic	Punch Press	97216	1461
1	1	Azimuth Machinery	15-IP	15-Ton	OBI	Punch Press		1506
1	1	1997 Magnum	HBM-35B	35-Ton	Hydraulic	Punch Press	97217	1525
1	1	1986 Amada	M-3045	10' x 3/16"	Hydraulic	Shear	30450648	1194
1	1	Sampson	LB-414H	4' x 14-Gauge		Shear	611089	
1	1	Niagara	T223?	3'		Shear		4002
1	1	Wysong	H-52	5' x 16-Gauge		Shear	52-387	4185
1	1	Alden			Hydraulic	Punch Press		4257
1	1	1986 Amada	Pega-305072	30-Ton	Turret	Punch	P3570125	4193
1	1	Amada	Apelio II 357	22-Ton/1.5-kW	Turret	Punch	23570287	1311
1	1	1998 Amada	Vipros 358 King	33-Ton	Turret	Punch	35840007	1362
1	1	1998 Amada	Vipros-358 King	33-Ton	Turret	Punch	35840029	4379
1	1	Amada	Pega-345	33-Ton	Turret	Punch	4500189	4403
1	1	Mawer	Side Panel	75-kva	Spot	Welder	1156.155	1258
1	1	Mawer		75-kva	Spot	Welder		1515
1	1	Rainbow Electronics	3035/T93300	100-kva	Spot	Welder	092499/99354064	1537
1	1	Nutech			Projection	Welder	J1019	4275
1	1	Precision	ARA-2	50-kva	Spot	Welder	150095	639
1	1	Precision	ARA-2	50-kva	Spot	Welder	650084	720
1	1	Precision	ARA-2	75-kva	Spot	Welder	565196	843
1	1	Precision	ARA-1	20-kva	Spot	Welder	565423	848
1	1	Precision	ARA-2	75-kva	Spot	Welder	475050	1007
1	1	Custom Built		100-kva	Spot	Welder		1076
1	1	Taylor-Winfield	ENB12-40-75 AIROPER	75-kva	Spot	Welder	53593	1202
1	1	Rainbow Electronics	100	100-kva	Spot	Welder	10002313	1276
1	1	Mawer	Special	60-kva	Spot	Welder	1156-107	1282
1	1	Mawer	RA 50-30	50-kva	Spot	Welder	1156.122	1289
1	1	Taylor-Winfield	ENB12-50 AIROPER	50-kva	Spot	Welder	52871	1314
1	1	Mawer	M-H Project	50-kva	Spot	Welder	5995/1156.117	1505
1	1	Progressive	RA 50-30	50-kva x 30" Throat	Spot	Welder	2734	1513

1	1	2000 Holzma	HPL 11/38/16	3800mm x 1600mm	Panel	Saw	2551
1	1	1998 CMS	NC PF-122-R8-RR		Vertical	Router	2552
1	1	IPS	IVB606HD			Baler	2560
1	1	2004 Ernst	BM2/1350	53"		Buffing Machine	2572
1	1	2010 Wackerhoefer	Basic-1007-S	-		Press	2574
1	1	Biesse				Loader	2582
1	1	Biesse	Rover A 22 31 GFT	2200mm x 3100mm	CNC	Router	45951
1	1	Biesse	Rover A 22 31 GFT	2200mm x 3100mm	CNC	Router	45951
1	1	2020 Amada	EM42545	3,000-kW/33-Ton		Combination Machine	2585
1	1	2020 Keese	GSD751-Sigma	-	-	Air Compressor	4580
1	1	Amco	D100		Rotary Screw	Drill Press	6440
1	1	Soco	MC-315AC		Floor-Type	Saw	1567
1	1	Fein	GI-1502H	6"	Cold	Sander	1565
1	1	2002 Miller	Millermatic 251	250-Amp	Belt	Welder	1569
1	1	Enviroflex					
1	1	Mawer				Fume Collector	
1	1	Manufacturer Unknown				Buffer	1561
1	1	Taumel	T-500P	54"		Welding System	1555
1	1	Mawer	R4		Orbital	Measuring Machine	1213
1	1	Mawer		75-kva	Spot	Riveter	1279
1	1	Mawer				Welder	1375
1	1	2002 Miller	Millermatic 251	250-Amp		Welding System	1563
1	1	Manufacturer Unknown				Welder	4232
1	1	Manufacturer Unknown				Welding System	
1	1	S&A				Booth	-
1	1	Custom-Built				Booth	-
1	1	DCM	PDG-5-3			Booth	-
1	1	Eurospec				Welding System	1524
1	1	Allsteel	120		Surface	Grinder	463620
1	1	2010 Cefla	Aquadry LA/6TTI 1350SCR	120-Ton x 10'	Pneumatic	Press	1499
1	1	Liberty	1000A		Hydraulic Press	Brake	1267
1	1	Orion	FA55-7848		Dry Off	Oven	2575
1	1	ACT	9416			Stretch Wrap Machine	1300
1	1	2008 Gerber	GTXL			Stretch Wrap Machine	1378
1	1	Soco	MC-420NAC	16"		Dust Collection System	8017846
1	1	Magnum Machine Co.	HBM-350	35-Ton		Cloth Cutter	9416-E
1	1	Nova			Cold	Saw	963
1	1	2010 Mar-Bel	Glue Line Booster		Gap-Frame	Press	20108
1	1	Fox	PR6-51	52"		Booth	4204
1	1	Fox	Rounder 330		Pinch	Dryer	4224
1	1	2013	SS370			Roll	4201
1	1	Sanding Booth	IDF001			Wrapping Machine	4272
1	1	Mar-Bel	PR6-51	52"		Test Chamber	101
1	2	Nordson	ProBlue 10			Booth	-
1	1	Wulftec International	WHP-150		Pinch	Roll	4255
1	1	Conveymor		175-Lb.	Hot Melt	Glue Applicator	4253, 4252
1	1	TH				Stretch Wrap Machine	2566
1	1					Crane System	
1	1					Booth	-

4	1	Orion	M67/1315				Rotary Screw	Stretch Wrap Machine	9069625	1396
1	1	2013 Atlas Copco	GA75VSD				Air Compressor	Air Compressor	AP1681623	1557
1	1	1997 Atlas Copco	GA75				Rotary Screw	Air Compressor	AI1461421	1336
1	1	1997 Pneumatech	AD750	750-scfm			Refrigerated	Air Dryer	9704-T126323-62983	1338
1	1	Pneumatech	AD750	750-scfm			Refrigerated	Air Dryer	US0581386	1329
1	1	Pneumatech	AD750	750-scfm			Refrigerated	Air Dryer	J024333	1305
1	1	2000 Atlas Copco	GA75				Rotary Screw	Air Compressor	AI1458996	1402
1	1	2000 Atlas Copco	GA50VSD				Rotary Screw	Air Compressor	AI1351577	1554
1	1	Comp. Air Rec'r						Air Receiving Tank		1556

Misc. throughout plant including tooling, punches, dies, cabinets, spare parts, crane systems, plant furniture, hand tools, spare parts, etc.

1	1									
1	1									
1	1	1997 Yale	NR040AGNC36TE101	4,000-Lb.			Electric	Lift Truck	A815NO3656U	33
4	4	2002 Raymond	EASLR45TT	4,500-Lb.			Electric	Lift Truck	EZ-C 02-22929	38
4	4	Toyota	7FGCU20	4,000-Lb.			LP Gas	Lift Truck	72326	36
4	4	1999 Hyster	S50XM	5,000-Lb.			LP Gas	Lift Truck	D187V19454X	31
4	4	1998 Yale	GLC040AFNUAE082	4,000-Lb.			LP Gas	Lift Truck	A809N07200V	29
4	4	1997 Yale	GLC040AFNUAE082	4,000-Lb.			LP Gas	Lift Truck	A809N0380U	25
4	4	Nissan	KOPH001A1BWW	3,500-Lb.			LP Gas	Lift Truck	KCPH0-900058	20
4	4	Toyota	7FGCU32	6,500-Lb.			LP Gas	Lift Truck	61560	
4	4	Toyota	8FGCU25	5,000-Lb.			LP Gas	Lift Truck	18149	40
4	4	Nissan	-	3,000-Lb.			LP Gas	Lift Truck	Unknown	4
4	4	1997 Yale	GLC040AFNUAE082	4,000-Lb.			LP Gas	Lift Truck	A809N0382U	20
4	4	Minuteman	SC2800005CV	-			Electric	Floor Scrubber	YSC2800001182	
4	4	1999 Skyjack	SJH13015	15'			Personnel	Scissor Lift	150571	
4	4	Upright	MX19	19'			Personnel	Scissor Lift	-	
4	4	1999 Hyster	S35XM	3,300-Lb.			LP Gas	Lift Truck	G010H06674X	32
4	4	2000 Hyster	S50XM	5,000-Lb.			LP Gas	Lift Truck	D187V23956V	35
4	4	Blue-Giant	-	-			Electric	Walkie		
4	4	Varicut		-			Vertical	Band Saw		
1	1	Amco	D100				Floor-Type	Drill Press	100143	872
1	1	Baxter Verticut	115				Vertical	Band Saw		4231
1	1	Aromac	YK343401				Spot	Welder		
1	1	Pregis								

Air Speed Inflatable System

Lot of Weld Area									
Equipment, To Include:									
Lincoln Model Power Mig									
255 and Model Idealarc									
250 Welders; Hobart									
Model TR-250-HF Welder;									
Esab Model Migmaster									
250 Welder; (2) Furnaces;									
(2) Pedestal Grinders; (2)									
Belt Grinders; 5' x 10'									
Weld Table, with Vice; Air									
Exhaust System; and									
	1								
	1		NS18				Vertical	Band Saw	4246
	1		G10		8" x 24"		Surface	Grinder	G10-491325
	1		618M		6" x 18"		Surface	Grinder	A3896062
	1		PFG-D4080AHD		16" x 32"		Surface	Grinder	345040
	1						Vertical	Milling Machine	J187882
	1		KGJP				Vertical	Milling Machine	H43-5419
	1		5RGVF				Vertical	Milling Machine	9211611
	1		IG308				Floor-Type	Drill Press	I2612
	1				3'		Radial Arm	Drill	1196
	1		UF+52					Milling Machine	651109
	1		430 x 1500				Gap Bed	Lathe	12237
	1		430 x 1100				Gap Bed	Lathe	LA03107
	1		VMS-21PV				Cold	Saw	8196
	1						Belt	Sander	
	1		Custom Built				Monorail	Crane	
	1		Shaw-Box		5-Ton		Monorail	Crane	
	1		China		2-Ton				
	1		Shunt truck						
	1		(8) company-owned self-						
	1 Lot		dump hoppers						
	1		Lot of Miscellaneous Shop Equipment, To Include: Shop Tables; Shelving; Racks; Lifts; Fans; Hand Tools; and Carts tagged by Seller as being included in sale						
			Misc plant equipment including racking, self-dump hoppers						
	1 Lot								
			Electrical equipment related to production equipment including switchgear, starters, etc						
	1								
			Paint Line		-		-	Paint Line	
			Paint Line		-		-	Paint Line	
			Paint Line		-		-	Paint Line	
			Computer equipment including PCs, scanners, printers throughout factory						
	1								
			2001 Lors						
	1		1100AR-1-DV		100-kva		Spot	Welder	1001-7171
	2		NO-48-75		75-kva		Spot	Welder	87395
	2		AR35		400-cfm			Dust Collector	9620013

2	1	Elumatec	MGS 73/33	15"	Miter	Saw	073333G709	3043
2	1	Elumatec	MGS 73/33	15"	Miter	Saw	073333G819	3040
2	1	Cincinnati	350CB x 10'	350-Ton x 10'	Hydraulic Press	Brake	48530	3061
2	1	Cincinnati	ProForm (350PF10)	350-Ton x 10'	Hydraulic Press	Brake	54850	A01
2	1	Cincinnati	90CBII x 6'	90-Ton x 6'	Hydraulic Press	Brake	49619	3064
2	1	Cincinnati	230CBII x 10'	230-Ton x 10'	Hydraulic Press	Brake	50712	3062
2	1	Amada	Pega 357	30-Ton	Turret	Punch	AA570707	99PC7
2	1	Lors	1100AR-10V	100-kva	Spot	Welder	913-8057	A03
2	1	Clausing	1638	15"	Disc	Drill Press	126046	B3
2	1	Apex Grinders	G102	20"	Belt	Grinder	5145086419	A04
2	1	Hammond Roto-Finish	210			Sander		B05
2	1	Pensserter		6-Ton	Insertion	Press	4539	3087
2	1	Whitney		45-Ton	Turret	Punch		3024
2	1	1974 Stripit	Custom 18/30	30-Ton	Turret	Punch	19282974	3020
2	1	2009 Haas	GR510	5' x 10'	CNC	Router	1072374	A06
2	1	1966 Cincinnati		1/4" x 14'	Power	Shear	35802	3002
2	1	Clausing	1657	15"		Drill Press	128120	3085
2	1	Ettco	AT04	4-Spindle		Drilling and Tapping Machine	145	3083
2	1	Rousselle	G1-70	70-Ton	Gap-Frame	Punch Press	P33042	3022
2	1	Samco	F	10'	Belt	Sander		A07
2	1	2009 Lincoln	Wire-Matic 255	250-Amp	Mig	Welder	U10970910541	
2	1	Hypertherm	Powermax 30XP			Plasma Cutter	30XP128291	A10
2	1	Lincoln	Power Mig 260	300-Amp	Mig	Welder	M3181003333	A11
2	1	Airco	DIP-ARC 200		Mig	Welder	72634809	A12
2	1	Lincoln			Tig	Welder	AC553574	A15
2	1	Lincoln	Power Mig 255	250-Amp	Mig	Welder	U1010811720	A16
2	1	Roll-In			Vertical	Band Saw		A19
2	1	2012 OMGA	RN700FM	36" Rip Capacity	Radial Arm	Saw	7.636	3049
2	1	DeWalt	DW705	12"	Miter	Saw	271945	A27
2	1	Grizzly		400-cfm		Dust Collector	8714080	3501
2	1	Chevalier	FSG-1224 ADII	12" x 24"	Surface	Grinder	FA88AC03	
2	1	Lincoln Electric	Mobiflex 200-M			Fume Collector	U6210100236	
2	1	Minster	6-Oct	56-Ton	OBI	Punch Press	4351	3027
2	1	Federal		40-Ton	OBI	Punch Press	Unknown	3021
2	1	Cincinnati	15	15" x Estimated 48" Bed	Engine	Lathe	4314	
2	1	1953 K.R. Wilson	37E	50-Ton	Shop	Press		
2	1	2009 Lincoln Electric	Power Mig 255XT	250-Amp	Mig	Welder	U1091104615	
2	1	Lincoln Electric	Mobiflex 200-M			Fume Collector	U6210100235	
2	1	Kalmar	C 50BX	5,000-Lb.	LP Gas	Lift Truck	580007A	
2	1	Mettler Toledo		Estimated 5,000-Lb.	Platform	Scale		
2	1	Jet	JTAS-10XL-3	10"	Arbor	Saw	802124	3050
2	1	Raymond	102T-F45L	4,500-Lb.	Electric	Walkie	102-07-07603	
2	1	Autoquip	48S40	4,000-Lb.		Scissor Lift Table	913121290	
2	Lot	Cantilever racks						

Factory and support
equipment to include:
portable ladders, product
carts, self dumping
hoppers, floor fans, pallet
jacks, Milwaukee chop
saw; 2-door storage
cabinets, job box,
strapping carts; misc.
sections of pallet racking;
assorted power and
manual hand tools, etc.
Office furniture and
equipment

2 Lot

2 Lot

2

EXHIBIT B

Excluded Assets

EXHIBIT C

Form of Bill of Sale

BILL OF SALE

This Bill of Sale (this “Bill of Sale”), is executed and delivered as of March 10, 2023, by Inscape Corporation, Inscape Inc. and Inscape (New York) Inc. (collectively, “Seller”), as sellers, to Gordon Brothers Canada ULC (“Buyer”), as buyer.

WHEREAS, on the terms and subject to the conditions of the Asset Purchase Agreement, dated as of March 10, 2023, by and between Seller and Buyer (as modified, amended, or supplemented, the “Asset Purchase Agreement”), Seller agreed to sell, convey, transfer, assign, and deliver to Buyer the assets set forth on attached Exhibit A (the “Acquired Assets”).

NOW, THEREFORE, for the consideration set forth in the Asset Purchase Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged:

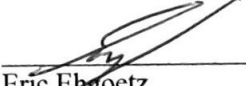
1. Defined Terms. All capitalized terms used but not defined herein have the meaning ascribed to such terms in the Asset Purchase Agreement.
2. Transfer of Acquired Assets. On the terms and subject to the conditions set forth in the Asset Purchase Agreement, Seller hereby sells, conveys, transfers, assigns, and delivers to Buyer, and Buyer’s successors and assigns, all of its right, title, and interest in and to the Acquired Assets, which Acquired Assets shall be free and clear of all Encumbrances upon the issuance of the Canadian Approval and Vesting Order.
3. Further Assurances. If Buyer shall consider or be advised that any deeds, bills of sale, instruments of conveyance, assignments, assurances, or any other actions or things are necessary or desirable to vest, perfect, or confirm ownership (of record or otherwise) in Buyer, Buyer’s right, title, or interest in, to, or under any or all of the Acquired Assets transferred and conveyed by Seller hereunder, Seller shall execute and deliver all deeds, bills of sale, instruments of conveyance, powers of attorney, assignments, and assurances and take and do all such other actions and things as may be reasonably requested by Buyer in order to vest, perfect, or confirm any and all right, title, and interest in, to, and under such rights, properties, or assets in Buyer, in each case at Buyer’s cost and expense.
4. Binding on Successors; No Third-Party Beneficiaries. This Bill of Sale shall be binding upon and inure to the benefit of the parties hereto and the successors in interest and permitted assigns of such parties. This Bill of Sale is not intended to confer any rights or remedies upon any person other than the parties hereto.
5. Prior Agreements. This instrument, together with the Asset Purchase Agreement and the other agreements, instruments, certificates and documents executed and delivered in connection therewith, embodies the entire agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings (whether or not written) relating to the subject matter hereof. To the extent that this Agreement conflicts in any manner with the Asset Purchase Agreement, the Asset Purchase Agreement shall control.
6. Delivery. A manual signature on this Bill of Sale is to be delivered to Buyer, an image of which shall have been transmitted electronically and shall constitute an original signature for all purposes. The delivery of copies of this Bill of Sale or other documents to be delivered pursuant to this Bill of Sale, including executed signature pages where required, by electronic transmission will constitute effective delivery of this Bill of Sale or such other document for all purposes.

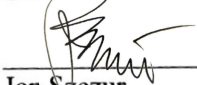
7. Power of Attorney. Seller hereby constitutes and appoints Buyer, its successors and assigns, Seller's true and lawful attorney and attorneys, with full power of substitution, in Seller's name and stead, but on behalf and for the benefit of Buyer, its successors and assigns, to demand and receive any and all of the Acquired Assets, and to execute and deliver receipts, releases and such other instruments or documents as buyer may reasonably deem necessary or appropriate in connection with the demand and receipt of the same, and any part thereof, and from time to time to institute and prosecute in Seller's name, or otherwise, for the benefit of Buyer, its successors and assigns, any and all proceedings at law, in equity or otherwise, which Buyer, its successors or assigns, may deem proper for the collection or reduction to possession of any of the Acquired Assets or for the collection and enforcement of any claim or right of any kind hereby sold, conveyed, transferred and assigned, or intended so to be, and to do all acts and things relating to the Acquired Assets, which Buyer, its successors or assigns shall deem desirable, Seller hereby declaring that the foregoing powers are coupled with an interest and are and shall be irrevocable by Seller or by its dissolution or in any manner or for any reason whatsoever.

8. Governing Law. THIS BILL OF SALE SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN.

IN WITNESS WHEREOF, the undersigned hereby execute this Bill of Sale as of the day and year first above written.


INSCAPE CORPORATION

By: 
Name: Eric Ehgoetz
Title: Chief Executive Officer

By: 
Name: Jon Szczur
Title: Chief Financial Officer

INSCAPE INC.

By: 
Name: Eric Ehgoetz
Title: Chief Executive Officer

By: 
Name: Jon Szczur
Title: Chief Financial Officer

INSCAPE (NEW YORK) INC.

By: 

Name: Eric Ehgoetz

Title: Chief Executive Officer

By: 

Name: Jon Szczur

Title: Chief Financial Officer

**This is Exhibit "E" referred to in the affidavit
of ERIC EHGOETZ, SWORN BEFORE ME
this 21st day of March, 2023**

DocuSigned by:

Monica Faleim

A927328446B742A

A COMMISSIONER FOR TAKING AFFIDAVITS

Terms and Conditions of Sale

Reference to Inscape shall include all Inscape products except as noted.

APPLICABILITY

These terms and conditions of sale (these "Terms") are the only terms which govern the sale of the products ("Products") by Inscape Corporation (together with its affiliates, "Inscape") to the buyer ("Buyer"). No other terms and conditions shall apply to the purchase and sale of the Products contemplated hereunder unless specifically agreed to in writing by an authorized officer of Inscape and the Buyer. Notwithstanding anything herein to the contrary, if a written contract signed by both parties is in existence covering the sale of the Products covered hereby, the terms and conditions of said contract shall prevail to the extent they are inconsistent with these Terms. The accompanying Purchase Order (as defined below), Order Acknowledgment (as defined below), corresponding invoice and these Terms (collectively, this "Agreement") comprise the entire agreement between the parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. These Terms prevail over any of Buyer's general terms and conditions of purchase regardless of whether or when Buyer has submitted its Purchase Order or such terms. Fulfillment of Buyer's order does not constitute acceptance of any of Buyer's terms and conditions and does not serve to modify or amend these Terms.

ORDER PLACEMENT & ORDER CONFIRMATION

All orders with Inscape must be placed in writing or sent electronically by the Buyer and contain the information listed below (each a "Purchase Order"). Verbal orders are not accepted. All Purchase Orders must be accepted and confirmed by Inscape in writing to be valid (an "Order Acknowledgment"). The following information is required for a valid Purchase Order:

1. Sold to and ship to information
2. Contact name and phone number
3. Required ship date
4. Accurate list and net pricing including purchase order total
5. Product information and finishes
6. Special product identified including providing Special Product Approval Form (SPA)
7. Signed approval drawings and field dimensions when applicable

Inscape manufactures, delivers and invoices based on the information in the Order Acknowledgment. Inscape provides an Order Acknowledgment sent through email. It is the Buyer's responsibility to check their Order Acknowledgments for accuracy and advise Inscape within five (5) working days of receipt of discrepancies. If Inscape does not receive any notice of discrepancies within such five (5) working days, the Order Acknowledgment shall be deemed to be correct. The Order Acknowledgment, together with these Conditions of Sale, are intended and agreed by the Buyer to be the complete, exclusive and final statement of all terms and conditions of agreement between Inscape and the Buyer with respect to the purchase and final sale of any Inscape product.

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PRICES

Buyer shall purchase the Products from Inscape at the price(s) set forth in the Order Acknowledgment (the "Price(s)"). Subject to the remainder of this section, all Price(s) are for product only and are subject to change without notice. Without limiting the generality of the foregoing, Prices do not include storage, insurance, taxes, local delivery or installation, all of which Buyer shall be responsible for. Freight is included in all Price(s), with the exception of walls and select seating products (Fan and TurnAround). For furniture orders under \$10,000 net, a 6% freight charge will apply. Additional freight surcharges will apply for seating orders. Please inquire with your Customer Experience Specialist for further details.

ORDERS INVOLVING CUSTOMER'S OWN MATERIAL ("COM")

Use of any COM must be approved by Inscape in writing, based on an Application Test prior to Order Acknowledgment. Inscape requires sample fabric to assess whether the material is suitable for manufacturing on Inscape product. Panel fabrics that have stain retardant or do not meet UL requirements will not be approved nor accepted by Inscape and their adhesion will not be warranted. Inscape does not warranty any COM and assumes no responsibility for the appearance, durability, colorfastness or performance. Workmanship of the application is covered under Inscape's standard warranty as detailed below. Additional charges for certain COM may apply. All COM supplied to Inscape must be and is assumed to be accurately manufactured, free of defects, production ready and identical to the sample fabric. Color, style and quantity of COM supplied to Inscape are assumed to be correct. In no event will Inscape be held responsible or liable in any way for any inaccuracy or defect in the COM. Any delay in production due to an inaccuracy or defect and any additional costs which may result are the full responsibility of the customer. All COM must be shipped prepaid to Inscape with the following information clearly marked on the shipment:

- Name of upholstery, design and color
- Total yardage provided for each material
- Customer's name
- Purchase order number
- COM approval number

Orders involving COM will only be released and scheduled for production once all COM is on hand and in sufficient quantity. Inscape is not liable for, and will dispose of, any excess COM yardage not used in the production of the Products.

PAYMENT

Inscape invoices all orders in the currency indicated on the Order Acknowledgment. Payment must be made in this same currency and may be made by cheque or wire transfer in accordance with the instructions set out in the invoice. Subject to credit approval, Buyer must pay all invoiced amounts due to Inscape within 30 days from the invoice date. In some cases a deposit will be required before the order will be scheduled for production. Delinquent accounts are subject to a 1.5% per month charge or the largest amount permitted by law. Inscape reserves the right to delay or cancel any shipment where an account is delinquent. Buyer shall not withhold payment of any amounts due and payable by reason of any set-off of any claim or dispute with Inscape.

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TITLE AND FREIGHT

All Product shipped F.O.B. Inscape's factory in Holland Landing, Ontario or Falconer, New York, depending on where the Products are manufactured. Title to any Product ordered and any risk of loss shall pass to the Buyer once delivered by Inscape to the carrier. Subject to the Section titled Prices and the various other requirements and terms for shipping contained herein, standard freight costs to all points within Canada and the contiguous United States are included in the Price(s). Outside Canada and the contiguous United States, freight is not included.

CHANGE AND/OR CANCELLATION OF ORDER

As Inscape Products are made to order the procurement and production processes begin well in advance of shipment. Once an order goes into the production process, cancellation and other charges may apply. If a request is approved the delivery date may be adjusted. The fee will be determined by Customer Service and will be a percentage of the total order value. Changes and cancellation fees are based on the below guidelines:

- 50% of the net total of applicable product if changed or cancelled within four (4) working days prior to production
- 100% of the net total of applicable product if changed or cancelled three (3) or less working days prior to production

Some order changes or cancellations may not be approved including the following examples:

- Specials (not standard product).
- Special finishes including non-standard paints.
- Long lead time finishes such as Veneers.
- Orders requesting less than standard lead times.

When order changes or cancellations are not approved, 100% of the acknowledged order value will be charged. All requests must be in writing by completing the Change Order Form, available on Insite, and sent back to the Customer Experience Specialist. Inscape will review the request and if approved, will email back the completed form, indicating applicable charges. The requester is required to sign the form and return it to Inscape to acknowledge their acceptance. Note that any change will be rescheduled and a new ship date will be determined.

SPECIFICATIONS

Specifications are subject to change without notice. Inscape reserves the right to modify Products at any time.

SHIPPING POLICY

Dates: All Order Confirmations contain an estimated shipping date(s). This date(s) is approximate only and not guaranteed. Inscape shall in no way be liable to the Buyer or end user for any delays in meeting the estimated shipping date(s). Requests to change the delivery date where the Products have already become a work in progress, or at a time when Inscape is about to ship the products, must be approved by Inscape and may be subject to additional charges.

Method and Carrier: Inscape reserves the right to select the method of transportation and carrier of choice for any shipment. Standard freight costs are based on dock to dock deliveries utilizing 53' trailers with deliveries being completed during regular local business hours (8am to 5pm). Additional charges will apply when alternative trailer sizes and/or services are required to complete deliveries

Deferral and Storage Terms: The Buyer shall have 2 hours to off load a standard full truck load (FTL) and 1 hour for a load that is less than a full truckload (LTL). Waiting time charges shall apply afterwards. Where Buyer is unwilling or unable to accept delivery of any Product that is permitted to be shipped by Inscape under these Terms, (i) risk of loss to such Product will pass to the Buyer, (ii) the Product will be deemed to have been delivered (and Inscape shall have the right to invoice Buyer for such product as of the shipping date) and (iii) and the Product will be transferred into third party storage. Where Buyer has not designated a storage site, Inscape will transfer the Product to a location of its choice. Buyer will be responsible and billed for any direct and related costs for such storage.

Drop Shipments and Docking Requirements: Except as provided in this paragraph, Inscape requires that all Products be shipped only to Buyer's dock and that such docking facilities be equipped to handle a 53' tractor-trailer with appropriate personnel to offload the truck. Neither Inscape nor the carrier is responsible for offloading Product from the truck. In cases where Inscape determines that an order or portions thereof represent sufficient Product to account for a complete trailer load, Inscape may agree, if requested by the Buyer, to ship directly to an end user, provided that the end user has the proper docking facilities and personnel to offload the truck as set forth above. Any portion of such order that is less than a trailer load quantity will be delivered to Buyer's warehouse, as stated above. Product that cannot be delivered as a result of failure by the Buyer or end user to meet the above requirements will be delivered to a warehouse in accordance with the section above titled Deferral and Storage Terms, with redelivery at the Buyer's expense. Each partial shipment will constitute a separate sale and Buyer will pay for the Products shipped whether such shipment is in whole or partial fulfillment of the Purchase Order.

Freight Damage Claims: All Inscape Products are carefully inspected prior to shipping and are packaged according to International Safe Transit Association (ISTA) standards. As such, the Buyer is advised to examine the Product upon receipt as Inscape is not responsible for damage to Products that occur in transit or storage. In addition, the Buyer is advised that it must notify and file claims of any concealed damage to the Product in accordance with the carrier's terms and conditions. In most cases, the carrier's requirements will include notification of any claims relating to concealed goods within 5 days of delivery and that a formal freight claim must be filled with the carrier within 60 days of delivery. In addition, most carriers require that all packaging be retained and available for inspection and the Products left at the original delivery point. Terms and conditions do vary from carrier to carrier and the Buyer is advised to consult with the carrier directly for details.

Requests for Special Shipping or Handling: Inscape will make every effort to accommodate any special shipping or packaging requests. Inscape reserves the right to charge the Buyer with any direct or indirect costs associated with meeting such requests if they go beyond Inscape's standard procedures.

Shipping Weights & Cubic Dimensions: All shipping weights and cubic dimensions, if provided by Inscape, are approximate.

For certainty and without limiting the applicability of the foregoing, Inscape shall not be liable for any delays, loss or damage while the Products are in transit.

[Accessorial Freight Charges](#)

NON-OBSOLESCENCE

Refer to the Non-Obsolescence Policy document on Insite (accessinsite.com)

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WARRANTY

Refer to the North American Warranty document on myinscape.com Except for the express warranty contained therein, Inscape makes no representation, express or implied, as to any Product including implied warranties of merchantability or fitness for any particular use. Inscape shall not be liable for incidental, indirect, economic, consequential, special, punitive or exemplary damages under the repair or replacement of defective parts or products under warranty, or the refund of payments received by Inscape with respect to said parts or Products.

CLAIMS & RETURNS PROCEDURE

Claims relating to defects in material or workmanship must be reported to Inscape Customer Experience within 30 days of detection. Inscape Products may only be returned with Inscape's prior written authorization, whether or not such Product is under warranty. All requests to return Product must be made in writing to Inscape and include a description of the Product, the reason for the return request, proof that the user is the original user, and evidence of the date that the Product was originally delivered. No returned product will be accepted by Inscape without prior written consent. Except in instances involving a valid warranty claim, returned Product will be subject to shipping, handling, re-stocking and restoration charges. Returns would be subject to a quality inspection upon return prior to credit.

Claims against Inscape, other than valid warranty claims, must be made in writing within 5 days after delivery, irrespective of whether Product remains concealed at the delivery site. Inscape shall not be liable for any non-warranty claims, including but not limited to shortage claims, that are made after 5 days from the date of delivery.

The remedies set forth in this section shall be the Buyer's sole and exclusive remedy and Inscape's entire liability for any breach of the limited warranty set forth in its North American Warranty document on myinscape.com

LIMITATION OF LIABILITY

In no event shall Inscape's aggregate liability arising out of or related to this agreement, whether arising out of or related to breach of contract, tort (including negligence) or otherwise, exceed the total amount paid to Inscape for the products sold hereunder.

WAIVER

No waiver by Inscape of any of the provisions of this Agreement is effective unless explicitly set forth in writing and signed by Inscape. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement operates, or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

CONFIDENTIALITY

All non-public, confidential or proprietary information of Inscope, including but not limited to specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Inscope to Buyer, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" in connection with this Agreement is confidential, solely for the use of performing this Agreement and may not be disclosed or copied unless authorized in advance by Inscope in writing. Upon Inscope's request, Buyer shall promptly return all documents and other materials received from Inscope. Inscope shall be entitled to injunctive relief for any violation of this Section. This Section does not apply to information that is: (a) in the public domain; (b) known to Buyer at the time of disclosure; or (c) rightfully obtained by Buyer on a non-confidential basis from a third party.

FORCE MAJEURE

Inscope shall not be liable or responsible to Buyer, nor be deemed to have defaulted or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement when and to the extent such failure or delay is caused by or results from acts or circumstances beyond the reasonable control of Inscope including, without limitation, acts of God, flood, fire, earthquake, explosion, governmental actions, war, invasion or hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest, national emergency, revolution, insurrection, epidemic, lockouts, strikes or other labour disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials, materials or telecommunication breakdown or power outage.

ASSIGNMENT

Buyer shall not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Inscope. Any purported assignment or delegation in violation of this Section is null and void. No assignment or delegation relieves Buyer of any of its obligations under this Agreement.

RELATIONSHIP OF THE PARTIES

The relationship between the parties is that of independent contracts. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

SEVERABILITY

If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

GOVERNING LAW

This Agreement of purchase and sale arising here from shall be governed by and construed in accordance with the laws of Ontario. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement. Any legal suit, action, litigation or proceeding of any kind whatsoever in any way arising out of, from or relating to this Agreement shall be instituted in the courts of the Province of Ontario and each party irrevocably submits to the non-exclusive jurisdiction of such courts in any such suit, action, litigation or proceeding.

NOTICES

All notices, request, consents, claims, demands, waivers and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth on the face of the Purchase Order or Order Acknowledgment or to such other address that may be designated by the receiving party in writing. Notices sent in accordance with this Section will be deemed effectively given: (a) when received, if delivered by hand, with signed confirmation of receipt; (b) when received, if sent by a nationally recognized overnight courier, signature required; (c) when sent, if sent by email during the addressee's normal business hours, and on the next business day if sent after the addressee's normal business hours; and (d) on the fifth day after the date mailed by certified or registered mail by the Canada Post Corporation, return receipt requested, postage prepaid.

For more information, contact:

Inscape Corporation

67 Toll Road
Holland Landing, ON L9N 1H2
Canada

Inscape Walls

221 Lister Avenue
Falconer, NY 14733
USA



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 MARCH 21, 2023)

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40 King Street West, Suite 5800
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Toronto, ON Canada M5H 3S1

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Lawyers for the Applicants

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**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	FRIDAY THE 24 TH
)	
JUSTICE CONWAY)	DAY OF MARCH, 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.

APPROVAL, VESTING AND LIQUIDATION ORDER

THIS MOTION, made by Inscape Corporation, Inscape (New York) Inc. and Inscape Inc. (collectively, the “**Applicants**”) pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”), for an order, among other things, (i) approving the sale of the Acquired Assets (the “**Sale Transaction**”) to Gordon Brothers Canada ULC (“**GBC**”) contemplated by an asset purchase agreement (the “**Agreement**”) among the Applicants and GBC dated as of March 10, 2023, (ii) vesting in GBC all of the Applicants’ right, title and interest in and to the Acquired Assets and (iii) approving the Auction and Removal and the Inventory Sale contemplated by Article 6 of the Agreement, was heard this day by Zoom videoconference.

ON READING the affidavit of Eric Ehgoetz sworn March 20, 2023 (the “**Ehgoetz Affidavit**”), the Third report of Alvarez & Marsal Canada Inc., in its capacity as the court-appointed monitor of the Applicants (the “**Monitor**”), and on hearing the submissions of counsel

for the Applicants, counsel for the Monitor and counsel for those other parties present as indicated on the counsel slip, and on reading the affidavit of service of Darlene Moffett, filed:

SERVICE AND DEFINITIONS

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

2. THIS COURT ORDERS that, unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meaning given to them in the Agreement.

THE AGREEMENT

3. THIS COURT ORDERS AND DECLARES that the Agreement and the transactions contemplated therein are hereby approved, authorized and ratified and that the execution of the Agreement by the Applicants is hereby authorized, approved and ratified, *nunc pro tunc*, with such minor amendments as the Applicants (with the consent of the Monitor) and GBC may agree to in writing. Subject to the provisions of this Order and the Initial Order made in these proceedings on January 12, 2023 (as amended and restated from time to time, the “**Initial Order**”), the Applicants are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable to implement the Agreement and each of the transactions contemplated therein, including without limitation completing the Sale Transaction, conveying the Acquired Assets to GBC and undertaking the Auction and Removal and the Inventory Sale. Without limiting the foregoing, the Applicants are authorized to execute any other agreement, contract, deed or any other document, or take any other action, which could be required or be useful to give full and complete effect to the Agreement.

VESTING OF THE ACQUIRED ASSETS

4. THIS COURT ORDERS AND DECLARES that upon the delivery of a Monitor’s certificate to GBC substantially in the form attached as Schedule “A” hereto (the “**Monitor’s Certificate**”), all of the Applicants’ right, title and interest in and to the Acquired Assets shall vest absolutely in GBC, free and clear of and from any and all security interests, hypothecs,

mortgages, trusts or deemed trusts, liens, executions, levies, charges, claims, encumbrances, executions, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured, quantified or unquantified, contingent or otherwise, whensoever and howsoever arising, and whether such claims arose or came into existence prior to the date of this Order or arise or come into existence following the date of this Order (in each case, whether contractual, statutory, arising by operation of law, in equity or otherwise) (all of the foregoing, collectively “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order or any other Order of this Court in these proceedings; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act*, RSO 1990, c P.10 or any other personal property registry system (all of which are collectively referred to as the “**Encumbrances**”) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Acquired Assets are hereby expunged and discharged as against the Acquired Assets.

5. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims and Encumbrances, the net proceeds from the sale of the Acquired Assets (the “**Net Proceeds**”) shall stand in the place and stead of the Acquired Assets, and that from and after the delivery of the Monitor’s Certificate all Claims and Encumbrances shall attach to the Net Proceeds with the same priority as they had with respect to the Acquired Assets immediately prior to the sale, as if the Acquired Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. THIS COURT ORDERS AND DIRECTS the Monitor to file with the Court a copy of the Monitor’s Certificate, forthwith after delivery thereof.

7. THIS COURT ORDERS that the Monitor may rely on written notice from the Applicants and GBC or their respective counsel regarding the satisfaction of the Purchase Price, the fulfillment or waiver of conditions to closing under the Agreement and the completion of the Sale Transaction, and shall incur no liability with respect to the delivery of the Monitor’s Certificate.

THE AUCTION AND REMOVAL AND THE INVENTORY SALE

8. THIS COURT ORDERS that the Applicants, with the assistance of GBC, are authorized to conduct the Auction and Removal and the Inventory Sale in accordance with this Order and the Agreement, and to advertise and promote the auction portion of the Auction and Removal (the “**Auction**”) and the Inventory Sale. If there is a conflict between this Order and the Agreement, this Order shall govern.

9. THIS COURT ORDERS that the Applicants, with the assistance of GBC as agent for the Applicants, are authorized to market and sell the Inventory in accordance with the Agreement, free and clear of all Claims and Encumbrances, which Claims and Encumbrances will attach instead to the proceeds of the Inventory Sale (other than amounts specified in paragraph 18 of this Order) in the same order and priority as they existed immediately prior to such sale.

10. THIS COURT ORDERS that, subject to the terms of this Order, the Initial Order or any greater restrictions in the Agreement, GBC shall have the right as agent for the Applicants to enter and use the Facilities on the terms set out in the Agreement for the purpose of conducting (i) the Auction and Removal and (ii) the Inventory Sale, and for such purposes, GBC shall be entitled to the benefit of the Applicants’ stay of proceedings provided under the Initial Order, as such stay of proceedings may be extended by further Order of the Court.

11. THIS COURT ORDERS that during the Occupancy Period (which shall end no later than June 30, 2023) or such earlier date as a lease is disclaimed or resiliated in accordance with the CCAA, GBC shall have access to the Facilities as agent for the Applicants in accordance with the leases governing the Applicants’ occupation thereof (each, a “**Lease**”) on the basis that GBC is assisting the Applicants as agent and the Applicants have granted to GBC the right of access to each of the Facilities. To the extent that the terms of an applicable Lease are in conflict with any term of this Order, the terms of this Order shall govern.

12. THIS COURT ORDERS that nothing in this Order shall amend or vary, or be deemed to amend or vary the terms of any Lease. Nothing contained in this Order shall be construed to create or impose upon the Applicants or GBC any additional restrictions not contained in any Lease or other occupancy agreement.

13. THIS COURT ORDERS that, subject to and in accordance with the Agreement and this Order, GBC is authorized to advertise and promote the Auction and the Inventory Sale, without further consent of any Person (as defined in the Initial Order) other than the Applicants and the Monitor as provided under the Agreement.

14. [THIS COURT ORDERS that during the Occupancy Period, GBC shall have the right to use, without interference by any intellectual property licensor, any of the Applicants' trade names, trademarks and logos relating to and used in connection with the operation of the Facilities, as well as all licenses and rights granted to the Applicants to use the trade names, trademarks, and logos of third parties, solely for the purpose of advertising and conducting the Auction and the Inventory Sale in accordance with the terms of the Agreement and this Order.]

GBC LIABILITY

15. THIS COURT ORDERS that GBC shall not be liable for any claims against the Applicants other than as expressly provided in the Agreement and, for greater certainty:

- (a) GBC shall not be deemed to be an owner or in possession, care, control or management of (i) the Facilities, (ii) the assets located therein or associated therewith except the Acquired Assets or (iii) the Applicant's employees located at the Facilities or any other property of the Applicants;
- (b) GBC shall not be deemed to be an employer, or a joint or successor employer or a related or common employer or payor within the meaning of any legislation governing employment or labour standards or pension benefits or health and safety or other statute, regulation or rule of law or equity for any purpose whatsoever, and shall not incur any successorship liabilities whatsoever; and
- (c) the Applicants shall bear all responsibility for any liability whatsoever (including without limitation losses, costs, damages, fines or awards) relating to claims of customers, employees and any other persons arising from events occurring at the Facilities during and after the Auction and Removal or the Inventory Sale, or otherwise in connection with the Auction and Removal or the Inventory Sale, except to the extent that such claims are the result of events or circumstances caused or contributed to by the gross negligence or wilful misconduct of GBC, its

employees, agents or other representatives, or otherwise in accordance with the Agreement.

GBC AN UNAFFECTED CREDITOR

16. THIS COURT ORDERS that (i) the Agreement (including any agreements, contracts or arrangements entered into with GBC in relation thereto) shall not be repudiated, resiliated or disclaimed by the Applicants, (ii) GBC shall not be affected by the stay of proceedings in the Initial Order and shall be entitled to exercise its rights and remedies under the Agreement including in respect of claims of GBC pursuant to the Agreement (collectively, “**GBC Claims**”), and (iii) the GBC Claims shall not be compromised or arranged pursuant to any plan of arrangement or compromise among the Applicants and their creditors (a “**Plan**”) and, for greater certainty, in respect of the GBC Claims only, GBC shall be treated as an unaffected creditor in these proceedings and any other insolvency proceedings that may be initiated by or in respect of the Applicants, and under any Plan.

17. THIS COURT ORDERS that the Applicants are hereby authorized and directed, in accordance with the Agreement, to remit all amounts that become due to GBC thereunder.

18. THIS COURT ORDERS that no Encumbrances shall attach to any amounts payable to or to be credited or reimbursed to, or retained by, GBC pursuant to the Agreement, including, without limitation, any amounts to be reimbursed by the Applicants to GBC pursuant to the Agreement, and at all times GBC will retain such amounts, free and clear of all Encumbrances, notwithstanding any enforcement or other process or Claims, all in accordance with the Agreement.

19. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy or receivership order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”), as amended, or other applicable legislation in respect of the Applicants, or any of

them, and any bankruptcy or receivership order issued pursuant to any such applications;

- (c) any assignment in bankruptcy made in respect of the Applicants, or any of them;
- (d) the provisions of any federal or provincial statute; 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, mortgage, security agreement, debenture, sublease, offer to lease or other document or agreement to which the Applicants, or any of them, are a party,

the entering into of the Agreement, the Agreement, the transactions and actions provided for and contemplated therein, and the vesting of the Acquired Assets in GBC pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants, or any of them, and shall not be void or voidable by any Person, including any creditor of the Applicants, nor shall they constitute or be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable law, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable law.

OTHER

20. THIS COURT ORDERS that the Applicants are authorized and permitted to transfer to GBC personal information in the Applicants' custody and control solely for the purposes of assisting with and conducting the Auction and Removal and the Inventory Sale and only to the extent necessary for such purposes.

GENERAL

21. 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, GBC 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, the Monitor (as an officer of this Court) and GBC as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor or any of the Applicants in any foreign proceeding or to assist the Applicants, the Monitor, GBC and their agents in carrying out the terms of this Order.

22. THIS COURT ORDERS that any interested party (including the Applicants, the Monitor and GBC) 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.

23. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this Order is effective from the date it is made, and is enforceable without any need for entry and filing.

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

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated January 12, 2023, Alvarez & Marsal Canada Inc. was appointed as the monitor (the “**Monitor**”) of Inscape Corporation, Inscape (New York) Inc. and Inscape Inc. (collectively, the “**Applicants**”) in proceedings under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended.

B. Pursuant to an Order of the Court dated March 24, 2023, the Court approved the sale transaction (the “**Sale Transaction**”) contemplated by the asset purchase agreement dated as of March 10, 2023 (the “**Purchase Agreement**”) among the Applicants and Gordon Brothers Canada ULC (the “**Purchaser**”) and provided for the vesting in the Purchaser of all of the Applicants' right, title and interest in and to the Acquired Assets, which vesting is to be effective with respect to the Acquired Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Acquired Assets; (ii) that the conditions to Closing as set out in Article 8 of the Purchase Agreement have been satisfied or waived by the Applicants and the Purchaser, as applicable; and (iii) the Transaction has been completed to the satisfaction of Applicants and the Purchaser.

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

THE MONITOR CERTIFIES the following:

1. The Applicants have provided written notice to the Monitor that they has received the Purchase Price for the Acquired Assets.

2. The Applicants and the Purchaser have each delivered written notice to the Monitor that (i) all applicable conditions under the Purchase Agreement have been satisfied or waived, as applicable, and (ii) the Sale Transaction has been completed to the satisfaction of the Monitor.

3. This Certificate was delivered by the Monitor at _____ on _____.

Alvarez & Marsal Canada Inc., in its capacity as court-appointed monitor of Inscope Corporation, Inscope (New York) Inc. and Inscope Inc., and not in its personal or corporate capacity

Per: _____
Name:
Title:

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

ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST
Proceeding commenced at TORONTO

APPROVAL, VESTING AND LIQUIDATION
ORDER

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**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

)

FRIDAY, THE 24TH

JUSTICE CONWAY

)

DAY OF MARCH, 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.

ANCILLARY RELIEF ORDER

THIS MOTION, made by Inscape Corporation, Inscape (New York) Inc. and Inscape Inc. (collectively, the “**Applicants**”) pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”), for an order, among other things, granting certain ancillary relief was heard this day by Zoom videoconference.

ON READING the affidavit of Eric Ehgoetz sworn March 21, 2023, the Third Report of Alvarez & Marsal Canada Inc., in its capacity as the court-appointed monitor of the Applicants (the “**Monitor**”), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor and counsel for those other parties present as indicated on the counsel slip, and on reading the affidavit of service of Darlene Moffett sworn March 21, 2023, filed:

SERVICE

1. THIS COURT ORDERS that the time for service and filing of the Notice of Motion, the Third Report of the Monitor and the Motion Record is hereby abridged and validated so that this motion is properly returnable today, and hereby dispenses with further service thereof.

DISTRIBUTION TO SECURED CREDITOR

2. THIS COURT ORDERS that the Monitor be and is hereby authorized and directed to make distributions to HUK 116 Limited (“**Hilco**”) up to the amount of its secured indebtedness, and without further Order of this Court, on account of the Applicants’ secured indebtedness owing to Hilco for principal, interest and costs.

APPROVAL OF THE MONITOR’S ACTIVITIES AND FEES

3. THIS COURT ORDERS that the First Report, the Second Report, and the Third Report of the Monitor, and the conduct and activities of the Monitor as set out therein, be and are hereby approved, provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize, in any way, such approvals.

4. THIS COURT ORDERS that the fees and disbursements of the Monitor and the Monitor’s legal counsel, Aird & Berlis LLP (“**A&B**”), as set out in the Third Report and as more particularized within the fee affidavits of the Monitor and A&B appended to the Third Report, be and are hereby approved.

GENERAL

5. THIS COURT ORDERS that, notwithstanding Rule 59.05, this Order is effective from the date 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

ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST
Proceeding commenced at TORONTO

ANCILLARY ORDER

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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

ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST
Proceeding commenced at TORONTO

MOTION RECORD OF THE APPLICANTS
(Returnable March 24, 2023)

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