



COURT FILE NUMBER	2301 - 13912
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	SEQUENT AI LTD.
RESPONDENTS	GENESIS INTEGRATION INC. and FUSION CINE SALES AND RENTALS INC.
DOCUMENT	FIRST REPORT OF THE RECEIVER NOVEMBER 14, 2023
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<u>RECEIVER'S COUNSEL</u> McMillan LLP Attention: Adam Maerov/Preet Saini Telephone: 403.215.2752/403.531.4716 Facsimile: 403.531.4720 Email: adam.maerov@mcmillan.ca/preet.saini@mcmillan.ca

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1.0 Introduction

1. This report ("Report") is filed by KSV Restructuring Inc. ("KSV") in its capacity as receiver and manager (the "Receiver") of the property, assets and undertaking of Genesis Integration Inc. ("Genesis") and its wholly-owned subsidiary, Fusion Cine Sales & Rentals Inc. ("Fusion", and together with Genesis, the "Companies").
2. Pursuant to an Order of the Court of King's Bench of Alberta (the "Court") made on October 24, 2023 (the "Receivership Order"), KSV was appointed Receiver. A copy of the Receivership Order is attached as Appendix "A".
3. The principal purposes of these receivership proceedings are to conduct a Court-supervised wind-down of the Company's business and a liquidation of its assets that maximizes value for the Companies' stakeholders, including Sequent AI Ltd. ("Sequent"), the Companies' principal secured creditor and applicant in these proceedings.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about the Companies and these proceedings;
 - b) summarize the present status of the Companies, including the number of employees retained to assist with the liquidation and their retained employees' compensation package;
 - c) summarize a proposed liquidation transaction (the "Transaction") with Infinity Asset Solutions Inc. (the "Liquidator") for the liquidation of the Companies' inventory and other owned assets (collectively, the "Assets"), including certain vehicles, pursuant to a Liquidation Services Agreement dated November 8, 2023 between the Liquidator and the Receiver (the "LSA");
 - d) provide an overview of the Receiver's activities since its appointment; and

- e) recommend that this Honourable Court make an Order, among other things:
 - i. approving the Transaction and the LSA;
 - ii. vesting the Companies' right, title and interest in the Assets in the ultimate purchasers of those Assets; and
 - iii. approving the Receiver's activities since its appointment, as detailed herein.

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon the Companies' unaudited financial information. The Receiver has not audited, reviewed or otherwise verified the accuracy or completeness of the information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants Canada Handbook.
2. The Receiver expresses no opinion or other form of assurance with respect to the financial information presented in this Report or relied upon by the Receiver in preparing this Report. Reliance by any third party on the financial information in this Report for investment or credit purposes shall not be considered sufficient and such parties are strongly advised to perform their own due diligence. The Receiver shall have no responsibility for any reliance placed on the financial information presented in this Report by any present or future investor, creditor or other stakeholder of the Companies.

1.3 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

2.0 Background

1. Genesis, headquartered in Edmonton, Alberta, was in the business of designing and integrating audiovisual collaboration systems for both public sector and corporate clients. As at the date of the Receivership Order, Genesis operated from leased premises in Edmonton, Mississauga, Ottawa and Montreal.
2. Genesis provided a full range of services to its customers, including equipment sales and consulting, design and implementation of complex integrated audiovisual systems which require taking off-the-shelf components and configuring, programing and installing them at the customers' sites.

3. Fusion, headquartered in Vancouver, British Columbia, and purchased by Genesis in 2007, was a national production partner that provided sales, rentals and servicing of audio, video, photography and lighting equipment to Canadian broadcast companies, film production companies and digital content creators.
4. Although there was some strategic overlap and consolidation of back-office functions, Fusion operated as a separate standalone business from Genesis.
5. Prior to recently discontinuing its operations, Fusion sold “out of the box” solutions or engineering end-to-end solutions for larger projects, including supplying the requisite equipment, design, testing and training to its customers.
6. The Companies both substantially discontinued operations in March, 2023. The Assets have limited realizable value, and accordingly, the Receiver’s objective from the outset has been to expedite the liquidation process in order to minimize costs to the extent possible.
7. Sequent is the Companies’ principal secured creditor. Based on the receivership application materials, Sequent is owed approximately \$8.2 million plus interest and costs which continue to accrue. Sequent is projected to incur a substantial shortfall on its secured debt.
8. Immediately following its appointment and in accordance with paragraph 14 of the Receivership Order, the Receiver, on behalf of the Companies, terminated all but a skeleton staff required to assist with the planned liquidation. As at the date of this Report, Genesis and Fusion have four and two employees, respectively. These retained employees are continuing to be paid their annual salaries in the normal course, plus a 10% increase to account for the loss of the Companies’ benefits plan and a \$10,000 “stay bonus” payable at the conclusion of the liquidation. Sequent has consented to these arrangements. The Receiver is of the view that the continued retention of these employees will help minimize costs and expedite the liquidation process.
9. As at the date of this Report, Sequent has advanced \$105,223 to the Receiver to fund the Companies’ payroll costs, including the payout of the Companies’ vacation pay obligations and post-filing occupancy expenses. On November 6, 2023, the Receiver issued its first Receiver’s Certificate evidencing this initial advance under the Receiver’s Borrowings Charge (as defined in the Receivership Order).

10. Additional information about the Companies and the issues leading to the Receiver's appointment are set out in the affidavit (the "Affidavit") of Kyle Lanzinger, President of Sequent, the Applicant in these proceedings, sworn October 18, 2023. Accordingly, that information is not repeated in this Report. Copies of Court materials filed in these proceedings, including the Affidavit, are available on the Receiver's website at <https://www.ksvadvisory.com/experience/case/genesis-and-fusion>.

3.0 Liquidation of Assets

1. On October 24, 2023, the Receiver contacted the Liquidator to solicit a liquidation bid for the Assets in accordance with Paragraph 3(i) of the Receivership Order. The Liquidator was provided with an inventory listing for each of the Companies' leased premises in British Columbia, Alberta, Quebec and Ontario.
2. Given the value of the Assets and the costs involved in having a liquidation firm send representatives to attend multiple sites across Canada, the Receiver did not request multiple liquidators incur the costs of viewing the Assets. The Receiver advised the Liquidator that any deal would be structured such that the Companies would participate in the profit generated from an auction once the Liquidator recovered its liquidation expenses.
3. On October 30, 2023, Infinity submitted a proposal, the terms of which were subsequently negotiated by the Receiver in consultation with Sequent.

3.1 The LSA

1. A summary of the terms and conditions of the LSA is provided below.
 - a) **Assets subject to the LSA:** All of the Companies' inventory, equipment and other owned assets, including certain vehicles, located at the Companies' leased premises.
 - b) **Basis of Offer and Payment Mechanism:** A net minimum guarantee ("NMG") of \$285,000. The Liquidator will pay the NMG to the Receiver no later than one day prior to the scheduled auction date. Sale proceeds in excess of the NMG plus the agreed-upon amount to cover the Liquidator's expenses, being \$80,000, shall be split on an 85/15 basis, in favour of the Receiver.
 - c) **Deposit:** The Liquidator funded a deposit of \$50,000 on execution of the LSA.
 - d) **Auction Completion Date:** December 31, 2023.

e) **Other:**

- The Liquidator is responsible for the collection and remittance of any applicable taxes on the sale of the Assets. In addition to its other indemnification obligations under the LSA, the Liquidator has indemnified the Receiver for any taxes that may be assessed resulting therefrom as well as any claims which the Receiver incurs as a direct or indirect consequence of the Liquidator failing to report or remit such taxes;
- The Liquidator is responsible for the Liquidator Expenses (as defined in the LSA), including but not limited to, supervision expenses related to the Auction, travel, advertising and promotional expenses, removal and disposal expenses and insurance costs;
- The LSA requires the Receiver to seek an Approval and Vesting Order from the Court, which will vest the Assets in each respective purchaser free and clear of any claims and encumbrances;
- The LSA contemplates that sales to the ultimate purchasers of the Assets are to be completed on an “as is, where is” basis; and
- The LSA remains subject only to the approval of this Court.

2. A copy of the LSA is attached as Appendix “B”.

3.2 Recommendation

1. The Receiver recommends that this Court approve the LSA and authorize and direct the Receiver to complete the Transaction contemplated thereby for the following reasons:
 - a) in the Receiver’s view, the Transaction provides for the greatest recovery available for the Assets subject to the LSA;
 - b) the Receiver believes that the terms of the LSA are commercially reasonable, including the amount of the NMG, the NMG payment mechanism, the Liquidator Expenses and the sharing formula for proceeds in excess of the NMG (if any);

- c) the LSA provides for a guaranteed amount (\$285,000) plus 85% of any auction proceeds in excess of \$365,000, thereby minimizing risk by setting a “floor” recovery amount while preserving the ability to participate in the upside generated at the auction;
- d) the LSA provides a mechanism to expeditiously complete a liquidation process, following which the Receiver intends to exit the Companies’ leased premises in order to minimize costs;
- e) the Liquidator is a reputable and experienced liquidation firm with the resources necessary to perform the mandate, including the staffing needs in British Columbia, Alberta, Quebec and Ontario; and
- f) Sequent is projected to incur a substantial shortfall on its secured debt (approximately \$8.2 million) and has consented to the LSA and the Transaction.

4.0 Overview of the Receiver’s Activities

1. The Receiver’s activities since its appointment have included, among other things, the following:
 - a) corresponding extensively with Sequent and its counsel, Blake Cassels & Graydon LLP, regarding all matters in this proceeding;
 - b) convening a virtual employee meeting on October 25, 2023;
 - c) dealing with employee issues, including the retention of the retained employees on the basis described in this Report and commencing the Receiver’s statutory obligations in connection with its administration of the *Wage Earner Protection Program*;
 - d) providing regular updates to Sequent, including on the status and estimated realizable value of the Assets, the Transaction, the Companies’ books and records and funding requirements;
 - e) arranging for funding advanced by Sequent and issuing a Receiver’s Certificate in respect thereof;

- f) taking possession of the Companies' books and records, including arranging for an image/backup of the servers;
- g) responding to numerous calls and enquiries from creditors, customers, landlords, former employees and other stakeholders;
- h) negotiating the LSA with the Liquidator;
- i) securing the Companies' premises;
- j) corresponding with Canada Revenue Agency regarding the Companies' HST and payroll remittance accounts;
- k) dealing with the administration of these proceedings, including preparing the Receiver's statutory notice, mailing it to all known creditors and filing it with the Office of the Superintendent of Bankruptcy (Canada); and
- l) reviewing and commenting on Court materials filed in these proceedings, including drafting KSV's pre-filing report dated October 18, 2023 and this Report.

5.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Court make an order granting the relief detailed in Section 1.1(1)(e) of this Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
IN ITS CAPACITY AS COURT APPOINTED RECEIVER AND MANAGER OF
GENESIS INTEGRATION INC. AND FUSION CINE SALES & RENTALS INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

Clerk's Stamp:

COURT FILE NUMBER 2301 -

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANT SEQUENT AI LTD.

RESPONDENTS GENESIS INTEGRATION INC. and
FUSION CINE SALES & RENTALS INC.

DOCUMENT **CONSENT RECEIVERSHIP ORDER**

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT BLAKE, CASSELS & GRAYDON LLP
3500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4J8

Attention: Linc Rogers / Christopher Keliher /
Jessica MacKinnon
Telephone: 416-863-4168 / 403-260-9760 /
403-260-9657
Facsimile: 403-260-9700
Email: linc.rogers@blakes.com /
christopher.keliher@blakes.com /
jessica.mackinnon@blakes.com

DATE ON WHICH ORDER WAS PRONOUNCED: October 24, 2023

LOCATION OF HEARING: Calgary Law Courts (via Webex)

NAME OF JUSTICE WHO GRANTED THIS ORDER: The Honourable Justice C.C.J. Feasby

UPON THE ORIGINATING APPLICATION by Sequent AI Ltd. ("**Sequent**") in its capacity as collateral and administrative agent (in such capacity, the "**Agent**") for the lenders party to the Credit Agreement (as defined in the Originating Application) which of the current time is only Sequent (in such capacity, the "**Lender**"), in respect of Genesis Integration Inc. ("**Genesis**") and Fusion Cine Sales & Rentals Inc. ("**Fusion**", and together with Genesis, the "**Debtors**");

AND UPON having read the Originating Application, the Affidavit of Kyle Lanzinger sworn October 18, 2023 and the affidavit of service of Olivia Valks, sworn on October 19, 2023 and the Pre-filing Report of the proposed receiver, KSV Restructuring Inc. (the "**Pre-Filing Report**");

AND UPON reading the consent of KSV Restructuring Inc. ("**KSV**") to act as receiver and manager (the "**Receiver**") of the Debtors, filed;

AND UPON noting the consent of the Debtors attached hereto as Schedule "A";

AND UPON hearing counsel for the Agent, and any other interested parties in attendance at the Application;

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. The time for service of the notice of application for this Consent Receivership Order (the "**Order**") is hereby abridged and deemed good and sufficient and this application is properly returnable today.

Appointment

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (the "**BIA**"), KSV is hereby appointed Receiver, without security, of all of the Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**").

Receiver's Powers

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property, which shall include the Receiver's ability to abandon, dispose of, or otherwise release any interest in any of the Debtors' real or personal property, or any right in any immovable;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to manage, operate and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
 - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a

temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors' in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (f) to settle, extend or compromise any indebtedness owing to or by the Debtors;
- (g) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (h) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- (i) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (j) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - i. without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - ii. with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, RSA 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.

- (k) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or parts thereof to a

purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (l) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (m) to register a copy of this Order and any other orders in respect of the Property against title to any of the Property, and when submitted by the Receiver for registration this Order shall be immediately registered by the Registrar of Land Titles of Alberta, or any other similar government authority, notwithstanding Section 191 of the *Land Titles Act*, RSA 2000, c. L-4, or the provisions of any other similar legislation in any other province or territory, and notwithstanding that the appeal period in respect of this Order has not elapsed and the Registrar of Land Titles shall accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtors and not in its personal capacity;
- (n) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (o) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any Property owned or leased by the Debtors;
- (p) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (q) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Debtors, and without interference from any other Person (as defined below).

Duty to Provide Access and Co-operations to the Receiver

- 4. (i) The Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on the Debtors' instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any

Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.

5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names, and account numbers that may be required to gain access to the information.

No Proceedings Against the Receiver

7. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

No Proceedings Against the Debtors or the Property

8. No Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and

all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph; and (ii) affect a Regulatory Body's investigation in respect of the Debtors or an action, suit or proceeding that is taken in respect of the Debtors by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "**Regulatory Body**" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a Province.

No Exercise of Rights of Remedies

9. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtors or the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided, however, that this stay and suspension does not apply in respect of any "eligible financial contract" (as defined in the BIA), and further provided that nothing in this Order shall:
 - (a) empower the Debtors to carry on any business that the Debtors are not lawfully entitled to carry on;
 - (b) prevent the filing of any registration to preserve or perfect a security interest;
 - (c) prevent the registration of a claim for lien; or
 - (d) exempt the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment.
10. Nothing in this Order shall prevent any party from taking an action against the Debtors where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Receiver at the first available opportunity.

No Interference with the Receiver

11. No Person shall accelerate, suspend, 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 Debtors, except with the written consent of the Receiver, or leave of this

Court. Nothing in this Order shall prohibit any party to an eligible financial contract (as defined in the BIA) from closing out and terminating such contract in accordance with its terms.

Continuation of Services

12. All persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Debtors, 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 Debtors,

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Debtors or exercising any other remedy provided under such agreements or arrangements. The Debtors 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 usual prices or charges for all such goods or services received after the date of this Order are paid by the Debtors in accordance with the payment practices of the Debtors, or such other practices as may be agreed upon by the supplier or service provider and each of the Debtors and the Receiver, or as may be ordered by this Court.

Receiver to Hold Funds

13. Subject to para 27, all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

Employees

14. Subject to employees' rights to terminate their employment, all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in

respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, SC 2005, c.47 ("**WEPPA**").

15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

Limitations on Environmental Liabilities

16. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
- i. before the Receiver's appointment; or
 - ii. after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
- i. if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause ii below, the Receiver:

- A. complies with the order, or
- B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
- ii. during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by:
 - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- iii. if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

Limitation on the Receiver's Liability

- 17. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

Receiver's Accounts

- 18. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property, which charge shall not exceed an aggregate amount of \$150,000 as security for their professional fees and disbursements incurred at the normal rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.
- 19. The Receiver and its legal counsel shall pass their accounts from time to time.

20. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

Funding of the Receivership

21. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$200,000 (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the **"Receiver's Borrowings Charge"**) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) and 88 of the BIA.
22. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
23. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the **"Receiver's Certificates"**) for any amount borrowed by it pursuant to this Order.
24. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
25. The Receiver shall be authorized to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

Allocation

26. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

Cash Management System

27. The Receiver shall have the authority, but not the obligation, to continue to operate the Debtors' existing Cash Management System and to utilize each of the Debtors existing bank accounts.

General

28. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
29. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
30. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.
31. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
32. The Receiver shall 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 Receiver 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.
33. The Agent, for and on behalf of the Lender, shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Agent's security or, if not so provided by the Agent's security, then on a substantial indemnity basis, including legal costs on a solicitor-client full indemnity basis, to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.
34. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

Filing

35. This Order is issued and shall be filed in Court of King's Bench Action No. 2203-_____.
36. The Receiver shall establish and maintain a website in respect of these proceedings at <https://www.ksvadvisory.com/experience/case/genesis-and-fusion> (the "Receiver's Website") and shall post there as soon as practicable:
- (a) all materials prescribed by statute or regulation to be made publicly available; and
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
37. Service of this Order shall be deemed good and sufficient by:
- (a) serving the same on:
 - i. the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;
 - ii. any other person served with notice of the application for this Order;
 - iii. any other parties attending or represented at the application for this Order; and
 - (b) posting a copy of this Order on the Receiver's Website,
- and service on any other person is hereby dispensed with.
38. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.



The Honourable Justice C.C.J. Feasby

SCHEDULE "A"

The form of Consent Receivership Order filed by Sequent AI Ltd. in connection with its application seeking the appointment of a receiver over the Property (as defined in the Consent Receivership Order) of Genesis Integration Inc. ("**Genesis**") and Fusion Cine Sales & Rentals Inc. ("**Fusion**"), is consented to by Genesis and Fusion as filed and on such terms or modifications as the Court of King's Bench of Alberta deems just or convenient.

CONSENTED TO THIS 18th day of October
2023, at 8:12 A.M., MT.

GENESIS INTEGRATION INC.

By: 
Name: Giuseppe Clementi
Title: Director

I have the authority to bind the corporation.

CONSENTED TO THIS 18th day of October
2023, at 8:13 A.M., MT.

FUSION CINE SALES & RENTALS INC

By: 
Name: Giuseppe Clementi
Title: Director

I have the authority to bind the corporation.

SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of Genesis Integration Inc. and Fusion Cine Sales & Rentals Inc., appointed by Order of the Court of King's Bench of Alberta (the "**Court**") dated the ____ day of _____, 2023 (the "**Order**") made in action number 2203-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of _____ being part of the total principal sum of _____ that the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded daily after the date hereof at a notional rate per annum equal to the rate of [•] per cent above the prime commercial lending rate of [•] from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at: [•]
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 2023.

KSV Restructuring Inc. solely in its capacity as
Receiver of the Property (as defined in the Order),
and not in its personal capacity.

Per: _____

Name:

Title:

Appendix “B”

LIQUIDATION SERVICES AGREEMENT

THIS AGREEMENT is made as of this 8th day of November, 2023 (the "**Effective Date**").

BETWEEN:

KSV RESTRUCTURING INC., in its capacity as the court-appointed receiver of all of the current and future assets, undertakings and properties of Genesis Integration Inc. and Fusion Cine Sales & Rentals Inc. (collectively, the "**Debtors**") and not in its personal or corporate capacity (the "**Receiver**")

- and -

INFINITY ASSET SOLUTIONS INC., a corporation incorporated under the laws of the Province of Ontario (the "**Liquidator**")

RECITALS:

- A. Pursuant to an Order of the Alberta Court of King's Bench (the "**Court**") dated October 24, 2023, the Receiver was appointed as receiver of all of the current and future assets, undertakings and properties of the Debtors (the "**Property**"), with the power to, among other things, market any or all of the Property, including advertising and soliciting offers in respect of the Property and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate; and
- B. The Liquidator and the Receiver have each agreed to enter into this Agreement respecting the sale of the Assets (as defined herein) by the Liquidator as agent for and on behalf of the Receiver, upon the terms and conditions hereinafter set forth.

NOW THEREFORE IN CONSIDERATION of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree to the terms and conditions set forth below.

ARTICLE 1 INTERPRETATION

1.01 Definitions

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

- (a) "**Agreement**" means this agreement, including its recitals and schedules, as amended from time to time.
- (b) "**Applicable Law**" means, at any time, with respect to any Person, property, transaction or event, all applicable laws, statutes, regulations, treaties, judgments and decrees and (whether or not having the force of law) all applicable official directives, rules, consents, approvals, by-laws, permits, authorizations, guidelines,

order and policies of any Governmental Authority having authority over that Person, property, transaction or event.

- (c) **"Approval Order"** has the meaning ascribed thereto in Section 6.01(a)(iii).
- (d) **"Assets"** means the Debtors' inventory, equipment and owned vehicles located in Vancouver, British Columbia; Mississauga, Ontario; Ottawa, Ontario, as applicable, and Montréal, Québec such other assets as may subsequently be agreed to by the Receiver and the Liquidator, in writing.
- (e) **"Auction"** has the meaning ascribed thereto in Section 2.01(c).
- (f) **"Auction Completion Date"** means December 31, 2023 or such later date as the parties hereto may agree, in writing.
- (g) **"Business Day"** means any day excluding a Saturday, Sunday or statutory holiday in the Province of Ontario, and also excluding any day on which the principal chartered banks located in the City of Toronto are not open for business during normal banking hours.
- (h) **"Claims"** means all losses, damages, expenses, liabilities (whether accrued, actual, contingent, latent or otherwise), interest, penalties, costs, claims, complaints and demands of whatever nature or kind, including all legal fees and costs on a full indemnity basis.
- (i) **"Condition Date"** means the date on which all of the conditions set out in Article 6 have been satisfied or waived.
- (j) **"Court"** has the meaning set out in the recitals to this Agreement.
- (k) **"Debtors"** has the meaning set out in the recitals to this Agreement.
- (l) **"Effective Date"** has the meaning as first set out in this Agreement.
- (m) **"Excluded Assets"** has the meaning ascribed thereto in Section 2.01(b).
- (n) **"Expense Amount"** means \$80,000.
- (o) **"Force Majeure"** has the meaning ascribed thereto in Section 7.01.
- (p) **"Governmental Authority"** means:
 - (i) any federal, provincial, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry, or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of the foregoing exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory or taxing authority or power of any nature; or

- (ii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.
- (q) **"Gross Proceeds"** means, collectively, the proceeds from the sale of Assets, including all Transfer Taxes.
- (r) **"Liquidation Period"** has the meaning ascribed thereto in Section 2.01(c).
- (s) **"Liquidator"** has the meaning set out in the recitals to this Agreement.
- (t) **"Liquidator Expenses"** means all expenses incurred in connection with this Agreement, including but not limited to:
 - (i) all advertising, promotional and signage expenses related to the Liquidation Period and the Auction;
 - (ii) the Liquidator's legal fees and insurance costs related to the Liquidation Period and the Auction;
 - (iii) costs and expenses associated with the Liquidator's supervision and travel related to the Auction;
 - (iv) credit card fees, charge backs, discounts and bank service charges relating to the Sales and/or the transfers of proceeds; and
 - (v) removal and disposal costs, except to the extent otherwise provided for in this Agreement.
- (u) **"Net Minimum Guarantee"** has the meaning ascribed thereto in Section 2.02(a).
- (v) **"Net Proceeds"** means the Gross Proceeds from the Sales of Assets less any Transfer Taxes.
- (w) **"Occupancy Costs"** has the meaning ascribed thereto in Section 3.02(b).
- (x) **"Occupancy Period"** has the meaning ascribed thereto in Section 3.02(a).
- (y) **"Person"** means an individual, body corporate, sole proprietorship, partnership or trust or unincorporated association, unincorporated syndicate, unincorporated organization, or another entity, and a natural person, acting in his or her individual capacity or in his or her capacity as executor, trustee, administrator or legal representative, and any Governmental Authority.
- (z) **"Premises"** means, collectively, the premises located at (a) 1469 Venables Street, Vancouver, BC V5L 2G1 (b) 2470 Matheson Boulevard East, Unit 5, Mississauga, ON, L4W 4X3, (c) 1000 McGarry Terrace, Ottawa, ON, K2J 7A8, and (d) 5005 boulevard Métropolitain Est, Montréal, QC, H1R 1Z7, including the storage areas, as applicable.
- (aa) **"Purchaser"** means a Person who purchases any Assets from the Liquidator and **"Purchasers"** means all of them.

- (bb) **"Receiver"** has the meaning set out in the recitals to this Agreement.
- (cc) **"Receiver Indemnified Parties"** has the meaning ascribed thereto in Section 5.02.
- (dd) **"Regulated Materials"** means any substance or material that is or becomes prohibited, controlled or regulated by any Governmental Authority, including, without limitation, any paints, solvents, PCB's, asbestos, contaminants, pollutants, dangerous substances, toxic substances, designated substances, controlled products, wastes, hazardous wastes, subject wastes, regulated materials, dangerous goods or petroleum, its derivatives, by-products or other hydrocarbons, all as defined in or pursuant to Applicable Laws.
- (ee) **"Removal Deadline"** means December 29, 2023, or such later date as may be agreed to in writing by the Receiver and the Liquidator.
- (ff) **"Sales"** means, collectively, all of the sales of the Assets to the Purchasers during the Liquidation Period and at the Auction or otherwise.
- (gg) **"Sales Statement"** has the meaning ascribed thereto in Section 2.04(b).
- (hh) **"Survival Date"** means the date that the Receiver is discharged in that capacity by the Court.
- (ii) **"Transfer Taxes"** has the meaning ascribed thereto in Section 2.04(d).
- (jj) **"Trust Account"** means a joint account opened in the name and for the benefit of the Receiver and the Liquidator into which all Gross Proceeds shall be deposited.

1.02 Headings

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

1.03 Extended Meanings

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and the term "including" means "including without limiting the generality of the foregoing".

1.04 Statutory References

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

1.05 Currency

All references to currency or dollars (\$) herein are to lawful money of Canada.

ARTICLE 2 SALE OF ASSETS

2.01 Appointment of Liquidator

- (a) Upon and subject to the terms and conditions hereof, the Liquidator agrees to sell as agent for and on behalf of the Receiver, and the Receiver appoints the Liquidator as its exclusive agent to sell to Purchasers, all of the right, title, benefit and interest of the Debtors, if any, in and to all of the Assets.
- (b) In the event that the Receiver, through no fault of its own, is not entitled to sell any of the Assets by reason of a third party claim to any such Assets, or otherwise, the Receiver will advise the Liquidator in writing and such items will be excluded from the Assets to be sold by the Liquidator (the "**Excluded Assets**") with no adjustment to the Net Minimum Guarantee.
- (c) The Liquidator shall be entitled to sell the Assets to Purchasers from the Premises on an on-going basis from the Effective Date to **November 30th, 2023**, upon which date an auction (the "**Auction**") will be held by the Liquidator to sell any remaining Assets (the "**Scheduled Auction Date**"), or such later date as may be agreed upon in writing by the Receiver and Liquidator, subject to the terms of this Agreement (the "**Liquidation Period**"). All Assets shall be removed by the Purchasers and/or by the Liquidator by the Removal Deadline.
- (d) The Liquidator shall be entitled to use the name of the Debtors for the purpose of the Sales, including marketing materials, which shall be approved by the Receiver, in advance. Marketing materials shall be approved within one day from the date of presentment, unless the Receiver and the Liquidator agree otherwise.
- (e) The Liquidator will not, and will have no authority to, incur any liability or obligation on behalf of the Receiver. The sole authority of the Liquidator, as agent of the Receiver, is to conduct the Sales and thereby convey to Purchasers, as agent for the Receiver, the right, title, interest and benefit, if any, of the Debtors in and to the Assets to the Purchasers.

2.02 Net Minimum Guarantee

- (a) Subject to Section 2.07, the Liquidator covenants and guarantees in favour of the Receiver that the Net Proceeds to be received by the Receiver from all Sales will not be less than \$285,000 (the "**Net Minimum Guarantee**").
- (b) The Liquidator shall advance a payment of \$50,000 towards the payment of the Net Minimum Guarantee at the time of executing this Agreement. The Liquidator shall pay the balance of the Net Minimum Guarantee to the Receiver no later than one day prior to the Scheduled Auction Date by way of bank draft or certified cheque.

2.03 Expenses

The Liquidator shall be solely responsible for the Liquidator Expenses commencing on the Effective Date.

2.04 Proceeds of Sales and Payment of Taxes

- (a) The Liquidator will be responsible for the collection of the Gross Proceeds all of which shall be deposited by the Liquidator into the Trust Account.
- (b) The Liquidator will prepare and provide to the Receiver:
 - (i) no later than 5 Business Days after Auction Completion Date, a final Sales Statement reflecting all Sales to date, which shall include a detailed listing of every unit sold, and the amount each individual item was sold for, an accounting breakdown of all expenses, and copies of waste and disposal invoices (if applicable).
- (c) The Receiver will have the right to audit all Sales Statements.
- (d) The Liquidator will collect from the Purchasers and will remit, or cause to be remitted and paid, any applicable federal and provincial sales taxes, goods and services taxes or harmonized sales taxes payable under any Applicable Law on or with respect to any of the Sales (collectively, "**Transfer Taxes**"). The Liquidator will pay the Transfer Taxes in accordance with the relevant taxing legislation when due and deliver to the Receiver evidence confirming the Liquidator's payment of, or exemption from payment of, the Transfer Taxes in form and substance acceptable to the Receiver. The Liquidator will prepare and file any affidavits or returns required in connection with the foregoing at its own cost and expense. To the extent that any Transfer Taxes are required to be paid by or are imposed upon the Receiver, the Liquidator will reimburse to the Receiver, as applicable, such taxes within five Business Days of payment of such taxes by the Receiver. The Liquidator will indemnify and hold the Receiver harmless in respect of any Transfer Taxes, penalties, interest and other amounts that may be assessed against the Receiver under any Applicable Law as a result of the sale of the Assets.
- (e) Without limiting the Liquidator's liability to pay and after payment of the Net Minimum Guarantee, the Gross Proceeds will be paid out of the Trust Account as soon as possible in the following order of priority, unless otherwise agreed in writing between the Liquidator and the Receiver:
 - (i) first, the Transfer Taxes in accordance with the relevant taxing legislation;
 - (ii) second, to the Liquidator, the Expense Amount; and
 - (iii) third, to the Receiver and the Liquidator, the balance of the Net Proceeds divided 85% in favour of the Receiver and 15% in favour of the Liquidator.

2.05 All Sales to be "As Is, Where Is"

- (a) Notwithstanding any other provision of this Agreement, the Liquidator acknowledges that it has inspected the Assets and, except as otherwise expressly provided in this Agreement, no representation, warranty or condition, whether statutory or otherwise, expressed or implied, oral or written, legal, equitable, conventional, collateral or otherwise will be given by the Receiver as to title, outstanding liens or encumbrances, description, fitness for purpose, merchantability, quantity, condition, quality, suitability, durability, assignability, or marketability thereof or any other matter or thing whatsoever, and all of the same are expressly excluded. The Liquidator acknowledges and agrees that it has inspected the Assets and has relied on its own investigations as to the matters set out above and in determining to enter this Agreement. The description of the Assets contained herein is for the purpose of identification only. No representation, warranty or condition has or will be given by the Receiver concerning completeness or accuracy of such description. The Purchaser further acknowledges that all written or oral information (including analyses, financial information and projections and studies) obtained by the Purchaser from the Debtors, the Receiver or any of their directors, officers, employees, professional consultants or advisors with respect to the Assets or otherwise has been obtained for the convenience of the Purchaser only and is not warranted to be accurate or complete.
- (b) The Liquidator agrees that all Sales of the Assets to the Purchasers will be on an "as is, where is" basis in accordance with Section 2.05(a) and shall be final. The Liquidator will ensure that all advertising signs and promotional materials in connection with the Assets advise Purchasers that all Sales are made on an "as is, where is" basis and are final, and the Liquidator agrees that all receipts or bills of sale will contain similar language.
- (c) The Liquidator agrees that no representation or warranty will be given by it or the Receiver to Purchasers, whether statutory, express or implied, oral or written, legal, equitable, collateral or otherwise, as to fitness for purpose, suitability, durability, marketability, condition, quantity or quality of the Assets or in respect of any other matter or thing whatsoever.

2.06 Obligations and Liabilities Not Assumed

Except as provided in this Agreement, by Applicable Law or as a result of an action or commitment made by the Liquidator, the Liquidator does not assume and shall not be liable for any obligations or liabilities of the Receiver, or the Debtors whatsoever, including, without limitation, any and all environmental obligations or liabilities of the Debtors relating to the Assets or the Premises.

2.07 Title to the Assets and Risk of Loss

- (a) Until sold to Purchasers, the Assets shall remain at the risk of the Receiver. In the event of any loss of or damage to some or all of the Assets prior to the sale of such Assets to Purchasers:
 - (i) where all or substantially all of the Assets are lost or damaged, for the purposes of this Agreement, the Liquidator shall have the option to:

(A) accept the insurance proceeds, if any, which shall be considered Gross Proceeds from the sale of Assets for the purpose of the calculation of the Net Minimum Guarantee and complete the transaction contemplated herein; or (B) terminate this Agreement, in which case all parties shall be released from all obligations hereunder other than the obligation of the Receiver to refund the Net Minimum Guarantee to the Liquidator. In the event that the Liquidator chooses option (B) above, the Receiver would be entitled to receive all proceeds from Sales made prior to the termination of this Agreement; and

- (ii) in the event of the loss of or damage to some but not all or substantially all of the Assets, an amount equal to the amount of insurance proceeds received in respect of such lost or damaged Assets shall be deducted from the Net Minimum Guarantee and such lost or damaged Assets shall become Excluded Assets (and, for greater certainty, the insurance proceeds of such Excluded Assets shall accrue to the benefit of the Receiver).
- (b) The Receiver will maintain combined public liability and property damage insurance equal to the amount of \$2 million until and including the Removal Deadline
- (c) The Liquidator will provide a minimum of \$5 million of public liability and property damage and workers' compensation coverage until and including the Removal Deadline.

2.08 Liquidator Dealing with Assets

The Liquidator will deal with the Assets in accordance with proper liquidation industry practices using qualified personnel, processes and systems to maximize realization.

ARTICLE 3 POSSESSION, DELIVERY AND REMOVAL OF ASSETS

3.01 Delivery of the Assets

The Assets sold by the Liquidator shall be surrendered by the Liquidator to the Purchasers following the Sales.

3.02 Access to the Premises and Occupancy Costs

- (a) For the purposes of viewing and inspecting the Assets, showing the Assets to prospective purchasers, preparing for and conducting the liquidation of the Assets during the Liquidation Period, conducting the Auction, and attending to the removal of the Assets, the Receiver shall provide the Liquidator and its agents, employees and representatives with access to the Premises from the Effective Date to the Removal Deadline (the "**Occupancy Period**").
- (b) During the Occupancy Period, the Liquidator will not be responsible for any rent or overhead costs relating to the Premises, including, without limitation, gas, water, heat, hydro, and property and third-party liability insurance (the "**Occupancy**

Costs”). Any Occupancy Costs incurred after the Occupancy Period shall be borne and paid for by the Liquidator.

3.03 Removal of Assets and Disposal Costs

- (a) The Liquidator shall be responsible, at its cost and expense, for removing any sold Assets from the Premises, by the Removal Deadline, and shall leave the Premises in an orderly and broom-swept condition, including removal of any debris arising from or caused by the Auction. The Liquidator shall be responsible to ensure that the removal of the Assets shall be done in a workmanlike manner, consistent with good industry practice.
- (b) The Receiver shall reimburse the Liquidator for: (i) the cost of waste bins used to remove debris, waste or books and records of the Debtors; and (ii) the cost of third-party charges relating to such removal costs provided that such costs shall not exceed \$5,000 without the express prior written consent of the Receiver.
- (c) The Receiver shall be entitled to be present during the removal of the Assets from the Premises. A property manager, to be designated by the Receiver, will be made available to assist with the supervision of the removal of Assets from the Premises, if needed by the Liquidator. The Liquidator will be responsible for the costs of the property manager. Any disassembling and moving of Assets will be done at the expense of the Liquidator.
- (d) Should the Liquidator: (i) abandon, or fail to remove Assets, which are sold from the Premises; or (ii) fail to leave either the Premises in an orderly and broom-swept condition, the Liquidator shall reimburse the Receiver for all such costs, which are incurred by the Receiver.
- (e) The Liquidator shall, at its own cost, clean any spills or oil, lubricants, grease or any other liquid remaining after removal of any of the Assets.
- (f) The Liquidator shall remedy or repair any condition resulting from the removal of Assets, including without limitation, removing or capping all electrical wires and air/water/other lines to the buss bar/nearest wall and all bolts “blown off”, placing safety barriers around any pits. The Liquidator shall have no responsibility to remedy any damages or condition to the Premises existing prior to the date of its access thereto.

3.04 Regulated Materials

- (a) No provision of this Agreement shall be construed so as to require the Liquidator to investigate, clean up, remove or remedy any adverse or other environmental condition existing at the Premises, or to be responsible for any environmental liabilities, or be liable for the investigation, clean up or remediation of any environmental liabilities, including any cost relating to any investigation, clean up or remediation of such environmental condition or liability or any Regulated Materials or other adverse environmental condition existing at, under, on or near the Premises, or contained in the Assets save and except to the extent that the Liquidator or its agents, employees, invitees and guests have caused such adverse or other environmental condition at, under, on or near the Premises.

- (b) Nothing in this Agreement shall oblige the Liquidator and the Liquidator shall not, in fact, be liable for any environmental obligations or liabilities which are existing obligations or liabilities of the Debtors.

ARTICLE 4

REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGEMENTS

4.01 Receiver's Representations and Warranties

The Receiver represents and warrants to the Liquidator that:

- (a) subject to the issuance of the Approval Order, the Receiver has good and sufficient power, authority and right to enter into and deliver this Agreement and to complete the transactions to be completed by the Receiver contemplated hereunder;
- (b) the Receiver has not encumbered, sold or agreed to sell any of the Assets owned by the Debtors;
- (c) the recitals to this Agreement are true and correct; and
- (d) the Receiver is not a non-resident Person within the meaning of section 116 of the *Income Tax Act* (Canada).

4.02 Survival of Representations, Warranties and Covenants of Receiver

- (a) The representations and warranties of the Receiver set forth in Section 4.01 will survive the completion of the transactions contemplated hereunder. However, the Receiver will not be liable to the Liquidator for any inaccuracy or misrepresentation in any representation or warranty set forth in Section 4.01 after the Survival Date.
- (b) The covenants of the Receiver set forth in this Agreement will survive the transactions contemplated hereunder and, notwithstanding such completion, will continue in full force and effect for the benefit of the Liquidator in accordance with the terms of this Agreement until the Survival Date.

4.03 Liquidator's Representations, Warranties and Acknowledgements

The Liquidator represents, warrants and acknowledges to the Receiver that:

- (a) the Liquidator is a corporation duly incorporated, organized and subsisting under the laws of the Province of Ontario and has all the necessary corporate power and authority to enter into this Agreement and to carry out its obligations hereunder;
- (b) the Liquidator has good and sufficient power, authority and right to enter into and deliver this Agreement and to complete the transactions to be completed by the Liquidator contemplated hereunder;
- (c) this Agreement constitutes a valid and legally binding obligation of the Liquidator, enforceable against the Liquidator in accordance with its terms;
- (d) neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by the Liquidator will result in a violation of:

- (i) any of the provisions of the constating documents or by-laws of the Liquidator;
 - (ii) any agreement or other instrument to which the Liquidator is a party or by which the Liquidator is bound; or (iii) any Applicable Law;
- (e) no authorizations, consents or approvals of, or filing with or notice to, any Governmental Authority is required in connection with the execution, delivery or performance of this Agreement;
 - (f) the Liquidator is registered under Part IX of the *Excise Tax Act* (Canada) with registration number GST/HST #864299052 RT0001, QST #1211293353 TQ0001.
 - (g) the Liquidator acknowledges that it or its representatives have been furnished with all information regarding the Assets and that it has performed investigations as it determined necessary, and the Liquidator therefore has the knowledge it requires to enable it to enter into this Agreement; and
 - (h) the Liquidator has the financial capacity to honour all of the financial commitments in this Agreement.

4.04 Survival of Liquidator's Representations, Warranties and Covenants

- (a) The representations and warranties of the Liquidator set forth in Section 4.03 will survive the completion of the transactions contemplated hereunder.
- (b) The covenants of the Liquidator set forth in this Agreement will survive the completion of the transactions contemplated hereunder and, notwithstanding such completion, will continue in full force and effect for the benefit of the Receiver.

ARTICLE 5 OTHER COVENANTS OF THE LIQUIDATOR AND THE RECEIVER

5.01 Additional Covenants of Liquidator

- (a) The Liquidator will, during the Occupancy Period, preserve and ensure that the Receiver has full access to the books and records of the Debtor, to the extent that any such books and records are located at the Premises. The Liquidator shall not dispose or destroy any of the Debtor's books and records without the written consent of the Receiver.
- (b) The Liquidator will provide to the Receiver copies of all filings or notices to any Governmental Authority relating to the transaction contemplated by this Agreement.
- (c) The Liquidator will promptly notify the Receiver of any material fact or circumstance that would prevent it from satisfying the conditions precedent set out in this Agreement.

5.02 Indemnities

The Liquidator agrees to indemnify and save harmless the Receiver and its respective representatives and advisors from and against all Claims, suffered or incurred by any of them

from and after the date hereof as a result of or arising directly or indirectly out of or in connection with any negligence or willful misconduct of the Liquidator or its employees, contractors, licensees, agents or invitees, which shall exclude the employees, contractors, licensees, agents or invitees of the Receiver (the "**Receiver Indemnified Parties**"), including all Claims incurred by the Receiver Indemnified Parties, directly or indirectly, as a result of the Liquidator not collecting or remitting the Transfer Taxes. The provisions of this Section 5.02 will inure to the benefit of the Receiver and its respective representatives and advisors and their respective successors and assigns.

5.03 Cooperation on Tax Matters

- (a) Each of the Liquidator and the Receiver agree to make, execute and file with the appropriate taxing authorities all elections or purchase exemption certificates as the parties hereto agree are mutually desirable, if any, in prescribed form and within the prescribed time.
- (b) Each of the Receiver and the Liquidator will furnish or cause to be furnished to each other, at the expense of the requesting party, as promptly as practicable, such information and assistance, and provide additional information and explanations of any material provided, relating to the Assets as is reasonably necessary for the filing of any tax returns, for the preparation of any audit, and for the prosecution or defence of any claim, suit or proceeding relating to any adjustment or proposed adjustment with respect to Transfer Taxes.

ARTICLE 6 CONDITIONS

6.01 Conditions for the Benefit of the Liquidator

- (a) The transactions contemplated hereunder are subject to the following conditions, which are for the exclusive benefit of the Liquidator and which are to be performed or complied with at or prior to the Condition Date:
 - (i) the representations and warranties of the Receiver set forth in Section 4.01 will be true and correct with the same force and effect as if made at and as of such time;
 - (ii) the Receiver will have performed or complied with all of the terms, covenants and conditions of this Agreement to be performed or complied with by the Receiver;
 - (iii) an order of the Court approving this Agreement and vesting title in each Asset in any Purchaser, free and clear of all claims, shall have been granted (the "**Approval Order**"); and
 - (iv) no order will have been made to restrain, enjoin or prohibit the purchase and sale of all or substantially all of the Assets.
- (b) In case any material term or covenant of the Receiver or material condition to be performed or complied with for the benefit of the Liquidator at or prior to the Condition Date has not been performed or complied with at or prior to the Condition

Date, the Liquidator, without limiting any other right that the Liquidator has, may at its sole option acting reasonably, either:

- (i) terminate this Agreement by notice to the Receiver and, in such event, the Liquidator will be released from all obligations hereunder; or
- (ii) waive compliance with any such term, covenant or condition in whole or in part with respect to any such non-compliance on such terms as may be agreed upon without prejudice to any of its rights of termination in the event of the non-performance of a term, covenant or condition in whole or in part which has not been waived by the Liquidator, and, if the Liquidator terminates this Agreement pursuant to Section 6.01(b)(i), the Receiver will be released from all obligations hereunder, save and except for the Receiver's obligation to return any portion of the Net Minimum Guarantee paid to the Receiver back to the Liquidator within seven (7) days of the date of termination by the Liquidator.

6.02 Conditions for the Benefit of the Receiver

- (a) The transactions contemplated hereunder are subject to the following conditions, which are for the exclusive benefit of the Receiver and which are to be performed or complied with at or prior to the Condition Date:
 - (i) the representations and warranties of the Liquidator set forth in Section 4.03 will be true and correct with the same force and effect as if made at and as of such time;
 - (ii) the Liquidator will have performed or complied with all of the terms, covenants and conditions of this Agreement to be performed or complied with by the Liquidator at such time;
 - (iii) an order of the Court approving this Agreement and vesting title in any Purchaser, free and clear of all claims, shall have been granted; and
 - (iv) no order will have been made to restrain, enjoin or prohibit the purchase and sale of all or substantially all of the Assets.
- (b) In case any material term or covenant of the Liquidator or material condition to be performed or complied with for the benefit of the Receiver at or prior to the Condition Date has not been performed or complied with at or prior to the Condition Date, the Receiver, without limiting any other right that the Receiver has, may at its sole option acting reasonably, either:
 - (i) terminate this Agreement by notice to the Liquidator, and, in such event, the Receiver will be released from all obligations hereunder; or
 - (ii) waive compliance with any such term, covenant or condition in whole or in part with respect to any such non-compliance on such terms as may be agreed upon without prejudice to any of its rights of termination in the event of non-performance of a term, covenant or condition in whole or in part which has not been waived by the Receiver,

and, if the Receiver terminates this Agreement pursuant to Section 6.02(b)(i) the Liquidator will be released from all obligations hereunder unless the term, covenant or condition for which the Receiver has terminated this Agreement was one that the Liquidator had covenanted hereunder to ensure had been performed or complied with, in which event the Liquidator will be liable to the Receiver for any Claims incurred by the Receiver, directly or indirectly, as a result of such breach. In that event, the Assets may be resold by the Receiver and all money paid by the Liquidator under this Agreement shall be forfeited, but such forfeiture will not be deemed to constitute the full extent of liquidated damages payable by the Liquidator as a result of the termination by the Receiver.

6.03 Proceeds of Sales Made Prior to Termination

In the event that the Agreement is terminated by either party pursuant to Article 6, notwithstanding such termination, the Gross Proceeds of any Sales made by the Liquidator prior to the date of such termination shall be paid in accordance with Section 2.04(e). The Liquidator shall be responsible for and shall remit all Transfer Taxes in respect of any Sales made by the Liquidator prior to the date of such termination.

ARTICLE 7- FORCE MAJEURE

7.01 Force Majeure

A failure by a party to perform any obligation under this Agreement as a result (in whole or in part) of *force majeure* will not constitute a default under this Agreement, and neither party will have any liability to the other as a result of any such failure to perform. A party who contends that its performance is excused by reason of *force majeure* must give prompt written notice to the other party specifying the condition constituting the same and use all commercially reasonable efforts to rectify such condition as soon as possible. For the purposes hereof, *force majeure* means any of the following: lightning, storms, earthquakes, floods, droughts, fires, explosions, shortages of labour, strikes, protests, lock-outs or other labour disturbances (whether or not under a party's control), acts of war or terrorism, riots, or any other action taken by any Person in connection therewith, expropriation, action of any government or governmental body or court, acts of God or any other cause, whether similar to or dissimilar from the foregoing, beyond the reasonable control of the party seeking to take advantage of *force majeure* and affecting performance by such party.

7.02 Assistance

Each of the Liquidator and the Receiver will co-operate with each other in a commercially reasonable manner in the event of any labour disruption or *force majeure* that interferes with the sale of the Assets or the ability of the Liquidator to perform its obligations hereunder with a view to alleviating such interference.

ARTICLE 8 GENERAL

8.01 Further Assurances

Each of the Receiver and the Liquidator shall from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may, at such requesting

party's cost, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

8.02 Time of the Essence

Time shall be of the essence of this Agreement.

8.03 Benefit of the Agreement

This Agreement shall inure to the benefit of and be binding upon the respective administrators, successors and permitted assigns of the parties hereto.

8.04 Fees and Commissions

Except as expressly provided herein, each of the Receiver and the Liquidator will pay its respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred.

8.05 Entire Agreement

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

8.06 Amendments and Waiver

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

8.07 Assignment

This Agreement may not be assigned by either party hereto without the prior written consent of the other party.

8.08 Notices

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

To the Receiver:

KSV Restructuring Inc.
220 Bay Street
Suite 1300
Toronto, ON M5J

Attention: David Sieradzki/ Nisan Thurairatnam
Phone: (416) 932-6030 / (416) 932-6023
Email: dsieradzki@ksvadvisory.com / nthurairatnam@ksvadvisory.com

With a copy to:

McMillan LLP
421 7th Avenue Southwest
TD Canada Trust Tower, Suite 1700
Calgary, Alberta, T2P 4K9

Attention: Adam Maerov/Preet Saini
Phone: (403) 215-2752/(403) 531-4716
Email: adam.maerov@mcmillan.ca/preet.saini@mcmillan.ca

And with a copy to:

Blake, Cassels & Graydon LLP
855 2 Street SW
Calgary, AB T2P 4J8

Attention: Linc Rogers/ Chris Keliher
Phone: (416) 863-4168/ (403) 260-9760
Email: linc.rogers@blakes.com / chris.keliher@blakes.com

To the Liquidator:

Infinity Asset Solutions
63 Maplecrete Road
Concord, ON L4K 1A5

Attention: Bruce Lyle, President
Phone: (905) 669-8893
Email: blyle@infinityassets.com

or to such other address, individual or electronic communication number as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the fourth Business Day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such

normal business hours next occur if not given during such hours on any day. If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such demand, notice or other communication shall not be mailed but shall be given by personal delivery or by electronic communication.

8.09 Counterparts

This Agreement may be executed in several counterparts and all counterparts when taken together shall comprise one and the same instrument, and facsimile or other electronic copies of signatures shall be treated as originals for all purposes.

8.010 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

8.011 Attornment

This Agreement will be deemed to have been performed in the Province of Alberta for the purpose of all legal proceedings. The parties hereto each attorn to the exclusive jurisdiction of the courts of the Province of Alberta (Commercial List) to entertain any action arising under this Agreement.

8.012 Severability

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

8.013 Acknowledgement of the Liquidator

The Liquidator acknowledges that the Receiver has entered into this Agreement solely in its capacity as the court-appointed receiver of the Debtor, and not in its personal or corporate capacity.

8.014 Confidentiality

Each of the Liquidator and the Receiver shall keep confidential this Agreement and all information and documents which may have been or may hereafter be exchanged between them or their representatives or may have been retained by the Liquidator or the Receiver, except for such information and documents as are available to the public, required to be disclosed by Applicable Law or court order, or as required to be disclosed by the Receiver under Applicable Law, including to the extent reasonably required to obtain the Approval Order.

8.015 Supplemental Assets

The Receiver acknowledges that the Liquidator may enter into one or more separate agreements with third parties to sell assets (the "**Consigned Assets**") owned by such third parties (the

"Consignors") in connection with the sale of the Assets. The Liquidator shall provide notice of all such Consigned Assets in advance of the sale. If the Receiver reasonably believes that the sale of the Consigned Assets would have a material negative impact on the sale of the Assets, the Receiver may notify the Liquidator and the Consigned Assets will only be included in the sale if the Receiver agrees. Subject to the above, the Receiver agrees not to interfere with the sale of the Consigned Assets or the removal of the Consigned Assets from the Premises, provided that the Consigned Assets are removed by the Removal Deadline. The Receiver acknowledges that any proceeds from the sale of the Consigned Assets will be remitted by the Liquidator to the Consignors in accordance with the agreements between the Liquidator and the Consignors.

[Remainder of page intentionally left blank]

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

KSV RESTRUCTURING INC.,

in its capacity as the court-appointed receiver of all of the assets, undertakings and properties of Genesis Integration Inc. and Fusion Cine Sales & Rentals Inc. and not in its personal or corporate capacity



By: _____
(I have authority to bind the Receiver)

Name: David Sieradzki
Title: Managing Director

INFINITY ASSET SOLUTIONS INC.,

a corporation incorporated under the laws of the Province of Ontario



By: _____
(I have authority to bind the corporation)

Name: Bruce Lyle
Title: President