

Form 49
[Rule 13.19]

Clerk's Stamp:

COURT FILE NUMBER 2201 -
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT CORTLAND CREDIT LENDING CORPORATION
RESPONDENTS GENESIS INTEGRATION INC. and 965591
ALBERTA LTD.

DOCUMENT

AFFIDAVIT

ADDRESS FOR SERVICE AND CONTACT
INFORMATION OF PARTY FILING THIS
DOCUMENT

Dentons Canada LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8

Attention: John Salmas / Mark Freake / John
Regush

Telephone: 416-863-4737 / 403-268-7086 / 416-
863-4456

Email: john.salmas@dentons.com /
mark.freake@dentons.com /
john.regush@dentons.com

AFFIDAVIT OF SEAN ROGISTER

Sworn on September 1, 2022

I, Sean Rogister, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY THAT:

1. I am the Chief Executive Officer of the Applicant, Cortland Credit Lending Corporation ("**Cortland**"), and as such have knowledge of the matters contained in this Affidavit. Where the facts described in this Affidavit are not based on my direct knowledge, but are based upon information and belief from other sources, I have specified the source of that information and believe it to be true.
2. I am swearing this Affidavit in support of the application by Cortland, in its capacity as collateral and administrative agent (in such capacity, the "**Agent**") pursuant to the Credit Agreement (as defined below), for the relief set out in paragraph 1 of the Agent's Notice of Application dated September 1, 2022, including the following Orders:

(a) **Receivership Order:**

- (i) appointing KSV Restructuring Inc. ("**KSV**") as receiver (in such capacity, the "**Receiver**") pursuant to section 243 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**"), subsection 13(2) of the *Judicature Act*, RSA 2000, c J-2 and subsection 65(7) of the *Personal Property Security Act*, RSA 2000, c P-7, over the current and future assets, undertakings and properties (collectively, the "**Property**") of the Respondents, Genesis Integration Inc. ("**Genesis**") and 965591 Alberta Ltd. ("**965 Alberta**", and together with Genesis, the "**Debtors**");
- (ii) authorizing the Receiver to execute the SPA (as defined below) and, if approved by the Court, perform its obligations under the SPA;

(b) **Genesis Reverse Vesting Order:**

- (i) approving the transactions (the "**Transactions**") contemplated in the Share Purchase Agreement dated July 25, 2022 (the "**SPA**"), between the Receiver, as vendor, and Sequent AI Exchangeco Limited or its designee, as purchaser (the "**Purchaser**"), on the terms set forth in the SPA;
- (ii) transferring and vesting in Residual Co. all of the Debtors' right, title and interest in and to the Excluded Assets (if any), and the Excluded Liabilities (as each term is defined in the SPA);
- (iii) transferring and vesting in the Purchaser all of the outstanding shares in the capital of Genesis (the "**Purchased Shares**") free and clear of all liens, claims and encumbrances (except the Permitted Encumbrances, as defined in the SPA);
- (iv) declaring that, upon closing of the Transactions, Genesis shall be released from the purview of the Receivership Order;
- (v) discharging the Receiver as receiver over Genesis;

(c) **Approval of Fees, Actions and Conduct Order:**

- (i) approving the actions, conduct and activities of the Receiver and its legal counsel as outlined in the Pre-Appointment Report of the Receiver (the "**Pre-Appointment Report**");
- (ii) approving the Receiver's accounts and the accounts of its independent legal counsel, for the period of July 1, 2022 to August 31, 2022; and

(d) **Sealing Order:**

- (i) Sealing Confidential Appendix 1 to the Pre-Appointment Report (the "**Confidential Appendix**").

The Debtors

3. Genesis is a privately owned Alberta corporation that provides professional audiovisual and systems integration services. Genesis' head office is located in Edmonton but has operations in various Canadian cities, including Calgary, Vancouver, Ottawa and Toronto. Attached hereto as **Exhibit "A"** is a copy of the results of a current search of Genesis conducted at the Alberta Corporate Registration System on August 23, 2022 (the "**Genesis Corporation Profile**"). According to the Genesis Corporation Profile:
 - (a) Genesis has one registered director, being Kelly McCarthy ("**McCarthy**"); and
 - (b) 965 Alberta holds 100% of the voting shares in Genesis.

4. As noted, Genesis is a wholly-owned subsidiary of 965 Alberta. A copy of 965 Alberta's corporate structure diagram is attached as **Exhibit "B"** and a copy of the results of a certified current search of 965 Alberta conducted at the Alberta Corporate Registration System on August 23, 2022 (the "**965 Alberta Corporation Profile**"), is attached as **Exhibit "C"**. According to the 965 Alberta Corporation Profile:
 - (a) 965 Alberta has three registered directors, being Warren Barnes, Shane Maine and McCarthy; and
 - (b) a Toronto company called Fulcrum AV Integration Partners Ltd. holds 100% of the voting shares in 965 Alberta.

Indebtedness and Security

5. Pursuant to a credit agreement dated December 15, 2020, as amended by amending agreement no. 1 dated December 16, 2020, amending agreement no. 2 dated April 30, 2021, and amending agreement no. 3 dated December 23, 2021 (collectively, the "**Credit Agreement**"), among (i) 965 Alberta, as borrower, (ii) Genesis, among others,¹ as guarantors and (iii) the Agent, as collateral and administrative agent for the lenders party to the Credit Agreement, which at present time is Cortland (in such capacity, the "**Lender**"), the Lender advanced a revolving line of credit facility in the maximum principal amount of up to \$11,000,000 to 965 Alberta, subject to the terms therein (collectively, the "**Credit Agreement**"). A copy of the Credit Agreement is attached as **Exhibit "D"**.

6. In the ordinary course of business, the Debtors' cash management system operates such that: (i) 965 Alberta delivers borrowing notices (requests) to the Agent, typically on a weekly basis, and, upon approval by the Agent, the Agent advances funds to a designated operating account in order to fund Genesis' operations; and (ii) Genesis' deposit bank accounts are "swept" by the Agent and such amounts are credited against Genesis' indebtedness under the Credit Agreement.

7. The amounts advanced pursuant to the Credit Agreement are:

¹ In addition to Genesis, the other guarantors are Genesis ESOP Buyco Ltd., Fusion Cine Sales & Rentals Inc. and FC Canada UV Solutions Inc.

- (a) guaranteed pursuant to an unlimited guarantee dated December 15, 2020, from Genesis to the Agent, a copy of which is attached as **Exhibit "E"**,

and secured by, among other things:

- (b) a general security agreement dated December 15, 2020, from 965 Alberta to the Agent, a copy of which is attached as **Exhibit "F"**;
- (c) a general security agreement dated December 15, 2020, from Genesis to the Agent, a copy of which is attached as **Exhibit "G"**

(together, the "**Security Documents**").

- 8. The amount due and owing by the Debtors to the Lenders as of September 1, 2022, is \$9,424,365.42, plus all amounts and costs recoverable by the Agent under the terms of the Credit Agreement, the Security Documents, or any other document relating thereto (collectively, the "**Loan Documents**"), including, without limitation, all legal costs incurred on a solicitor-client basis, with interest accruing thereafter in accordance with the Loan Documents (collectively, the "**Outstanding Indebtedness**").
- 9. Section 9.1 of the Credit Agreement provides that the Outstanding Indebtedness becomes immediately due and payable on the occurrence of an Event of Default (as defined in the Credit Agreement).
- 10. The Events of Default which have occurred and continue to occur include, but are not limited to:
 - (a) certain defaults in the payment and performance of obligations under certain of the Debtors' contracts, including but not limited to, defaults under section 7.1 of the Credit Agreement;
 - (b) 965 Alberta's failure, since January 2022, to comply with the financial covenants under section 7.3 the Credit Agreement, including but not limited to, maintaining the specified Tangible Net Worth and Debt Service Coverage Ratios (as defined in the Credit Agreement); and
 - (c) 965 Alberta's failure, since July 2022, to comply with the reporting covenants under section 7.4 the Credit Agreement.
- 11. The Events of Default result in defaults under the Security Documents.
- 12. The Lender is not prepared to extend any further credit under the Credit Agreement to 965 Alberta, or provide the Debtors with any waiver of their rights under the Loan Documents.

The Debtors' Other Secured Creditors

- 13. A copy of Genesis' Alberta Personal Property Registry ("**PPR**") search results dated August 23, 2022, is attached as **Exhibit "H"**. According to the search results, in addition to the registration in favour of the Agent, there are also registrations in favour of The Bank of Nova Scotia ("**Scotiabank**") and Crestron Electronics, Inc. ("**Crestron**").

14. The registration in favour of Scotiabank appears to be limited to a motor vehicle which is identified by serial number, year, make and model. The registration in favour of Crestron appears to relate to certain inventory of electronic goods and merchandise acquired by Genesis from Crestron.
15. A copy of 965 Alberta's PPR search results dated August 23, 2022, is attached as **Exhibit "I"**. According to the results, the Agent's registration is the sole registration against 965 Alberta.
16. Additional information regarding the Debtors' other secured and unsecured creditors is set out in section 5 of the Pre-Appointment Report.

Default and Demand

17. On September 1, 2022, the Agent delivered demand letters and Notices of Intention to Enforce Security (collectively, the "**Demands**") to each of the Debtors pursuant to section 244 of the BIA. Copies of the Demands are attached as **Exhibit "J"**.
18. The Security Documents provide that the Agent is entitled to, among other things, apply to the Court for the appointment of a receiver over the Debtors.
19. By acknowledgements and consents dated September 1, 2022 (together, the "**Consents**"), each of the Debtors waived the ten-day notice period under section 244 of the BIA and consented to the Agent bringing this Application for the appointment of KSV as Receiver. Copies of the Consents are attached as **Exhibit "K"**.

Appointment of the Receiver

20. The Debtors are insolvent and unable to satisfy their liabilities to the Agent, on behalf of the Lender, under the Credit Agreement.
21. The Agent is not prepared to wait any longer to enforce its security and seek repayment of the Outstanding Indebtedness. The Agent is also not prepared to extend any further accommodations to the Debtors and is under no obligation to do so.
22. The Agent considers it reasonable and prudent to enforce its security. Pursuant to the Security Documents, the Agent is entitled to enforce its security interest in and to the Property of the Debtors by appointing a receiver.
23. As noted above, the Debtors have acknowledged that the Outstanding Indebtedness is due and payable and have consented to the immediate appointment of KSV as Receiver.
24. In the circumstances set out above, I believe it is just and equitable that the Receiver be appointed over all the Property of the Debtors.
25. The Agent proposes KSV be appointed as Receiver.
26. KSV is a licensed insolvency trustee and, as a result of discussions with the Debtors, the Agent and their respective counsel, and its role in facilitating the SISP (as defined below), is already familiar with the financial circumstances of the Debtors and their arrangements with the Agent.

27. KSV is qualified, and has consented, to act as receiver should the Court so appoint it. A copy of KSV's consent dated August 30, 2022 is attached as Exhibit "L".

The SISP and Genesis Reverse Vesting Order

28. As described in section 6 of the Pre-Appointment Report, Genesis and KSV Advisory Inc. ("**KSV Advisory**"), an affiliate of the proposed Receiver, underwent a thorough pre-filing sale and investment solicitation process (the "**SISP**") with respect to Genesis, whereby the Purchaser acted as a stalking horse bidder pursuant to the SPA.
29. I understand from my review of the Pre-Appointment Report that Genesis and KSV Advisory carried out "phase 1" of the SISP, however, no qualified bids were received and Genesis and KSV Advisory therefore terminated the SISP. As such, the Agent concurs with KSV Advisory's view that the SPA represents the highest and best available value for the property and business of Genesis.
30. Pursuant to the Transactions and the proposed Genesis Reverse Vesting Order:
- (a) all of Genesis' right, title and interest in and to the Excluded Assets (if any) and the Excluded Liabilities will be transferred to, and be vested in, Residual Co., while the Retained Assets, the Retained Liabilities and Retained Contracts will be retained by Genesis;
 - (b) all of the Purchased will be transferred to, and be vested in, the Purchaser Shares (as defined in the SPA);
 - (c) all of the Retained Assets will be free and clear of all Claims and Encumbrances, other than Permitted Encumbrances (as defined in the proposed Genesis Reverse Vesting Order); and
 - (d) Genesis will be released from the purview of the Receivership Order and the Receiver will be discharged over Genesis.
31. The total aggregate value being provided by the Purchaser for the business of Genesis is approximately \$11.1 million, which includes the retention of approximately \$9.4 million of secured indebtedness owing to the Agent and \$1.7 million of unsecured indebtedness owing to the Critical Suppliers (as defined in the SPA).
32. As set out in the Pre-Appointment Report, the Receiver has expressed its view that the Transactions:
- (a) are fair and commercially reasonable in the circumstances;
 - (b) allows the receivership proceedings to conclude without the need for further Court intervention;
 - (c) are efficient and expedient;
 - (d) will avoid the delay and costs associated with additional applications;

- (e) will preserve the going concern value of Genesis' business and operations for the benefit of stakeholders as a whole;
 - (f) will preserve the ongoing employment of all but approximately ten of Genesis' current employees;
 - (g) will result in superior recoveries than are estimated to be realized in a liquidation of the Debtors' assets; and
 - (h) will avoid the time, expense and uncertainty of an additional sales process being undertaken on the heels of the extensive SISP, which if undertaken, does not have any prospect of generating recoveries greater than the Outstanding Indebtedness.
33. Cortland in its capacities as Agent and Lender supports the Transactions.
34. In the circumstances, I believe that the approval of the SPA and the resulting Transactions through the Genesis Reverse Vesting Order is in the best interests of the Debtors and their stakeholders.

The Approval of Fees, Actions and Conduct Order

35. The fees, actions, conduct, and activities of the Receiver are set out in the Pre-Appointment Report. The Agent consents to and supports the fees, actions, conduct and activities of the Receiver to date.

The Sealing Order

36. I am advised by the Receiver that the Confidential Appendix contains confidential and commercially sensitive information on the liquidation value analysis of Genesis' business and assets, as prepared by KSV Advisory.
37. As such, I believe that a temporary order sealing the Confidential Appendix until the Transaction is completed is appropriate given the commercially sensitive information contained therein and the potential negative impact disclosure of such information may have on these proceedings.
38. Due to the circumstances of the COVID-19 pandemic, I am unable to be physically present to swear this Affidavit. I was, however, linked by way of video technology to the Commissioner commissioning this document.

39. I make this Affidavit in support of the Agent's application for the relief set out in the Notice of Application and for no improper purpose.

SWORN BEFORE ME at Toronto, Ontario, this)
1st day of September, 2022.)



Commissioner for Oaths in and for the
Province of Ontario
Mark Freake, LSO #63656H



SEAN REGISTER

This is Exhibit "A" referred to in the Affidavit
of Sean Register sworn before me this
1st day of September, 2022



Commissioner for Oaths in and for Ontario

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2022/08/23
Time of Search: 01:13 PM
Service Request Number: 38161027
Customer Reference Number: 04092344-EDD3_5_2585531

Corporate Access Number: 2020958639
Business Number: 122386659
Legal Entity Name: GENESIS INTEGRATION INC.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Method of Registration: Amalgamation
Registration Date: 2018/02/01 YYYY/MM/DD

Registered Office:

Street: 11428 142 ST NW
City: EDMONTON
Province: ALBERTA
Postal Code: T5M1V1

Records Address:

Street: 11428 142 ST NW
City: EDMONTON
Province: ALBERTA
Postal Code: T5M1V1

Email Address: JSTANTON@URBANLAWYERS.CA

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
STANTON	JOHN	T.A.	URBANLAWYERS	11428 142 ST NW	EDMONTON	ALBERTA	T5M1V1	JSTANTON@URBANLAWYERS.CA

Directors:

Last Name: MCCARTHY
First Name: KELLY
Street/Box Number: 14721-123 AVENUE
City: EDMONTON
Province: ALBERTA
Postal Code: T5L2Y6

Voting Shareholders:

Legal Entity Name: 965591 ALBERTA LTD.

Corporate Access Number: 209655919
Street: 14721 - 123 AVENUE
City: EDMONTON
Province: ALBERTA
Postal Code: T5L2Y6
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE ATTACHED SCHEDULE "A"
Share Transfers Restrictions: SEE ATTACHED SCHEDULE "B"
Min Number Of Directors: 1
Max Number Of Directors: 12
Business Restricted To: THERE ARE NO RESTRICTIONS ON BUSINESS WHICH THE CORPORATION MAY CARRY ON.
Business Restricted From: THERE ARE NO RESTRICTIONS ON BUSINESS WHICH THE CORPORATION MAY CARRY ON.
Other Provisions: SEE ATTACHED SCHEDULE "C"

Other Information:

Amalgamation Predecessors:

Corporate Access Number	Legal Entity Name
2020908741	AUDABILITY INC.
204160808	GENESIS INTEGRATION INC.
2020908899	SONO VIDEO INC.

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2022	2022/02/22

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2018/02/01	Amalgamate Alberta Corporation
2020/02/22	Update BN
2021/02/05	Change Director / Shareholder
2021/11/12	Change Address
2021/11/12	Change Agent for Service
2022/02/22	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
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Amalgamation Agreement	10000607122416927	2018/02/01
Statutory Declaration	10000007122416930	2018/02/01
Share Structure	ELECTRONIC	2018/02/01
Restrictions on Share Transfers	ELECTRONIC	2018/02/01
Other Rules or Provisions	ELECTRONIC	2018/02/01

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.

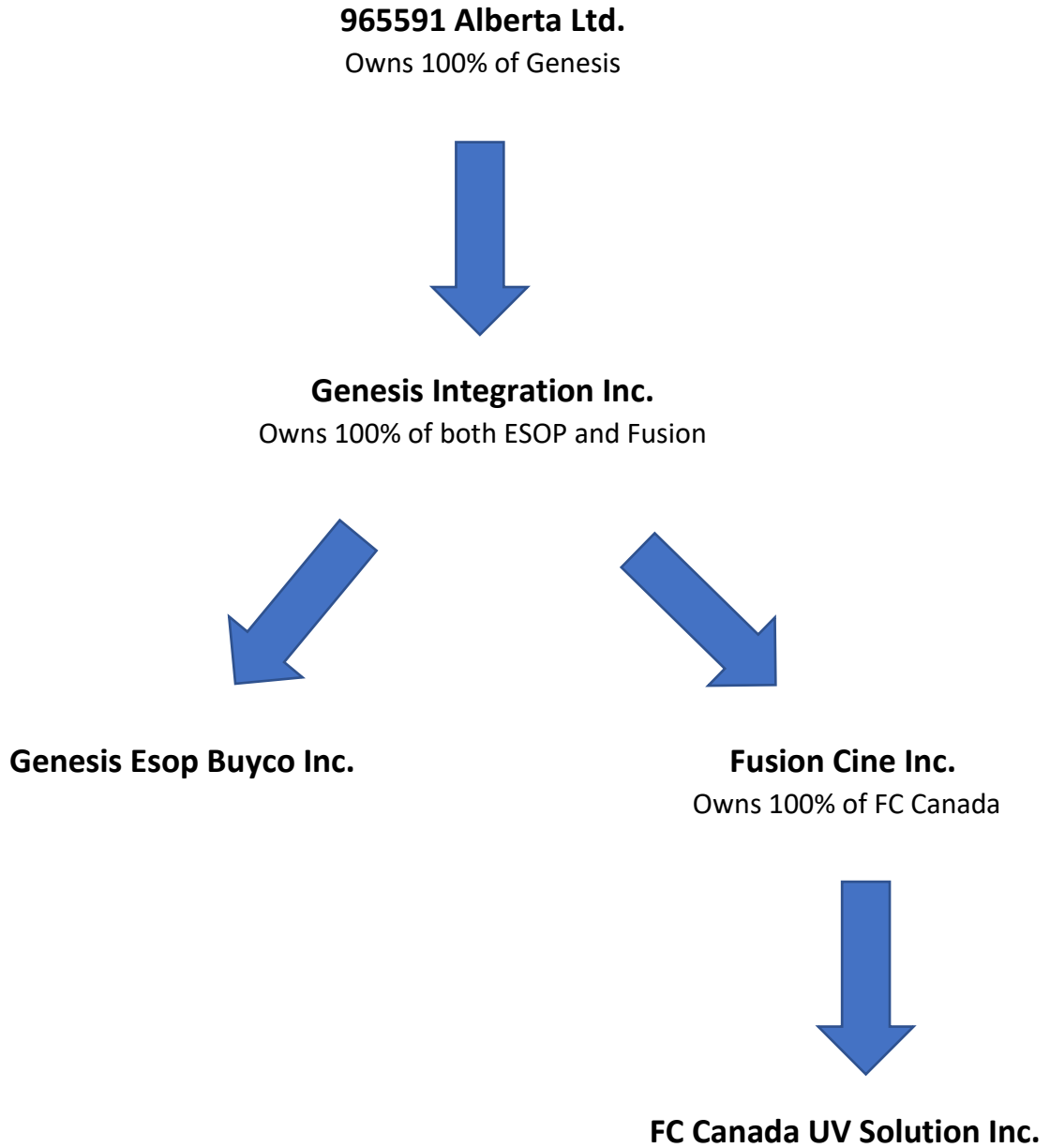


This is Exhibit "B" referred to in the Affidavit
of Sean Register sworn before me this
1st day of September, 2022



Commissioner for Oaths in and for Ontario

965591 Alberta Ltd. Corporate Structure



This is Exhibit "C" referred to in the Affidavit
of Sean Register sworn before me this
1st day of September, 2022



Commissioner for Oaths in and for Ontario

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2022/08/23
Time of Search: 01:13 PM
Service Request Number: 38161030
Customer Reference Number: 04092349-EDD3_5_2585533

Corporate Access Number: 209655919
Business Number: 869671719
Legal Entity Name: 965591 ALBERTA LTD.

Legal Entity Status: Active
Alberta Corporation Type: Numbered Alberta Corporation
Registration Date: 2001/12/18 YYYY/MM/DD

Registered Office:

Street: 11428 142 ST NW
City: EDMONTON
Province: ALBERTA
Postal Code: T5M1V1

Records Address:

Street: 11428 142 ST NW
City: EDMONTON
Province: ALBERTA
Postal Code: T5M1V1

Email Address: JSTANTON@URBANLAWYERS.CA

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
STANTON	JOHN	T.A.	URBANLAWYERS	11428 142 ST NW	EDMONTON	ALBERTA	T5M1V1	JSTANTON@URBANLAWYERS.CA

Directors:

Last Name: BARNES
First Name: WARREN
Street/Box Number: 2401 E. ROANOKE DRIVE
City: BOISE
Province: IDAHO
Postal Code: 83712

Last Name: MAINE
First Name: SHANE
Street/Box Number: 4 SHIP'S HILL LANE
City: TUCKER'S TOWN
Country: BERMUDA

Last Name: MCCARTHY
First Name: PATRICK
Middle Name: KELLY
Street/Box Number: 14721 - 123 AVENUE
City: EDMONTON
Province: ALBERTA
Postal Code: T5L2Y6

Voting Shareholders:

Last Name: FULCRUM AV INTEGRATION PARTNERS LTD.
Street: 161 BAY STREET SUITE 1310
City: TORONTO
Province: ONTARIO
Postal Code: M5J2S1
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE ATTACHED
Share Transfers Restrictions: SEE ATTACHED
Min Number Of Directors: 1
Max Number Of Directors: 10
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE ATTACHED

Holding Shares In:

Legal Entity Name
GENESIS INTEGRATION INC.
GENESIS ESOP BUYCO LTD.
GENESIS INTEGRATION INC.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2020	2021/11/23

Outstanding Returns:

Annual returns are outstanding for the 2021 file year(s).

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2001/12/18	Incorporate Alberta Corporation
2017/12/05	Name/Structure Change Alberta Corporation
2020/02/17	Update BN
2021/08/10	Change Address
2021/11/15	Change Agent for Service
2021/11/23	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2021/11/23	Change Director / Shareholder

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Restrictions on Share Transfers	ELECTRONIC	2001/12/18
Other Rules or Provisions	ELECTRONIC	2001/12/18
Share Structure	ELECTRONIC	2001/12/18
Share Structure	ELECTRONIC	2017/12/05

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



This is Exhibit "D" referred to in the Affidavit
of Sean Register sworn before me this
1st day of September, 2022



Commissioner for Oaths in and for Ontario

CREDIT AGREEMENT

THIS CREDIT AGREEMENT is made as of December 15, 2020

AMONG: **CORTLAND CREDIT LENDING CORPORATION**, as agent for and on behalf of the Lenders

(the “**Agent**”)

AND: **965591 ALBERTA LTD.**

(the “**Borrower**”)

AND: **GENESIS INTEGRATION INC.**

(“**Genesis**”)

AND: **GENESIS ESOP BUYCO LTD.**

(“**ESOP**”)

AND: **FUSION CINE SALES & RENTALS INC.**

(“**Fusion**”)

AND: **FC CANADA UV SOLUTIONS INC.**

(“**FC Canada**”)

RECITAL: The Borrower has requested that the Lenders extend credit to the Borrower, as described below, and the Lenders have agreed to provide such credit to the Borrower on the terms and conditions contained herein.

NOW THEREFORE in consideration of the covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties covenant and agree as follows:

ARTICLE 1.00 - INTERPRETATION

1.1 Definitions

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms have the respective meanings given them as follows:

(a) “\$” means Canadian dollars.

(b) “**Acceleration Events**” means, collectively: (i) the occurrence of a Bankruptcy Event with respect to any Obligor; (ii) five (5) Business Days following the occurrence and during the continuation of an Event of Default (other than a Bankruptcy Event of any Obligor) that has not been cured or waived by the Agent; and (iii) five (5) Business Days following the date of any Liquidity Event except, in each case,

as otherwise permitted by the terms of this Agreement or unless otherwise waived by the Agent, and **“Acceleration Event”** means any one of them.

(c) **“Account Debtor”** means any account debtor (as defined in the PPSA for the Province of Alberta) of the Borrower.

(d) **“Accounts Receivable”** means all debts, accounts (including all “accounts” as defined in the PPSA for the Province of Alberta), claims, demands, monies and choses in action which are now or which may at any time hereafter be due, owing to or accruing due to or owned by the Borrower, together with all books, records, documents, papers and electronically recorded data and any other documents or information of any kind which in any way evidences or relates to any or all of the said debts, accounts, claims, demands, monies and choses in action.

(e) **“Additional Commitment Fee”** has the meaning given to that term in Section 3.4.

(f) **“Advance”** and **“Advances”** have the meanings given to those terms in Section 2.3(a)(ii).

(g) **“Adverse Claim”** means a lien, security interest, mortgage, pledge, charge, encumbrance, assignment, hypothec, title retention agreement, ownership interest, which would constitute a prior ranking claim to the Collateral, of or through any Person including any filing or registration made in respect thereof.

(h) **“Affiliate”** has the meaning given to that term in the *Canada Business Corporations Act* and includes any Subsidiary.

(i) **“Agent”** means Cortland Credit Lending Corporation, a corporation formed under the laws of the Province of Ontario, in its capacity as agent for and on behalf of the Lenders, and includes its successors and assigns.

(j) **“Agreement”** means this credit agreement, as same may be amended, revised, replaced, supplemented or restated from time to time.

(k) **“Anti-Terrorism and Corruption Laws”** means any laws, rules and regulations of any Governmental Authority relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering, corruption or bribery, and any regulation, order, or directive promulgated, issued or enforced pursuant to such laws, rules and regulations, all as amended, supplemented or replaced from time to time.

(l) **“Applicable Law”** means, with respect to any Person, all laws, rules, regulations and orders of Governmental Authorities applicable to such Person or any of its properties or assets.

(m) **“Approved Debtor”** means each Account Debtor which satisfies any Debtor Eligibility Criteria relevant to classifying debtors of the Borrower which may be established by the Agent from time to time.

(n) **“Approved Debtor Invoice”** means any Debtor Invoice owing from an Approved Debtor to the Borrower that complies with the following eligibility criteria:

(i) such invoice is aged less than 90 days past the invoice date;

(ii) such invoice does not have any Potential Priority Claims attached to it, in the opinion of the Agent;

- (iii) such invoice is not due from any Approved Debtors who have more than 50% of the aggregate outstanding debtor balance aged greater than 90 days from the invoice date (50% cross-aging restriction);
- (iv) such invoice is not related to any products which are either voluntarily or involuntary recalled by either the Borrower, any Governmental Authority, or any supplier of the Borrower;
- (v) such invoice is not an invoice which has been issued to a foreign entity (other than the United States), which does not carry credit insurance;
- (vi) if such invoice covers products not yet delivered, the Borrower maintains adequate insurance over such products while in transit;
- (vii) such invoice is not an invoice which is contestable by the relevant Account Debtor; and
- (viii) any other eligibility criteria that the Agent may determine from time to time.

(o) **“Approved Purchase Order”** means any Purchase Order issued by the Borrower to an Approved Debtor that complies with the following eligibility criteria:

- (i) such Purchase Order complies with the eligibility criteria for Approved Debtor Invoices (other than being a Debtor Invoice);
- (ii) the due date for completion of such Purchase Order is less than four months;
- (iii) such Purchase Order is irrevocable by such Approved Debtor; and
- (iv) any other eligibility criteria that the Agent may determine from time to time.

(p) **“Bankruptcy Event”** means an Involuntary Bankruptcy Event or a Voluntary Bankruptcy Event.

(q) **“Blocked Account”** means an account established by the Borrower and maintained with a Canadian chartered bank reasonably acceptable to the Agent.

(r) **“Borrower”** means 965591 Alberta Ltd., a corporation existing under the laws of the Province of Alberta, and includes its successors and permitted assigns.

(s) **“Borrowing Base Amount”** means the calculations prepared by the Borrower and reviewed by the Agent from time to time which calculated the availability under the Credit Facility using criteria set out for Approved Debtors, Approved Debtor Invoices and Eligible Inventory, and calculated as follows, collectively, without duplication:

- (i) the product of (A) the Insured Advance Rate, multiplied by (B) 100% of the outstanding balance of all Insured Approved Debtor Invoices owing to the Borrower, plus
- (ii) the product of (A) the Uninsured Advance Rate, multiplied by (B) 100% of the outstanding face value balance of all Uninsured Approved Debtor Invoices owing to the Borrower; plus

- (iii) the product of (A) the Inventory Advance Rate, multiplied by (B) 100% of the face value of all Eligible Inventory; plus
- (iv) 50% of the outstanding balance of all Approved Purchase Orders owing to the Borrower; plus
- (v) the value of cash held in the Borrower's Blocked Accounts, less
- (vi) the Inventory Reserve; less
- (vii) the Rent Reserve; less
- (viii) the Operational Reserve; less
- (ix) the value of any Potential Priority Claims,

provided that:

- (A) the amount included in the Borrowing Base Amount for any single Account Debtor will be subject to concentration limits to be determined by the Agent from time to time;
 - (B) each Approved Purchase Order included in the Borrowing Base Amount must be fully-billed within four months of the date that it is first included in such Borrowing Base Amount, failing which it will be removed from such Borrowing Base Amount; and
 - (C) no amount shall be included in the Borrowing Base Amount on account of (1) any Accounts Receivable owing from any Account Debtors located in the United States, or (2) any Inventory located in the United States, in either case unless and until the Obligor has executed and delivered to the Agent the US Security Documents.
- (t) **"Borrowing Base Certificate"** has the meaning given to that term in Section 7.4(a).
 - (u) **"Borrowing Limit"** mean, at any given time, the lesser of (i) the Credit Facility Limit and (ii) the Borrowing Base Amount.
 - (v) **"Borrowing Notice"** has the meaning given to that term in Section 2.3(b).
 - (w) **"Business Day"** means any day other than a Saturday, a Sunday or a statutory holiday observed in the Provinces of Alberta or Ontario, or any other day on which the principal banks located in Edmonton, Alberta or Toronto, Ontario, are not open for business during normal business hours.
 - (x) **"Cash Bonus"** has the meaning given to that term in Section 3.9.
 - (y) **"Change of Control"** means either (i) any Change of Management, (ii) Patrick Kelly McCarthy ceasing to Control the Borrower, (iii) the Borrower ceasing to Control any Guarantor, (iv) the assignment, sale, transfer or other disposition of (A) all or substantially all of the assets and business of the Obligor (taken as a whole), (B) any material business of the Obligor (taken as a whole), or (C) a material portion of the Collateral (in each case whether in a single transaction or a series of transactions), or (v) any transaction or series of transactions whereby any Person or group of Persons, acting jointly or otherwise in

concert, acquire the right, by contract or otherwise, to direct the management and activities of the Borrower or any Guarantor.

(z) **“Change of Management”** means that Patrick Kelly McCarthy shall cease for any reason, including termination of employment, death or disability, to substantially perform the functions and services currently being performed by him for the Borrower, and the Borrower shall fail, for a period of 90 consecutive days following the earliest date that such individual may be considered disabled or shall have otherwise ceased to perform his functions with the Borrower as aforesaid, to replace such individual with an individual or individuals acceptable to the Agent (it being acknowledged for the avoidance of doubt that if Patrick Kelly McCarthy shall cease to perform his functions with the Borrower as aforesaid, any permanent replacement therefor shall nevertheless be required to be acceptable to the Agent).

(aa) **“Closing Date”** means the date on which the conditions precedent to an initial Advance under the Credit Facility have been satisfied.

(bb) **“Collateral”** means all of the present and after-acquired undertaking, property and assets of each Obligor, and all other property and proceeds therefrom subject to the Security, whether now or hereafter existing.

(cc) **“Collateral Access Agreement”** means an agreement between the Agent and the owner of each location where tangible elements of the Collateral are held, located or stored, which provides the Agent with rights of access to such Collateral.

(dd) **“Collection Accounts”** means, collectively, (i) the Blocked Account, and (ii) each of the accounts described in Schedule “E” attached hereto, in each case over which the Agent shall, both prior to and following the occurrence of an Acceleration Event, have dominion and control, pursuant and subject to the terms of a Control Agreement.

(ee) **“Compliance Certificate”** has the meaning given to that term in Section 4.2(b).

(ff) **“Contaminant”** includes any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental Law.

(gg) **“Control”** means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise, and **“Controlling”** and **“Controlled”** have meanings correlative thereto.

(hh) **“Control Agreement”** means, (i) with respect to each Collection Account, an agreement among the Agent, the applicable Obligor and the applicable deposit bank or credit union, pursuant to which the Agent will be granted exclusive control over such Collection Account and the cash deposited therein as of the Closing Date (i.e., a blocked account agreement without trigger or non-springing deposit account control agreement), and (ii) with respect to each Deposit Account, an agreement among the Agent, the applicable Obligor and the applicable deposit bank or credit union, pursuant to which the Agent will be granted the right to exercise exclusive control such Deposit Account following the occurrence of an Acceleration Event that is continuing (i.e., a blocked account agreement with trigger or a springing deposit account control agreement)

(ii) **“Covenant/Rep Default”** has the meaning given to that term in Section 9.2.

(jj) **“Credit Documents”** means (i) this Agreement, the Security and each other document,

agreement, instrument and certificate delivered to the Agent or any Lender by the Obligors or any other Person on the date hereof; and (ii) all present and future security, agreements, documents, certificates and instruments delivered by the Obligors or any other Person to the Agent or any Lender pursuant to, or in respect of the agreements and documents referred to in clause (i); in each case as the same may from time to time be supplemented, amended, restated or amended and restated, and “**Credit Document**” shall mean any one of the Credit Documents.

- (kk) “**Credit Facility**” has the meaning given to that term in Section 2.1.
- (ll) “**Credit Facility Limit**” means, as of the date of this Agreement, \$4,020,519.
- (mm) “**Cure Amount**” has the meaning given to that term in Section 9.2.
- (nn) “**Cure Notice**” has the meaning given to that term in Section 9.2.
- (oo) “**Debt**” means, with respect to any Person, (i) indebtedness for borrowed money, (ii) obligations or liabilities, contingent, unmatured or otherwise (including under any indemnities), incurred other than in the ordinary course of business, (iii) any obligation secured by a lien on any property, assets or undertaking owned or acquired, and (iv) any other debt or liability of such Person, excluding obligations or liabilities incurred in the ordinary course of business.
- (pp) “**Debt Securities**” means, with respect to any Person, any and all bond, certificate of deposit, debenture or other or other instrument evidencing Debt of such Person owing to the holder of same.
- (qq) “**Debt Service Coverage Ratio**” means, for any test period, the ratio of EBITDA to the total of Interest Expense in respect of Funded Debt and any interest payments on Postponed Debt otherwise permitted by the Agent.
- (rr) “**Debtor Eligibility Criteria**” means the criteria set by the Agent through the due diligence stage and from time to time thereafter which identifies and sets any requirements or restrictions for the purpose of determining whether any debtor is an Approved Debtor as it relates to the Credit Facility.
- (ss) “**Debtor Invoice**” means any invoice issued by the Borrower to an Account Debtor from time to time, copies of which shall be provided to the Agent if and when requested by the Agent or otherwise in accordance with this Agreement; provided, however, that the term “Debtor Invoice” excludes any Purchase Order.
- (tt) “**Default**” means any condition, event or act which with the giving of notice or the passage of time or both would constitute an Event of Default.
- (uu) “**Default Date**” has the meaning given to that term in Section 9.2.
- (vv) “**Deposit Accounts**” means, collectively, each account established by an Obligor, in each case over which the Agent shall, following the occurrence of an Acceleration Event, have dominion and control, pursuant and subject to the terms of a Control Agreement.
- (ww) “**EBITDA**” means, for any test period, net income from continuing operations (excluding extraordinary gains or losses) plus, to the extent deducted in determining net income, Interest Expense, amounts deducted in respect of the provision for income taxes, amounts deducted in respect of non cash items, including depreciation, amortization, any non-cash impairment charges and any other non-cash charges income taxes, for such period, and, to the extent applicable, transaction costs in respect to closing

of this Agreement and the delivery of the Credit Documents.

(xx) “**Eligible Inventory**” means any Inventory of the Obligor that complies with the Inventory Eligibility Criteria, as amended from time to time.

(yy) “**Environmental Activity**” means any activity, event or circumstance in respect of a Contaminant, including its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater.

(zz) “**Environmental Laws**” means all applicable laws relating to the environment or occupational health and safety, or any Environmental Activity.

(aaa) “**Equity Cure Right**” has the meaning given to that term in Section 9.2.

(bbb) “**equity interests**” means, with respect to any Person, any and all partnership interests, shares, participations, rights in, or other equivalents (however designated and whether voting and non-voting) of, such Person’s capital, whether outstanding on the date hereof or issued after the date hereof, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, and any and all rights, warrants, debt securities, options or other rights exchangeable for or convertible into any of the foregoing.

(ccc) “**Equity Securities**” means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated and whether voting and non-voting) of, such Person’s capital, whether outstanding on the date hereof or issued after the date hereof, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, and any and all rights, warrants, Debt, Debt Securities, options or other rights exchangeable for or convertible into any of the foregoing.

(ddd) “**ESOP**” means Genesis ESOP Buyco Ltd., a corporation existing under the laws of the Province of Alberta, and includes its successors and permitted assigns.

(eee) “**Event of Default**” has the meaning given to that term in Section 9.1.

(fff) “**Extension Period**” has the meaning given to that term in Section 5.1(a).

(ggg) “**Facility Term**” has the meaning given to that term in Section 5.1(b).

(hhh) “**FC Canada**” means FC Canada UV Solutions Inc., a corporation existing under the laws of the Province of British Columbia, and includes its successors and permitted assigns.

(iii) “**Financing Review Fee**” has the meaning given to that term in Section 3.3.

(jjj) “**Fulcrum**” means Fulcrum AV Integration Partners Ltd., and includes its successors and permitted assigns.

(kkk) “**Fulcrum Contribution**” means the amount of \$750,000 contributed by Fulcrum to the Borrower to acquire convertible Debt Securities of the Borrower, on terms reasonably satisfactory to the Agent.

(lll) “**Funded Debt**” means, at any time for the fiscal period then ended, all obligations for borrowed money which bears interest or to which interest is imputed plus, without duplication, all obligations for the deferred payment of the purchase of property, all capital lease obligations and all indebtedness secured by purchase money security interests, but excluding Postponed Debt.

(mmm) “**Fusion**” means Fusion Cine Sales & Rentals Inc., a corporation existing under the laws of the Province of British Columbia, and includes its successors and permitted assigns.

(nnn) “**GAAP**”, when used in respect of accounting terms or accounting determinations relating to a Person, means generally accepted accounting principles in effect from time to time in Canada, including, to the extent the same are adopted by such Person, the International Financial Reporting Standards.

(ooo) “**Genesis**” means Genesis Integration Inc., a corporation existing under the laws of the Province of Alberta, and includes its successors and permitted assigns.

(ppp) “**Governmental Authority**” means the government of Canada or any other nation or any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body (including any self-regulatory body), court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

(qqq) “**Guarantors**” means, collectively, Genesis, ESOP, Fusion, FC Canada and each future Affiliate or subsidiary of any Obligor that becomes a guarantor of the Obligations in accordance with the terms of this Agreement, and each of them is a “**Guarantor**”.

(rrr) “**HSBC**” means HSBC Bank Canada, a chartered Canadian bank with a branch located in Markham, Ontario.

(sss) “**HSBC Payout Amount**” means the sum of \$3,500,000 to be paid to HSBC for the full and final settlement of all debts, liabilities and other obligations owing by the Obligors to HSBC.

(ttt) “**Hypothec**” has the meaning given to that term in Section 8.1(e).

(uuu) “**Indemnified Person**” means the Agent, each Lender, their respective Affiliates, agents, representatives, attorneys, and any receiver or receiver and manager appointed by the Agent, and the respective officers, directors and employees of each of the foregoing persons.

(vvv) “**Initial Advance**” has the meaning given to those terms in Section 2.3(a)(i).

(www) “**Initial Commitment Fee**” has the meaning given to that term in Section 3.4.

(xxx) “**Initial Funding Date**” means the date on which the first Advance is made hereunder.

(yyy) “**Initial Term**” has the meaning given to that term in Section 5.1(a).

(zzz) “**Insured Advance Rate**” means 90% or such other amount as may be mutually agreed by the Agent and the Borrower from time to time.

(aaaa) “**Insured Approved Debtor Invoice**” means any Approved Debtor Invoice that is insured to the satisfaction of the Agent.

(bbbb) **“Interest Expense”** means, for any fiscal period, the aggregate cost of advances of credit outstanding during that period including interest charges, capitalized interest, the interest component of capital leases, fees payable in respect of letters of credit and letters of guarantee and discounts incurred and fees payable in respect of bankers’ acceptances.

(cccc) **“Interest Payment Date”** means, with respect to each Advance, the last day of each calendar month.

(dddd) **“Inventory”** means all of the Obligors’ goods (including all “goods” as defined in the PPSA for the Province of Alberta) acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, raw materials, work in progress, finished goods, returned goods, repossessed goods, livestock and the young thereof after conception and crops and timber, and packaging materials, supplies and containers relating to or used or consumed in connection with any of the foregoing and includes all Inventory in transit.

(eeee) **“Inventory Advance Rate”** means either (i) the lesser of (A) 50% of the carrying value of the Eligible Inventory or (B) 85% of Net Orderly Liquidation Value of the Eligible Inventory, or (ii) such other amount as may be mutually agreed by the Agent and the Borrower from time to time.

(ffff) **“Inventory Eligibility Criteria”** means any Inventory owned by the Obligors which complies with the following eligibility criteria, which may be amended by the Agent from time to time: (i) such Inventory is not more than six months old; (ii) such Inventory is not subject to any recall or safety restrictions in any relevant jurisdiction of sale or operations of any Obligor; (iii) such Inventory is not subject to any Potential Priority Claim; (iv) such Inventory has been paid for in cash by the applicable Obligor; and (v) such Inventory is relevant to the applicable Obligor’s business at all relevant times.

(gggg) **“Inventory Reserve”** means a reserve, in an amount determined by the Agent in its sole discretion, in respect of any supplier whom the Agent has identified as being likely to exercise its unpaid seller’s thirty (30) day goods rights to repossess good and/or its revendication rights.

(hhhh) **“Involuntary Bankruptcy Event”** means, without the consent or acquiescence of the applicable Person, the entering of an application for an order for relief or approving a petition or court order for relief or reorganization or any other petition or order seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, monitoring or other similar relief under any present or future bankruptcy, insolvency or similar process under Applicable Law, or the filing of any such petition or order against such Person or, without the consent or acquiescence of such Person, the entering of an order appointing a trustee, monitor, custodian, inspector, receiver or liquidator of such Person or of all or any substantial part of the undertaking or property of such Person, in each case where such petition or order shall remain unstayed or shall not have been stayed or dismissed within 90 days from entry thereof.

(iiii) **“Lender”** and **“Lenders”** have the meanings given to those terms in Section 12.19(a).

(jjjj) **“Lien”** means any security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), charge against or interest in property or other priority or preferential arrangement of any kind or nature whatsoever, in each case to secure payment of a debt or performance of an obligation, including any conditional sale or any sale with recourse.

(kkkk) **“Liquidity Event”** means (i) any public offering of equity interests by an Obligor, (ii) any Change of Control, or (iii) any transaction or series of transactions resulting in the assignment, sale, transfer or other disposition of any material business or a material portion of the Collateral of the Obligors, taken together.

(llll) “**Loss**” means any loss whatsoever, whether direct or indirect, including expenses, costs, damages, judgments, penalties, awards, assessments, fines and any and all fees, disbursements and expenses of counsel, experts and consultants.

(mmmm) “**Material Adverse Change**” means any event, circumstance or change that could reasonably be expected to result, individually or in the aggregate, in a material adverse effect, in any respect, on (i) the financial condition or business of any Obligor, (ii) the market value of any Collateral required hereunder or a substantial or material portion of the assets or other property of any Obligor, (iii) the legality, validity or enforceability of any of the Credit Documents or the Security, (iv) the right or ability of the any Obligor to perform any of its obligations under any of the Credit Documents, in each case to which it is a party, or to consummate the transactions contemplated under any of the Credit Documents, or (v) the rights or remedies of the Agent under any of the Credit Documents.

(nnnn) “**Maturity Date**” has the meaning given to that term in Section 5.1(b).

(oooo) “**Maximum Rate**” has the meaning given to that term in Section 3.8(b).

(pppp) “**Net Orderly Liquidation Value**” means the value of Eligible Inventory based upon definitions and assumptions acceptable to the Agent in its sole discretion and confirmed in an appraisal report by an accredited appraiser satisfactory to the Agent in its sole discretion as the estimated most probable price (net of all related selling expenses and costs) that such Eligible Inventory could typically realize at a public auction sale, held under orderly sale conditions.

(qqqq) “**Obligations**” means, at any given time, all of the Borrower’s present and future indebtedness, liabilities and obligations of any and every kind, nature or description whatsoever (whether direct or indirect, joint or several or joint and several, absolute or contingent, matured or unmatured, in any currency and including any interest accrued and unpaid thereon and all future interest that accrues thereon after) and all indemnity obligations to the Agent and/or the Lenders, all as under, in connection with, or with respect to each of the Credit Documents.

(rrrr) “**Obligors**” means, collectively, the Borrower and the Guarantors, and each of them is an “**Obligor**”.

(ssss) “**Operational Reserve**” means a reserve, in an amount determined by the Agent in its sole discretion, in respect of operational expenses that are critical to continuing the business operations of the Obligors, including overdue payments to suppliers and other trade payables that are in arrears.

(tttt) “**Outstanding Principal Obligations**” means at any time the sum of the aggregate principal amount of all Advances outstanding and unpaid at such time.

(uuuu) “**Payment**” means any repayment of Outstanding Principal Obligations or any payment of accrued and unpaid interest made or required to be made in accordance with the terms of this Agreement, including any prepayment or any mandatory repayment, as applicable.

(vvvv) “**Permitted Indebtedness**” means (i) intercompany indebtedness owing by any Obligor to any other Obligor as may be approved by the Agent from time to time, (ii) Postponed Debt, and (iii) such other indebtedness as may be approved by the Agent from time to time.

(wwww) “**Permitted Liens**” means, collectively, (i) Liens granted in favour of the Agent pursuant to the Credit Documents, (ii) Subordinated Liens, (iii) Supplier Liens as approved by the Agent, (iv) Liens granted in favour of a lessor of vehicles, goods or equipment provided that such Liens attach only to such

leased vehicles, goods or equipment and the proceeds thereof and do not attach to any other Collateral, and (v) those Liens described in Schedule “H”.

(xxxx) “**Person**” means an individual, a corporation, a limited partnership, a general partnership, a trust, a joint stock company, a joint venture, an association, a syndicate, a bank, a credit union, a trust company, a Governmental Authority and any other legal or business entity.

(yyyy) “**Postponed Debt**” means indebtedness that is fully postponed (with respect to payment) and subordinated (with respect to any Liens and enforcement), both as to principal and interest to the Obligations hereunder, on terms satisfactory to the Agent.

(zzzz) “**Potential Priority Claims**” means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Agent’s security or otherwise in priority to any claim by the Agent for repayment of any amounts owing under this Agreement or any other Credit Document and includes any amount due and payable at such time by an Obligor that is secured by a Lien (whether choate or inchoate) or a statutory right in favour of a Governmental Authority, that encumbers any Collateral and that ranks, or is capable of ranking prior to or *pari passu* with any Lien on such Collateral granted in favour of the Agent, including amounts due deducted or withheld, as applicable, and not yet paid, contributed or remitted, as applicable, by any Obligor in respect of vacation pay, termination and severance pay, realty, municipal or similar taxes, or pursuant to any legislation relating to workers’ compensation, employment insurance, the *Income Tax Act*, any Canadian pension plan, the *Wage Earners Protection Act* or any similar legislation.

(aaaa) “**PPSA**” means the *Personal Property Security Act* in the applicable jurisdiction where an Obligor or its tangible personal property (including goods in transit) may be located from time to time.

(bbbb) “**Prime Rate**” means the commercial lending rate of interest which The Toronto-Dominion Bank quotes in Toronto, Ontario as the reference rate of interest (commonly known as the “prime rate”) for the purpose of determining the rate of interest that it charges to its commercial customers for loans in Canadian funds.

(cccc) “**Priority Lien**” means any Lien that is not a Subordinated Lien.

(dddd) “**Priority Supplier Lien**” means any Supplier Lien that is not a Subordinated Supplier Lien.

(eeee) “**Purchase Order**” means purchase orders issued by customers of the Borrower for the purchase of goods or services from the Borrower, copies of which shall be provided to the Agent if and when requested by the Agent or otherwise in accordance with this Agreement.

(ffff) “**Register**” has the meaning given to that term in Section 12.19(b).

(gggg) “**Release**” includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning.

(hhhh) “**Relevant Parties**” means, collectively, the Obligors and Patrick Kelly McCarthy, and “**Relevant Party**” means any one of them.

(iiii) “**Rent Reserve**” means, for each leased or other applicable premises on which any Obligor’s tangible property is located where the applicable landlord, bailee or warehouseperson has not

executed a Collateral Access Agreement, a reserve in an amount equal to up to three months' rent payable by such Obligor to such landlord, bailee or warehouseperson, as determined by the Agent from time to time.

(jjjj) “**Repayment Notice**” means a written notice by the Agent to the Borrower, substantially in the form attached as Schedule “B”, requiring repayment of all or a portion of the Obligation.

(kkkk) “**Required Contribution Date**” has the meaning given to that term in Section 9.2.

(llll) “**RMPRR**” means the Register of Moveable Personal Real Rights (Quebec).

(mmmm) “**Schedules**” means the schedules attached to this Agreement and which are more particularly described in Section 1.3.

(nnnn) “**Second Advance**” has the meaning given to those terms in Section 2.3(a)(ii).

(oooo) “**Securities Offering**” means any corporate fundraising in the form of any offering of Debt, Debt Securities or Equity Securities of any Obligor.

(pppp) “**Security**” means all security held from time to time by or on behalf of the Agent or the Lenders, securing or intended to secure directly or indirectly repayment of the Obligations and includes all security described in Article 8.00.

(qqqq) “**Set-off**” means any legal or equitable set-off, off-set, rescission, counterclaim, reduction, deduction or defense under Applicable Law.

(rrrr) “**Subordinated Lien**” means any Lien for which the holder thereof has agreed, pursuant to a subordination agreement in form satisfactory to the Agent, that such Lien shall at all times be subordinated and postponed in favour of the Liens granted in favour of the Agent.

(ssss) “**Subordinated Supplier Lien**” means any Supplier Lien that is a Subordinated Lien.

(tttt) “**Subsidiary**” means a business entity which is Controlled by another business entity (as used herein, “business entity” includes a corporation, company, partnership, limited partnership, trust or joint venture).

(uuuu) “**Supplier Lien**” means any Lien granted in favour of a supplier or distributor of tangible goods to any Obligor, provided that such Lien attaches only to such tangible goods supplied or distributed and the proceeds thereof and do not attach to any other Collateral.

(vvvv) “**Tangible Net Worth**” means, with respect to any Person, at any particular time, such Person's total assets (based upon the consolidated balance sheet of such Person), less the aggregate of the amounts, as at the last day of the most recently completed fiscal quarter, which would, in accordance with GAAP, be classified upon the consolidated balance sheet of such Person as all liabilities of such Person (other than Postponed Debt), prepaid expenses of such Person, goodwill, intangible assets, loans to shareholders, directors, Affiliates and any non arm's length Person, loans to any other Person which are in default and the market value of all public equity interests, warrants or other substantially similar investment property held by such Person (to the extent such securities, warrants or investment property are freely tradeable and no subject to any hold periods, voting trusts or similar arrangements).

(wwww) “**Termination Date**” means the earlier to occur of (i) the Maturity Date, and (ii) the date on which this Agreement is terminated by the Agent and/or the Borrower in accordance with the terms of

this Agreement.

(xxxxx) “**Termination Fee**” has the meaning given to that term in Section 5.1(f).

(yyyyy) “**Total Commitment**” means the Credit Facility Limit.

(zzzzz) “**Uninsured Advance Rate**” means 85% or such other amount as may be mutually agreed by the Agent and the Borrower from time to time.

(aaaaa) “**Uninsured Approved Debtor Invoice**” means any Approved Debtor Invoice that is not an Insured Approved Debtor Invoice.

(bbbbb) “**Unutilized Portion**” means, at the relevant time, the Credit Facility Limit less the Outstanding Principal Obligations.

(ccccc) “**US Security Documents**” has the meaning given to that term in Schedule “I”.

(ddddd) “**Utilization Fee**” has the meaning given to the term in Section 3.5.

(eeeeee) “**Utilization Fee Rate**” has the meaning given to the term in Section 3.5.

(ffffff) “**VAT**” means any sales tax, value-added tax or similar source of supply tax, including Goods and Services Tax (GST), Harmonized Sales Tax (HST), Provincial Sales Tax (PST), Quebec Sales Tax (QST) and Retail Sales Tax (RST).

(ggggg) “**VAT Priority Amount**” has the meaning given to the term in Section 6.1(w).

(hhhhh) “**Voluntary Bankruptcy Event**” means (a) an admission in writing by a Person of its inability to pay its debts generally or a general assignment by such Person for the benefit of creditors, (b) the filing of any assignment, petition or consent thereto or answer by such Person seeking to adjudicate itself as bankrupt or insolvent, or seeking for itself any liquidation, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of such Person or its debts under any present or future bankruptcy, insolvency or similar Applicable Law, or seeking, consenting to or acquiescing in the entry of an order for relief in any case under any such Applicable Law, or the appointment of or taking possession by a trustee, monitor, custodian, inspector, receiver or liquidator of such Person or for any substantial part of such Person’s property, or (c) corporate or other action taken by such Person to authorize any of the actions set forth above.

(iiiiii) “**Wells Fargo**” means Wells Fargo Capital Finance Corporation Canada.

(jjjjj) “**Wells Fargo Payout Amount**” means the funds to be paid to Wells Fargo for the full and final settlement of all debts, liabilities and other obligations owing by the Obligors to Wells Fargo.

1.2 Construction

In this Agreement:

- (a) words importing the singular include the plural and vice-versa, words importing gender include both genders;
- (b) any reference to a statute includes a reference to all regulations made pursuant to such statute, all amendments made to such statute and regulations in force from time to time and to any statute or

regulation which may be passed and which has the effect of supplementing or superseding such statute or regulations;

- (c) any reference to an Article, Section or Schedule is deemed to refer to the applicable Article, Section or Schedule contained in or attached to this Agreement and to no other agreement or document unless specific reference is made to such other agreement or document;
- (d) the division of this Agreement into Articles and Sections and the insertion of headings is for convenience of reference only and are not to be taken into account in interpreting this Agreement or any part of it;
- (e) when a reference is made to a “party” or “parties”, such reference shall be to a party or parties to this Agreement unless otherwise indicated;
- (f) the term:
 - (i) “**including**” means “**including, without limitation**” and the terms “**including**” and “**include**” will not be construed to limit any general statement which it follows to the specific or similar items or matters immediately following it;
 - (ii) “**may**” describes an act or forbearance which is optional under this Agreement; and
 - (iii) “**will**” shall be equivalent in meaning to the word “**shall**,” both of which describe an act or forbearance which is mandatory under this Agreement; and
- (g) unless otherwise indicated, all references to dollar amounts are references to Canadian dollars.

1.3 Schedules

The Schedules are as follows:

- Schedule “A” - Notice of Borrowing
- Schedule “B” - Repayment Notice
- Schedule “C” - Compliance Certificate
- Schedule “D” - Business Locations
- Schedule “E” - Collection Accounts & Deposit Accounts
- Schedule “F” - Existing Debt of the Obligors
- Schedule “G” - Subsidiaries
- Schedule “H” - Existing Liens
- Schedule “I” - Post-Closing Undertakings

The Schedules are incorporated into and form an integral part of this Agreement.

1.4 Accounting Principles and Practices

- (a) Where the character or amount of any asset or liability, or item of revenue or expense, is required to be determined, or any consolidation or other accounting computation is required to be made for the purpose of this Agreement or any Credit Document, that determination or calculation shall, to the extent applicable and except as otherwise specified in this Agreement or as otherwise agreed in writing by the parties, be made in accordance with GAAP.
- (b) All calculations for the purpose of determining compliance with the financial covenants and financial ratios contained in this Agreement shall be made on a basis consistent with GAAP in existence as at the date of this Agreement. In the event of a change in GAAP, the Borrower and the Agent shall negotiate in good faith to revise (if appropriate) those ratios and covenants to reflect GAAP as then in effect, in which case all subsequent calculations made for the purpose of determining compliance with those ratios and covenants shall be made on a basis consistent with GAAP in existence as at the date of those revisions.

ARTICLE 2.00 – CREDIT FACILITIES

2.1 Credit Facility

Subject to the terms and conditions of this Agreement, the Lenders have established a revolving line of credit (referred to herein as the “**Credit Facility**”) for the Borrower in a maximum principal amount not to exceed at any time the Credit Facility Limit. The Credit Facility, subject to the terms and conditions of this Agreement, shall revolve and no payment, repayment or prepayment under the Credit Facility shall reduce the Credit Facility Limit.

2.2 Purpose of Credit Facility

Advances made under the Credit Facility shall only be used by the Borrower to (a) in the case of the Initial Advance, fund the HSBC Payout Amount and for no other purpose, (b) in the case of the Second Advance, to pay the VAT Priority Amount owing by Fusion and Genesis, and (c) in the case of any subsequent Advance, for general working capital purposes.

2.3 Advances

- (a) Subject to satisfaction of the terms and conditions set out in this Agreement, the Agent shall:
 - (i) on the Closing Date, arrange for the Lenders to make an initial Advance in the amount of \$2,750,000 (the “**Initial Advance**”);
 - (ii) on the Closing Date, arrange for the Lenders to make, a second Advance in the amount of \$1,270,519 (the “**Second Advance**”) to pay the VAT Priority Amount owing by Fusion and Genesis; and
 - (iii) from time to time at Borrower’s request, but subject to the terms of this Agreement, arrange for the Lenders to make loans to the Borrower (each, an “**Advance**” and, collectively, the “**Advances**”),

provided, however, that at no time after making the Initial Advance shall the principal amount of any proposed subsequent Advance, when added to the then Outstanding Principal Obligations exceed the Borrowing Limit.

- (b) Each Advance made under the Credit Facility requires a notice of borrowing from the Borrower to Agent, such notice to be in writing and substantially in the form attached as Schedule “A” (the “**Borrowing Notice**”). The Borrower shall deliver the Borrowing Notice to the Agent at or before noon (Toronto time) at least two Business Days prior to the date the Advance is proposed to be made. The Borrowing Notice shall indicate the amount of the proposed Advance and the date funds are required.
- (c) Each Borrowing Notice given to the Agent may not be revoked or withdrawn once given.

ARTICLE 3.00 – INTEREST AND FEES

3.1 Interest

The Outstanding Principal Obligations under the Credit Facility shall bear interest at a rate per annum equal to the greater of:

- (a) 7.55% above the Prime Rate; or
- (b) 10%.

3.2 Payment of Interest

Interest accrued on the Credit Facility shall be payable in arrears on each Interest Payment Date, or on such other date as may be agreed upon in writing between the Agent and the Borrower.

3.3 Financing Review Fee

To the extent not paid prior to the Closing Date, the Borrower shall pay to the Agent a financing review fee in an amount equal to 0.5% of the Credit Facility Limit (the “**Financing Review Fee**”).

3.4 Commitment Fees

- (a) On the Closing Date, the Borrower shall pay to the Agent a commitment fee in an amount equal to 1.0% of the Credit Facility Limit (the “**Initial Commitment Fee**”).
- (b) On the first day of each Extension Period, the Borrower shall pay to the Agent an additional commitment fee in an amount equal to 0.5% of the Credit Facility Limited (each an “**Additional Commitment Fee**”).

3.5 Utilization Fee

The Borrower shall pay the Agent on the last Business Day of each calendar month (commencing on the last Business Day of January 2021) prior to the Termination Date and on the Termination Date, an aggregate fee (the “**Utilization Fee**”) equal to 2.4% per annum (the “**Utilization Fee Rate**”) of the Unutilized Portion. The Utilization Fee will be calculated on a daily basis as the Unutilized Portion at the end of each Business Day multiplied by the Utilization Fee Rate, divided by the number of dates in that calendar year (on the basis of a 365-day or 366-day year, as applicable). The Utilization Fee shall be payable in arrears and shall commence to accrue from the date hereof and shall continue to accrue until (but not including) the Termination Date.

3.6 Costs and Expenses; Due Diligence and Monitoring Fee; Legal Expenses

- (a) Each Obligor shall pay promptly upon receipt of written notice from the Agent all reasonable costs and expenses in connection with the preparation, execution and delivery of this Agreement, the other Credit Documents, and the other instruments, certificates and documents to be delivered under or in connection with this Agreement or the other Credit Documents, whether or not a closing has occurred or any Advance has been made under this Agreement, including the reasonable fees and out-of-pocket expenses of the Agent's legal counsel with respect thereto and with respect to the preparation, negotiation, execution, delivery, registration, maintenance, administration, interpretation and enforcement or protection of its rights under this Agreement, the other Credit Documents or any other document to be delivered under or in connection with this Agreement, or to advising the Agent or the Lenders as to its rights and responsibilities under this Agreement, the other Credit Documents or any other document to be delivered under or in connection with this Agreement.
- (b) Each Obligor further agrees to pay all reasonable costs and expenses in connection with the preparation or review of waivers, consents and amendments requested by any Obligor, questions of interpretation of this Agreement, the other Credit Documents or any other document to be delivered under or in connection with this Agreement, and in connection with the establishment of the validity and enforceability of this Agreement, the other Credit Documents or any other document to be delivered under or in connection with this Agreement and the preservation or enforcement of rights of the Agent and the Lenders under this Agreement, the other Credit Documents and other documents to be delivered under or in connection with this Agreement, including all reasonable costs and expenses sustained by the Agent and the Lenders as a result of any failure by the Borrower to perform or observe any of its obligations under this Agreement and including the reasonable fees and out-of-pocket expenses of the Agent's legal counsel with respect thereto.
- (c) Each Obligor further agrees to pay all reasonable out-of-pocket fees and expenses incurred by the Agent or the Lenders in connection the Credit Facility and the Credit Documents, including all appraisal, audit, monitoring and valuation fees, all fees and expenses associated with any field exams and all travel expenses related thereto.
- (d) In addition to the fees and other charges set out in this Agreement, the Borrower shall pay, on demand, the charges and fees incurred or paid by the Agent and the Lenders in connection with the preparation and registration of the Security (whether or not any Advances are made hereunder) and enforcement or protection or exercise of its rights thereunder.
- (e) Fees and expenses required to be paid under this Section include professional fees and expenses incurred by the Agent or the Lenders (e.g., appraisal, audit, notary and legal fees).
- (f) The Obligors shall reimburse the Agent within five (5) Business Days of the Agent providing the Borrower a summary and evidence of the out-of-pocket expenses incurred.

3.7 General Rules

- (a) All interest payments to be made under this Agreement shall be paid without allowance or deduction for deemed re-investment or otherwise, both before and after maturity and before and after default and/or judgment, if any, until payment, and interest shall accrue on overdue interest, if any, compounded on each Interest Payment Date.

- (b) Unless otherwise stated, wherever in this Agreement reference is made to a rate of interest or rate of annual fees or fees ‘per annum’ or a similar expression is used, such interest or fees will be calculated on the basis of a calendar year of 365 days or 366 days, as the case may be, and using the nominal rate method of calculation, and will not be calculated using the effective rate method of calculation or on any other basis that gives effect to the principle of deemed re-investment of interest.
- (c) For the purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest or fee to be paid under this Agreement is to be calculated on the basis of a year of 365 or 366 days or any other period of time that is less than a calendar year, the yearly rate of interest to which the rate determined pursuant to such calculation is equivalent is the rate so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by either 365 or 366 or such other period of time, as the case may be.
- (d) In calculating interest or fees payable under this Agreement for any period, unless otherwise specifically stated, the first day of a period shall be included and the last day of a period shall be excluded.

3.8 Rate and Disclosure Calculation Consent

- (a) Each Obligor agrees and affirms that, if and to the extent that Section 4 of the *Interest Act* (Canada) (or any other provision of such statute or any other statute relating to disclosure of interest or its calculation under applicable law) applies to the determination or calculation of any annualized interest rate or other annualized rate expressed in this Agreement or in any other Credit Document, in each case, such annualized interest rate or other annualized rate is (i) readily determinable based on the methodology for calculation of annualized rates set out in this Article 3.00 and (ii) commercially reasonable. The execution of this Agreement by such Obligor conclusively evidences its unconditional and irrevocable acceptance of the foregoing, of the applicable annualized interest rate and of each other annualized rate provided for in, and as calculated under or pursuant to, this Agreement and each other Credit Document.
- (b) Each Obligor further covenants and agrees not to contest, repudiate or otherwise deny, by means of any proceeding, action, claim, demand, defence or otherwise, its acceptance of the applicable annualized interest rate or any other applicable annualized rate hereunder or in any other Credit Document or to assert that any such applicable annualized interest rate or other applicable annualized rate is not commercially reasonable and acceptable to it, or that any of the same is not readily determinable and appropriately disclosed to it in accordance with the requirements of the *Interest Act* (Canada) and otherwise pursuant to Applicable Law. Each Obligor also agrees that the provisions of this Section 3.8 are fully compliant with all subsisting requirements for disclosure of annualized interest or other annualized rates under the *Interest Act* (Canada) and otherwise under Applicable Law.
- (c) Notwithstanding anything to the contrary contained in any Credit Document, the interest paid or agreed to be paid under the Credit Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable law (the “**Maximum Rate**”). If the Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Credit Facility or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable law, (i) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (ii) exclude voluntary prepayments and the effects thereof, and (iii) amortize, prorate, allocate, and

spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

3.9 Cash Bonus

The Borrower shall pay to the Agent, on the 180th day of the Initial Term, on the last day of the Initial Term and on the last day of any Extension Period, a cash payment (each a “**Cash Bonus**”) based on the EBITDA for the last twelve months ending on such test date as set forth below:

	50%	75%	100%	125%	150%
Year 1 EBITDA	1,771,303	2,656,954	3,542,605	4,428,256	5,313,908
Cash Bonus	177,130	354,261	708,521	1,062,782	1,417,042
Year 2 EBITDA	823,485	1,235,227	1,646,969	2,048,711	2,470,454
Cash Bonus	82,348	164,697	329,394	494,091	658,788

ARTICLE 4.00 – CONDITIONS

4.1 Conditions for the Initial Advance

The obligation of the Lenders to extend the initial Advance under of the under this Agreement is subject to the fulfillment to the Agent’s satisfaction of all of the following conditions:

- (a) Documentation. The Agent shall have received, in form and substance satisfactory to the Agent, each of the following, duly executed:
- (i) this Agreement;
 - (ii) the Security;
 - (iii) a subordination agreement, priorities agreement, inter-creditor agreement or similar arrangements between the Agent and each prior secured and unsecured creditor of any Obligor, as required;
 - (iv) an executed Borrowing Base Certificate (in sufficient detail and with supporting calculations), evidencing that the Advance requested pursuant to the Borrowing Notice dated on or around the date hereof does not exceed the Borrowing Limit;
 - (v) certificates of status or good standing, as applicable, of each Obligor for its jurisdiction of formation; and
 - (vi) a certificate of an officer of each Obligor with respect to certain factual matters pertaining to such Obligor and to which certificate is attached, the certificate and articles of incorporation and by-laws (or equivalent) of such Obligor, any shareholders agreement of such Obligor a copy of a resolution of the directors, shareholders, managers, members or

partners of such Obligor authorizing, among other things, the execution, delivery and performance of each of the Credit Documents to which it is a party, and a certificate of incumbency of its officers and directors.

- (b) Registration of Security. All registrations, recordings and filings of or with respect to the Security which in the opinion of counsel to the Agent are necessary to render effective the Liens intended to be created thereby shall have been completed, including PPSA financing statements and publication of the Hypothec in the RPMRR, as applicable.
- (c) Certificated Equity Interests. If applicable, the Agent shall have received original certificates for any equity interests issued to an Obligor, together with duly executed stock transfer powers of attorney with respect to the Security.
- (d) Due Diligence. The Agent and each of the Lenders shall have completed its business, legal and financial due diligence with respect to the Obligors, with results satisfactory to them.
- (e) Payment of Fees. The Agent shall have received payment in full of all fees and expenses required under this Agreement to be paid on or prior to the date of such Advance.
- (f) Fulcrum Contribution. The Agent shall have received: (i) copies of all documentation relating to the Fulcrum Contribution, in form reasonably satisfactory to the Agent, (ii) written confirmation from Fulcrum that any entitlement to repayment of the Fulcrum Contribution shall be postponed in favour of repayment in full of the Obligations, in form reasonably satisfactory to the Agent, and (iii) evidence that the Fulcrum Contribution has been funded into the Borrower's bank account at HSBC, to be applied against the HSBC Payout Amount.
- (g) HSBC Payout Amount. The Agent shall have received: (i) written confirmation of the terms of the HSBC Payout Amount, and (ii) a payout and discharge letter from HSBC, confirming that upon payment of the HSBC Payout Amount, all debt, liabilities and other obligations of the Obligors owing to HSBC will be paid in full, all Liens over any assets, business, property or undertaking of the Obligors granted in favour of HSBC will be discharged and terminated and the Agent and its counsel will be authorized to file any discharge statements, financing change statements, termination statements and other documents as may be required to evidence the discharge and termination of such HSBC Liens.
- (h) Wells Fargo Payout Amount. The Agent shall have received: (i) written confirmation of the terms of the Wells Fargo Payout Amount, and (ii) a payout and discharge letter from Wells Fargo, confirming that upon payment of the Wells Fargo Payout Amount, all debt, liabilities and other obligations of the Obligors owing to Wells Fargo will be paid in full, all Liens over any assets, business, property or undertaking of the Obligors granted in favour of Wells Fargo will be discharged and terminated and the Agent and its counsel will be authorized to file any discharge statements, financing change statements, termination statements and other documents as may be required to evidence the discharge and termination of such Wells Fargo Liens.
- (i) Discharges, etc. The Agent shall have received, in form and substance satisfactory to the Agent, delivery of any estoppel letters, releases, discharges, subordinations and postponements (in registerable form where appropriate) with respect to any Liens affecting the Collateral, other than Permitted Liens.
- (j) Insurance. The Agent shall have received (i) a certificate for each business and property insurance policy maintained by or for the benefit of the Obligors, naming the Agent as an additional loss

payee, (ii) a certificate for each commercial general liability insurance policy maintained by or for the benefit of the Obligors, naming the Agent as an additional insured, and (iii) a certificate for any cargo, freight, marine cargo or similar insurance policy maintained by or for the benefit of the Borrower, naming the Agent as an additional loss payee (collectively, the “**Insurance Certificates and Endorsements**”), together with copies of all insurance policies referenced in such certificates.

- (k) Opinion. Legal counsel to each Obligor shall have delivered a currently-dated letter of opinion, in form and substance satisfactory to the Agent and its legal counsel in their sole discretion, acting reasonably with respect to due authorization, execution and delivery of the Credit Documents.
- (l) Cash Management; Collection Accounts. The Agent shall be satisfied with the cash management arrangements of the Obligors, including the establishment of at least one Collection Account by each Obligor, including the Blocked Account.
- (m) KYC. The Agent and each of the Lenders shall have received all documentation and other information in respect of the Obligors and their respective authorized signing officers required pursuant to Anti-Terrorism and Corruption Laws, including guidelines or orders thereunder.
- (n) Approval of Agent’s Legal Counsel. All legal matters incidental to the extension of credit by Lenders shall be satisfactory to the Agent’s legal counsel and the Agent and the Lenders shall have received such additional evidence, documents or undertakings as the Agent or the Lenders shall reasonably request to establish the consummation of the transactions contemplated hereby and be satisfied, acting reasonably, as to the taking of all proceedings in connection herewith in compliance with the conditions set forth in this Agreement.
- (o) Borrowing Notice. The Agent shall have received, in form and substance satisfactory to the Agent, a Borrowing Notice.
- (p) Borrowing Base Certificate. The Agent shall have received, in form and substance satisfactory to the Agent, a Borrowing Base Certificate, setting out the Borrowing Base Amount as of the date of the proposed initial Advance.
- (q) No Default. No Event of Default (or any condition, event or act which with the giving of notice or the passage of time or both would constitute an Event of Default) has occurred and is continuing on the date of such requested Advance, or would result from making such Advance, as confirmed in the Borrowing Notice.
- (r) No Material Adverse Change. No Material Adverse Change has occurred since the date of the last financial statements provided by the Obligors to the Agent.
- (s) Borrowing Limit. The making of such initial Advance shall not result in the Outstanding Principal Obligation exceeding the Borrowing Limit.

4.2 Conditions for Each Advance

The obligation of the Lenders to make any Advance requested by the Borrower hereunder shall be subject to the fulfillment to the Agent’s satisfaction of each of the following conditions:

- (a) Borrowing Notice. The Agent shall have received, in form and substance satisfactory to the Agent, a Borrowing Notice.

- (b) Borrowing Base Certificate. The Agent shall have received, in form and substance satisfactory to the Agent, a Borrowing Base Certificate, setting out the Borrowing Base Amount as of the date of the proposed Advance.
- (c) Compliance. The Agent shall have received, in form and substance satisfactory to the Agent, an executed compliance certificate, substantially in the form of Schedule “C” (each a “**Compliance Certificate**”).
- (d) Representations and Warranties. The representations and warranties pursuant to Article 6.00 continue to be true and correct in all material respects as if made on and as of the date of such requested Advance, as confirmed in the Borrowing Notice or Compliance Certificate, as applicable.
- (e) No Default. No Event of Default (or any condition, event or act which with the giving of notice or the passage of time or both would constitute an Event of Default) has occurred and is continuing on the date of such requested Advance, or would result from making such Advance, as confirmed in the Borrowing Notice or Compliance Certificate, as applicable.
- (f) No Material Adverse Change. No Material Adverse Change has occurred since the date of the last financial statements provided by the Obligors to the Agent.
- (g) Borrowing Limit. The making of any such Advance shall not result in the Outstanding Principal Obligation under the Credit Facility exceeding the Borrowing Limit.

4.3 Waiver

The conditions set forth in Sections 4.1 and 4.2 are inserted for the sole benefit of the Agent and the Lenders and may be waived by the Agent, in whole or in part (with or without terms or conditions) in respect of the Advance, without prejudicing the right of the Lenders at any time to assert such conditions in respect of any subsequent Advances, if subsequent advances become available hereunder.

ARTICLE 5.00– FACILITY TERM AND PAYMENTS

5.1 Facility Term and Termination

- (a) The initial term of this Agreement will be twelve (12) months (the “**Initial Term**”), which may be extended for up to two additional periods of 180 days (each an “**Extension Period**”) with the mutual consent of the Borrower and the Agent no later than 30 days prior to the end of the Initial Term.
- (b) The Initial Term and each Extension Period (if requested by the Borrower and approved by the Agent), are, collectively, the “**Facility Term**”, and the last day of the Facility Term is the “**Maturity Date**”.
- (c) This Agreement may be terminated upon the mutual agreement of the Agent and the Borrower.
- (d) The Agent shall have the right to terminate this Agreement upon 60 days’ notice to the Borrower if any Obligor fails to perform, or is negligent in the performance of, its obligations under any Credit Document.

- (e) The Agent shall have the right to terminate this Agreement upon 90 days' notice to the Borrower if a material adverse change in market conditions negatively affects the liquidity of any Lender.
- (f) The Agent shall have the immediate right to terminate this Agreement upon notice to the Borrower if (i) an Acceleration Event has occurred and is continuing, or (ii) the Credit Facility shall become, in whole or in part, illegal or in contravention of any Applicable Law, policy or request of any Governmental Authority, unless such illegality or contravention resulted from the negligence of, or an illegal act by the Agent or a Lender.
- (g) The Borrower shall have the right to terminate this Agreement without the Agent's consent upon 60 days' notice to the Agent, subject to the payment to the Agent of:
 - (i) the amounts described below in paragraph (h); and
 - (ii) a termination fee (the "**Termination Fee**") equal to 2.0% of the Total Commitment, which Termination Fee shall be payable forthwith upon such termination.
- (h) If this Agreement is terminated for any reason, or if an Event of Default has occurred and is continuing, then all accrued and unpaid interest, all outstanding principal and all unpaid fees will be automatically due and payable under this Agreement, and the Borrower will pay such amounts to the Agent forthwith upon such termination.

5.2 Repayment

The Borrower shall repay all Obligations (including, for greater certainty, any unpaid Outstanding Principal Obligations, fees and accrued interest) on the Termination Date.

5.3 Mandatory Repayments

If the Agent determines that on any day the Outstanding Principal Obligations under the Credit Facility exceeds the Borrowing Limit, then the Agent shall deliver to the Borrower a Repayment Notice that such an event has occurred and the Borrower shall, within three (3) Business Days following receipt of such notice, repay the Advance under the Credit Facility in an amount equal to such excess.

5.4 Place of Payments

Each Payment shall be made to the Agent (for the account of the Lenders), by electronic funds transfer to the Borrower's Collection Account, at or before 3:00 p.m. (Toronto time) on the day the Payment is due. All amounts owing, whether on account of principal, interest or otherwise, shall be paid in Canadian dollars and shall be made in immediately available funds without set-off or counterclaim. Each Payment made under this Agreement shall be made for value on the day the Payment is due, provided that if that day is not a Business Day, the Payment shall be due on the Business Day next following that day. All interest and other fees shall continue to accrue until payment of all Obligations in full has been received by the Agent (for the account of the Lenders).

5.5 Withholding Tax Gross-Up

Except as otherwise required by Applicable Law, all payments made by any Obligor to the Agent hereunder or under any other Credit Documents shall be made without withholding for or on account of any present or future taxes imposed by or within the jurisdiction in which such Obligor is domiciled, any jurisdiction from which such Obligor makes any payment or any other jurisdiction, or (in each case) any political

subdivision or taxing authority thereof or therein (other than taxes in respect of the net income, assets, capital of the Lenders, or franchise taxes imposed upon the Lenders). If any such withholding is required by law, such Obligor shall make the withholding, pay the amount withheld to the appropriate Governmental Authority before penalties attach thereto or interest accrues thereon and forthwith pay to the Agent such additional amount as may be necessary to ensure that the net amount actually received by the Agent (after payment of such taxes including any taxes on such additional amount paid) is equal to the amount which it would have received if no amounts had been withheld. The obligations of the Obligors under this Section shall survive the termination of this Agreement.

5.6 Application of Payments

Each repayment or prepayment made under this Agreement shall be credited as follows:

- (a) first, to any interest or fees hereunder then accrued and remaining unpaid;
- (b) second, to the outstanding principal balance owing hereunder;
- (c) third, to the payment of any other Obligations; and
- (d) fourth, if any balance remains, to the Borrower or as the Borrower may direct.

ARTICLE 6.00 – REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties

Each Obligor makes the following representations and warranties to the Agent and each of the Lenders as of the date hereof and on each day following the date hereof until the Maturity Date, which representations and warranties shall survive the execution of this Agreement and shall continue in full force and effect until the full and final payment, and satisfaction and discharge, of all Obligations:

- (a) Legal Status. It has been duly formed, incorporated, amalgamated, merged or continued, as the case may be, and is validly subsisting under the laws of its jurisdiction of formation, incorporation, amalgamation, merger or continuance, as the case may be. It is, and will be at all times at which the Advance is outstanding hereunder, duly qualified and has all required licenses, registrations, approvals and qualifications to carry on its business in each jurisdiction in which the nature of its business requires such licenses, registrations, approvals and/or qualifications.
- (b) Locations. Its chief executive office, head office, principal place of business and jurisdiction of organization are accurately described in Schedule “D” attached hereto. Its business and operations, and the locations thereof (including whether such locations are owned or leased), are accurately described in Schedule “D” attached hereto. All of the Collateral is located at the locations described in Schedule “D” attached hereto. The Obligors have no material assets located outside of the Provinces of Alberta, British Columbia, Nova Scotia, Ontario and Quebec.
- (c) Financial Year End. In the case of the Borrower only, its financial year end is December 31 of each calendar year.
- (d) Authorization and Validity. It has the power, capacity and authority to own its property and carry on its business as currently conducted by it. This Agreement, the Security and each of the other

Credit Documents to which it is a party have been duly authorized and delivered by it in accordance with Applicable Law. Upon their execution and delivery in accordance with the provisions hereof, each of the Credit Documents to which it is a party will constitute legal, valid and binding obligations of it, enforceable in accordance with their respective terms (except, in any case, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by principals of equity). The Security creates or will create valid and enforceable first ranking encumbrances upon the Collateral subject to Permitted Liens and, subject only to the terms of this Agreement, the Security has been registered or recorded in all places where registration or recording is necessary to perfect and protect the charges and security interests created therein.

- (e) No Violation. The execution, delivery and performance by it of each of the Credit Documents to which it is a party and the encumbrances granted pursuant to the Security do not violate any provision of any Applicable Law, or contravene any provision of its constituting documents, or result in any breach of or default under any contract, obligation, indenture or other instrument to which it is a party or by which it may be bound.
- (f) Consent Respecting Credit Documents. It has obtained all consents, approvals, authorizations, declarations and has completed all, registrations, filings, notices and other actions whatsoever required under Applicable Law to enable it to execute and deliver each of the Credit Documents to which it is a party and to consummate the transactions contemplated by the Credit Documents and to perform its obligations hereunder and thereunder, and all such consents, approvals, authorizations remain in full force and effect.
- (g) Taxes. It has duly and timely filed all tax returns required to be filed by it and has paid or made adequate provision for the payment of all taxes levied on its property or income which are showing therein as due and payable, including interest and penalties, or has accrued such amounts in its financial statements for the payment of such taxes except for taxes which are not material in amount or which are not delinquent or if delinquent are being contested and for which reasonable reserves under GAAP are maintained, and there is no material action, suit, proceeding, investigation, audit or claim now pending, or to its knowledge, threatened by any Governmental Authority regarding any taxes nor has it agreed to waive or extend any statute of limitations with respect to the payment or collection of taxes.
- (h) Judgments, Etc. It is not subject to any judgment, order, writ, injunction, decree or award, or to any restriction, rule or regulation (other than customary or ordinary course restrictions, rules and regulations consistent or similar with those imposed on other Persons engaged in similar businesses) which has not been stayed or of which enforcement has not been suspended which restrains, prohibits or delays the execution and delivery of the Credit Documents.
- (i) Title to Assets. It is the sole legal and beneficial owner of, and has good title to, all Collateral, free and clear of all encumbrances (other than the Security and Permitted Liens) and Adverse Claims and it has good right, full power and absolute authority to grant Security in the Collateral.
- (j) Compliance with Applicable Law. It is in compliance in all material respects under all Applicable Law.
- (k) No Default or Event of Default. No Default or Event of Default has occurred which is continuing.
- (l) Litigation. There are no pending, or to the best of its knowledge threatened, actions, claims, investigations, suits or proceedings by or before any governmental authority, arbitrator, court or

administrative agency other than those disclosed by it to the Agent in writing prior to the date hereof;

- (m) Correctness of Financial Statements. The annual financial statements of the Borrower for the fiscal year ended December 31, 2019, and the fiscal quarter ended September 30, 2020, and all financial statements delivered to the Agent since said dates, true copies of which have been delivered by the Borrower to the Agent prior to the date hereof, (i) are complete and correct in all material respects and present fairly the financial condition of the Borrower and its Subsidiaries as of the dates referred to therein, (ii) disclose all liabilities of the Borrower and its Subsidiaries that are required to be reflected or reserved against under GAAP, consistently applied, whether liquidated or unliquidated, fixed or contingent, and (iii) have been prepared in accordance with GAAP consistently applied. Since the dates of such financial statements there has been no material adverse change in the financial condition of the Borrower and its Subsidiaries, nor has the Borrower or any of its Subsidiaries mortgaged, pledged, granted a security interest in or otherwise encumbered any of its assets or properties except in favour of the Agent or as otherwise permitted by the Agent in writing.
- (n) Disclosure. No Credit Document furnished to the Agent or any Lender by it for use in connection with the transactions contemplated hereby contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances in which the same were made. There are no facts known (or which should upon the reasonable exercise of diligence be known) to it (other than matters of a general economic nature) that, individually or in the aggregate, could reasonably be expected to result in a material adverse change in the financial condition or business of the Borrower and that have not been disclosed herein.
- (o) Bankruptcy Events. No Bankruptcy Event of has been initiated by it or occurred in respect of it, and to its knowledge, after due inquiry, no Bankruptcy Event has been threatened against it.
- (p) Anti-Terrorism and Corruption Laws. It has conducted its businesses in compliance with Anti-Terrorism and Corruption Laws and has instituted and maintained policies and procedures reasonably designed to promote and achieve compliance with such Anti-Terrorism and Corruption Laws.
- (q) Income Tax Returns. It has no knowledge of any pending assessments or adjustments of its income tax payable with respect to any year.
- (r) No Subordination. There is no agreement, indenture, contract or instrument to which it is a party or by which it may be bound that requires the subordination in right of payment of any of its obligations under this Agreement or any other Credit Document to which it is a party to any of its other obligations.
- (s) Debt. All Debt, including (i) indebtedness for borrowed money, (ii) any liability or obligation required to be characterized as debt in accordance with GAAP, (iii) any liability or obligation secured by a lien on any property, assets or undertaking owned or acquired, and (iv) any other debt, liability or obligation of the Obligor are described on Schedule "F" attached hereto.
- (t) Collection Accounts and Deposit Accounts. The location, description and beneficiary of each Collection Account and Deposit Account is accurately set forth on Schedule "E". Each applicable Obligor has instructed its account debtors to make all payments on account of such Obligor's accounts receivable to such Obligor's Collection Account.

- (u) Other Obligations. It is not in default on any obligation for borrowed money, any purchase money obligation or any other material lease, commitment, contract, instrument or obligation, or liability except for amounts that are being contested and for which reasonable reserves under GAAP are maintained.
- (v) Subsidiaries. Other than as set out in Schedule “G”, no Obligor owns any securities or other equity interests in any Person.
- (w) As of the Closing Date, the value of all Potential Priority Claims owing by the Obligors to any Governmental Authority is \$1,270,519 (the “**VAT Priority Amount**”).

6.2 Survival and Repetition of Representations and Warranties

The representations and warranties set out in Section 6.1 will be deemed to be repeated by each Obligor as of the last Business Day of each month except to the extent that on or prior to such date:

- (a) the Borrower has advised the Agent in writing of a variation in any such representation or warranty; and
- (b) the Agent has approved such variation in writing.

ARTICLE 7.00 – COVENANTS

7.1 Affirmative Covenants

So long as this Agreement is in effect, and until the Obligations have been indefeasibly paid in full, and except as otherwise permitted by the prior written consent of the Agent, each Obligor covenants and agrees that it will:

- (a) make due and timely payment of the Obligations required to be paid by it under this Agreement or any other Credit Document;
- (b) use the proceeds of the Credit Facility only for the purposes permitted by Section 2.2;
- (c) satisfy the terms and conditions of this Agreement and any other Credit Document to which it is a party;
- (d) immediately advise the Agent of any event which constitutes or which, with notice, lapse of time or both, would constitute an Event of Default;
- (e) file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Priority Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- (f) give the Agent 30 days prior notice of any intended Change of Control;
- (g) comply in all material respects with all Applicable Laws, including all Environmental Laws;
- (h) immediately advise the Agent of any material action requests or material violation notices received

concerning it and hold the Agent harmless from and against any Losses, costs or expenses which the Agent or the Lenders may suffer or incur for any environment related liabilities existent now or in the future with respect to it except to the extent such Losses, costs or expenses have resulted from the gross negligence, bad faith or willful misconduct of the Agent and the Lenders;

- (i) immediately advise the Agent of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of the Credit Documents;
- (j) keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils to the extent such insurance is available on commercially reasonable terms and would customarily be obtained;
- (k) at reasonable times and upon reasonable notice (provided that upon the occurrence of an Event of Default, the Agent is permitted to do the following at any time and without notice) permit the Agent or its representatives, from time to time, (i) to visit and inspect its premises, properties and assets and examine and obtain copies of its records or other information, and (ii) to discuss its affairs with its auditors (in the presence of its representatives as it may designate) (and it hereby authorizes and directs any such third party to provide to the Agent or its representatives all such information, records or documentation reasonably requested by the Agent);
- (l) defend the right, title and interest of it and the other Obligors in and to the Collateral against the claims and demands of all Persons whomsoever;
- (m) within 2 Business Days of receipt thereof, transfer to a Collection Account, any and all amounts received by an Obligor in any of its other accounts, including its Deposit Accounts;
- (n) conduct its business in compliance with Anti-Terrorism and Corruption Laws and institute and maintain policies and procedures designed to promote and achieve compliance with such Anti-Terrorism and Corruption Laws;
- (o) maintain adequate books and records in accordance with GAAP consistently applied, and permit any representative of the Agent, at any reasonable time and upon reasonable notice, to inspect, audit and examine such books and records, to make copies of the same, and to inspect the properties of the Borrower;
- (p) preserve and maintain all licenses, permits, governmental approvals, rights, privileges and franchises necessary for the conduct of its business; and maintain in good standing its corporate existence and comply with the provisions of all documents pursuant to which it is organized and/or which govern its continued existence and comply in all material respects with the requirements of all Applicable Law applicable to it and/or its business;
- (q) continue to preserve and maintain its existence;
- (r) if a Default or an Event of Default has occurred and is continuing, at the request of the Agent set aside the proceeds of any Collateral sold by it and hold it as trustee for the Agent and such shall remain part of the Collateral;
- (s) with respect to the Security:

- (i) provide to the Agent the Security required from time to time pursuant to Article 8.00 in accordance with the provisions of that Article, accompanied by supporting resolutions, certificates and opinions in form and substance satisfactory to the Agent and its counsel in their sole discretion, acting reasonably;
- (ii) do, execute and deliver all such things, documents, security, agreements and assurances as may from time to time be requested by the Agent or any Lender to ensure that the Agent holds at all times valid, enforceable, perfected first priority security from the Borrower for and on behalf of itself and the Lenders meeting the requirements of Article 8.00; and
- (iii) do, observe and perform all of its obligations in all matters and things necessary or expedient to be done, observed or performed by virtue of any Applicable Law for the purpose of creating, perfecting, maintaining or registering the Security, all of which shall at all times be duly and properly registered so as to preserve and protect the interest of the Agent and the Lenders therein;
- (t) promptly following the acquisition or formation of any subsidiary by an Obligor, cause such subsidiary to do all such things and execute all such documents as may be reasonably required by the Agent to become a Guarantor hereunder and to grant in favour of the Agent a first ranking security interest over all of its assets and personal property (subject to Permitted Liens), including executing an instrument of assumption and joinder to this Agreement, a guarantee and a security agreement, each in a form satisfactory to the Agent;
- (u) on or before the Closing Date, fund the Wells Fargo Payout Amount using funds other than the proceeds of the Credit Facility or the Fulcrum Contribution; and
- (v) promptly comply with the post-closing undertakings described in Schedule "I", within the time periods set out in such Schedule, unless any such time period is extended by the Agent, or such undertaking is waived by the Agent.

7.2 Negative Covenants

So long as this Agreement is in effect, and until the Obligations have been indefeasibly paid in full, and except as otherwise permitted by the prior written consent of the Agent, each Obligor covenants and agrees that it will not:

- (a) except for Permitted Liens, without the prior written consent of the Agent, grant, create, assume or suffer to exist any Lien affecting any of its properties, assets or other rights;
- (b) without the prior written consent of the Agent, sell, transfer, convey, lease or otherwise dispose of any of its assets, properties or undertaking (excluding obsolete or otherwise superfluous tangible assets), other than (i) to any third party in the ordinary course of business and on commercially reasonable terms, or (ii) to any other Obligor;
- (c) without the prior written consent of the Agent, provide any guarantees, financial assistance or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person;
- (d) provide any funds to any subsidiary, Affiliate or directly related party of the Borrower over which the Agent does not hold a perfected, first-priority Lien;

- (e) without giving the Agent 15 days prior notice in writing, merge, amalgamate, or otherwise enter into any other form of business combination with any other Person and it will cause any such resulting Person to become a borrower or guarantor, as applicable, hereunder and to grant such security and enter into such Credit Documents and other agreements as the Agent may require. If, during the Facility Term, the Borrower is the non-surviving entity of any amalgamation, arrangement, merger of analogous transaction or the Borrower sells all or substantially all of its assets, properties and undertaking (other than to another Obligor), then such action will constitute an Event of Default unless the surviving entity of such amalgamation, arrangement, merger or analogous or the purchaser of such assets, properties and undertaking agrees to assume the Obligations of the Borrower hereunder and under each other Credit Document to which the Borrower is a party, in each case on terms satisfactory to the Agent, and provided that the Agent and each of the Lenders shall have received all documentation and other information in respect of such surviving entity or such purchaser, as applicable, and their respective authorized signing officers required pursuant to Anti-Terrorism and Corruption Laws, including guidelines or orders thereunder;
- (f) pay any dividends, other distributions, or any interest or principal on Postponed Debt (including, for greater certainty, the Debt described in Schedule "F" attached hereto) without the prior written consent of the Agent; provided, however, that any such payment by one Obligor to another Obligor will be permitted provided that no Default or Event of Default exists at the time of the proposed payment or would exist immediately after such proposed payment;
- (g) acquire or move any material Collateral to any jurisdiction where the Agent's security interests in the Collateral have not been perfected without first executing and delivering all such security and other documentation and completing all registrations, recordings and filings to grant in favour of the Agent an equivalent security interest in such Collateral and to render effective the security interest granted thereby, all in form and substance satisfactory to the Agent;
- (h) incur additional Debt other than Permitted Indebtedness; or
- (i) permit (i) any Subsidiary to carry on business in the ordinary course, or (ii) permit any Subsidiary to maintain liabilities or assets, in each case unless the Borrower has caused such Subsidiary to execute and deliver to the Agent a guarantee and other Security in accordance with this Agreement (together with such legal opinions and other supporting documents as the Agent reasonably requests), in each case within 3 Business Days of such Subsidiary carrying on business or having any liabilities or assets, as applicable.

7.3 Financial Covenants

So long as this Agreement is in effect, and until the Obligations have been indefeasibly paid in full, and except as otherwise permitted by the prior written consent of the Agent, the Borrower covenants and agrees that it will, at all times:

- (a) maintain Tangible Net Worth of at least \$15,000,000, which will be tested monthly, commencing at the end of the calendar month ending December 31, 2020; and
- (b) maintain a Debt Service Coverage Ratio of no less than 3:1, which will be tested monthly, commencing at the end of the calendar month ending December 31, 2020, on a rolling three month basis.

7.4 Reporting Covenants

So long as this Agreement is in effect, and until the Obligations have been indefeasibly paid in full, and except as otherwise permitted by the prior written consent of the Agent, each Obligor covenants and agrees that it:

- (a) will provide or cause to be provided to the Agent all of the following, in form and detail satisfactory to Agent:
 - (i) annually, within 90 days after each fiscal year end of the Borrower, a copy of the audited financial statements of the Borrower and each other Obligor for such fiscal year;
 - (ii) quarterly, within 30 days after each calendar quarter end, financial reporting for the Borrower and each other Obligor on a consolidated and unconsolidated basis;
 - (iii) monthly:
 - (A) within 20 days after the end of each calendar month:
 - (I) internal management prepared financial statements of the Borrower and each other Obligor; and
 - (II) a trial balance of the Borrower and each other Obligor as at the end of such calendar month;
 - (B) within 10 days after the end of each calendar month, proof of all payments required to be made on all taxes owing by the Borrower and each other Obligor;
 - (C) within two days after the end of each calendar month:
 - (I) a certificate setting out the details of the Borrowing Base Amount (each a “**Borrowing Base Certificate**”) as at the last day of such calendar month;
 - (II) account statements generated by the applicable bank or credit union for all Collection Accounts and Deposit Accounts of the Borrower and each other Obligor;
 - (III) a cash reconciliation, to the extent not provided in any Borrowing Base Certificate, reconciling all purchases, repayments, chargebacks, write-offs and any other transactions covering such calendar month;
 - (iv) weekly, on the Friday of each calendar week, for the period covering the previous seven (7) days ending on the Thursday of such week;
 - (A) a Borrowing Base Certificate as at the previous day (Thursday); and
 - (B) a cash reconciliation, to the extent not provided in any Borrowing Base Certificate, reconciling all purchases, repayments, chargebacks, write-offs and any other transactions covering such previous calendar week; and
 - (v) such other documents and information as the Agent and the Borrower may mutually agree.
- (b) a copy of the annual budgets and business plans, including sales plans and revenue projections, for the Obligors, as available;

- (c) a periodic (but no more than monthly) business review of the Obligors on such terms and such basis as may be required by the Agent to determine compliance with the terms of this Agreement and the other Credit Documents;
- (d) at the time of delivery of any Borrowing Base Certificate, copies of all Debtor Invoices, all Purchase Orders, all bills of lading and all insurance confirmations relating to any and all amounts included in the Borrowing Base Amount from time to time; and
- (e) promptly (but in no event more than five (5) Business Days after the Borrower receives knowledge of the occurrence of each such event or matter) give written notice to the Agent in reasonable detail of:
 - (i) each meeting of the board of directors of each Obligor, together with copies of the minutes thereof and/or any resolutions adopted at such meeting;
 - (ii) the occurrence of any Default or any Event of Default;
 - (iii) any violation of any Applicable Law which results or could result in a Material Adverse Change;
 - (iv) any litigation pending or threatened against any Obligor which could reasonably be expected result in a Material Adverse Change;
 - (v) any encumbrance or Adverse Claim registered or alleged or asserted against any Collateral; and
 - (vi) any change in the name or the organizational structure or the jurisdiction of organization of any Obligor.

ARTICLE 8.00– SECURITY

8.1 Form of Security

As general and continuing security for the due payment and performance of the Obligations, the following Security shall be granted to the Agent (on behalf of itself and the Lenders):

- (a) a security agreement executed by the Borrower, pursuant to which, among other things, the Borrower shall grant to the Agent (i) a first-priority security interest over all present and after-acquired assets and other personal property of the Borrower, (ii) a Lien over the Borrower's interest in its Collection Accounts and Deposit Accounts, and (iii) a pledge of all equity interests and other securities issued to the Borrower by any Guarantor or any other Person, in form satisfactory to the Agent;
- (b) a guarantee executed by each Guarantor in favour of the Agent in respect of the Obligations, in form satisfactory to the Agent;
- (c) a security agreement executed by each Guarantor, pursuant to which, among other things, such Guarantor shall grant to the Agent (i) a first-priority security interest over all present and after-acquired assets and other personal property of such Guarantor, (ii) a Lien over such Guarantor's

- Collection Accounts and Deposit Accounts, and (iii) a pledge of all equity interests and other securities issued to such Guarantor by any Person, in form satisfactory to the Agent;
- (d) a guarantee executed by Patrick Kelly McCarthy in favour of the Agent in respect of the Obligations, limited to a maximum principal amount of \$500,000, in form satisfactory to the Agent;
 - (e) a guarantee executed by Fulcrum in favour of the Agent in respect of the Obligations, limited to the amount of any claims that may be brought by HSBC in the event of a claw-back of the VAT Payout Amount;
 - (f) a deed of hypothec executed by Fusion and Genesis in favour of the Agent, as hypothecary representative, which shall grant the Agent a first priority moveable hypothec over all of such Obligor's moveable property, in form satisfactory to the Agent (the "**Hypothec**");
 - (g) an assignment of insurance executed by each Obligor in respect of any insurance policy maintained by or on behalf of such Obligor (other than third party liability insurance);
 - (h) a Control Agreement in respect of each Collection Account and each Deposit Account, in form satisfactory to the Agent;
 - (i) a Collateral Access Agreement in respect of any premises where any tangible personal property of an Obligor (i) is located and where such premises are now owned by an Obligor, and (ii) where such premises are owned or controlled by a third party bailee, carrier or warehouse operator; and
 - (j) such other security, agreements, documents or instruments that the Agent and its legal counsel may reasonably require.

ARTICLE 9.00– DEFAULT

9.1 Events of Default

The occurrence of any of the following events (each an "**Event of Default**") shall constitute a default under this Agreement:

- (a) the failure of the Borrower to pay when due any principal, interest, fees or other amounts (including the Outstanding Principal Obligations) payable under any of the Credit Documents;
- (b) the failure of any Obligor to observe or perform any covenant or obligation applicable to it under Sections 7.2, 7.3 and 7.4;
- (c) the failure of any Obligor to observe or perform any other covenant or obligation applicable to it under this Agreement or any Credit Document; provided that, if, in the opinion of the Agent, acting reasonably, such failure is capable of correction or remedy, then if it is not corrected or remedied for a period of 10 days after written notice by the Agent to the Borrower;
- (d) any representation or warranty made by any Obligor in this Agreement, any other Credit Document or in any certificate or other document at any time delivered hereunder to the Agent or any of the Lenders prove to be incorrect, false or misleading in any material respect when furnished or made;
- (e) if any Obligor ceases or threatens to cease carrying on its business or if a petition shall be filed, an

order shall be made or an effective resolution shall be passed for the winding up or liquidation of any Obligor;

- (f) if a Bankruptcy Event of any Relevant Party occurs;
- (g) if a Change of Control (that has not been approved by the Agent) occurs;
- (h) if any license, permit or approval required by any Applicable Law, policy or any Governmental Authority for the operation by any Obligor of its business shall be withdrawn or cancelled;
- (i) any default in the payment or performance of any obligation, or any defined event of default, under the terms of any contract, instrument or document (other than any of the Credit Documents) pursuant to which any Obligor has incurred any Debt or other liability to any Person, including the Agent or any of the Lenders;
- (j) if any Obligor permits any sum which has been admitted as due by such Obligor or is not disputed to be due by it and which forms or is capable of being made a Lien on any Collateral in priority to the Security to remain unpaid after proceedings have been taken to enforce such charge;
- (k) there shall have occurred any event or circumstance that has resulted in, or could reasonably be expected to result in, a Material Adverse Change;
- (l) if any Obligor denies its obligations under any Credit Document or claims any of the Credit Documents to be invalid, unenforceable, or of no further force or effect in whole or in part;
- (m) if any of the Security shall cease to be a valid and perfected first ranking priority security interest in the Collateral; or
- (n) the filing of a notice of judgment lien against any Obligor; or the recording of any judgment against any Obligor in any jurisdiction in which such Obligor has an interest in real property; or the service of a notice of levy and/or of a writ of attachment or execution, or other like process, against the assets of any Obligor; or the entry of a judgment against any Obligor;

9.2 Equity Cure

- (a) If an Event of Default occurs pursuant to Section 9.1(a), (b) or (c) (each a “**Covenant/Rep Default**”), the Borrower shall have the right, in addition to any other right to cure as may be applicable to such Event of Default, to cure such Covenant/Rep Default on the following terms and conditions (the “**Equity Cure Right**”):
 - (i) if the Borrower wishes to cure a Covenant/Rep Default, the Borrower shall deliver to the Agent an irrevocable written notice of its intention to do so (a “**Cure Notice**”) no later than two (2) Business Days after the occurrence of such Covenant/Rep Default occurred (the “**Default Date**”). Any such Cure Notice shall set forth the calculation of the Covenant/Rep Default cure amount, being an amount which would result in the Borrower being in pro forma compliance with this Agreement as of such Default Date (the “**Cure Amount**”);
 - (ii) if the Borrower delivers a Cure Notice, then, by no later than by no later than five (5) Business Days after receipt by the Agent of the Cure Notice (the “**Required Contribution Date**”), the Borrower shall arrange for:

- (A) a Securities Offering of the Borrower for cash consideration in an aggregate amount not less than the Cure Amount; or
 - (B) additional cash advances made to the Borrower by any party or combination of parties holding a Subordinated Lien in an aggregate amount not less than the Cure Amount; and
- (iii) from the effective date of delivery of a Cure Notice until the earlier to occur of the Required Contribution Date and the date on which the Agent is notified that the required contribution will not be made, the Agent agrees that it shall not accelerate the Obligations, or exercise any right or remedy based on any Covenant/Rep Default against any of the Obligor, or any of the Collateral.
- (b) For greater certainty, if any Event of Default other than a Covenant/Rep Default has occurred and is continuing, the Agent may exercise any or all of the Agent and Lenders' rights and remedies hereunder, under the Credit Documents and under Applicable Law and take any or all such other actions and steps as they may deem appropriate, each in its sole and absolute discretion, notwithstanding the Borrower's election to exercise the Equity Cure Right, the delivery of any Cure Notice or the payment of any Cure Amount under or pursuant to this Section 9.2.

9.3 Remedies on an Event of Default

Upon the occurrence and continuance of any Event of Default: (a) all indebtedness of the Borrower under this Agreement and each of the other Credit Documents to which it is a party, any term hereof or thereof to the contrary notwithstanding, shall at the Agent's option and without notice become immediately due and payable without presentment, demand, protest or notice of dishonor, all of which are hereby expressly waived by the Borrower; (b) the obligation, if any, of the Lenders to extend any further credit under this Agreement or any of the other Credit Documents shall immediately cease and terminate; and (c) the Agent and the Lenders shall have all rights, powers and remedies available under this Agreement and each of the other Credit Documents, or accorded by law, including the right to resort to any or all Security for any credit subject hereto and to exercise any or all of the rights of a beneficiary or secured party pursuant to all Applicable Law. All rights, powers and remedies of the Agent and the Lenders may be exercised at any time by the Agent and the Lenders and from time to time after the occurrence and continuance of an Event of Default, are cumulative and not exclusive, and shall be in addition to any other rights, powers or remedies provided by law or equity.

ARTICLE 10.00– INDEMNITY

10.1 Indemnity

The Obligor shall, and do hereby, jointly and severally indemnify the Indemnified Persons against all suits, actions, proceedings, claims, Losses, expenses (including fees, charges and disbursements of counsel), damages and liabilities that the Agent or any of the Lenders may sustain or incur as a consequence of (i) any default under this Agreement or any other Credit Document, (ii) any misrepresentation contained in any writing delivered to the Agent or the Lenders in connection with this Agreement, (iii) the Agent and the Lenders entering into this Agreement, (iv) the use of proceeds of the Credit Facility, or (v) any indemnity obligations of the Agent under or in connection with any Control Agreement, except that no Indemnified Person shall be indemnified for any of the foregoing matters to the extent the same resulted from its own gross negligence or willful misconduct as determined by a court of competent jurisdiction.

ARTICLE 11.00 – CONFIDENTIALITY

11.1 Transactions to Remain Confidential

Each Obligor agrees not to file a copy of this Agreement or any other Credit Document in any public manner, or otherwise publicly disclose any information contained therein, except (a) on a confidential basis to its officers, directors, employees, accountants, lawyers and other professional advisors; (b) to any bona fide existing or prospective investor or purchaser of the equity interests of an Obligor or all or substantially all of the assets of an Obligor, in each case to the extent permitted hereunder, provided that each such Person agrees in writing with the Agent to maintain the confidentiality of such information in accordance with the provisions of this Section; and (c) as may be required pursuant to Applicable Law. If any such disclosure is required pursuant to Applicable Law, the Borrower (and any Person required to make such disclosure) will provide at least seven (7) days' prior written notice to the Agent before making such disclosure and during such period the Agent acting reasonably may advise the Borrower as to which portions of such Credit Documents shall be redacted in order to protect the rights of the Agent and the Lenders to maintain the confidentiality of information which the Agent and the Lenders believe is confidential and proprietary to them. Each Obligor agrees to comply (and to cause any other Person described above in clause (a), (b) or (c) that is required to make such disclosure to comply) with any such request and the said seven (7) days notice provision unless such compliance would contravene Applicable Law. The terms of this paragraph shall survive the termination of this Agreement.

ARTICLE 12.00 – GENERAL

12.1 Recitals

The recitals to this Agreement are incorporated as an integral part of this Agreement.

12.2 Entire Agreement

This Agreement, including any Schedules attached to this Agreement constitutes the entire agreement between the parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties. There are no representations, warranties or other agreements, whether oral or written, between the parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement.

12.3 Amendments

No amendment, supplement, modification, waiver or termination of this Agreement is binding on the parties unless it is in writing and signed by all of the parties.

12.4 Waiver

No delay, failure or discontinuance of the Agent or any of the Lenders in exercising any right, power or remedy under any of the Credit Documents shall affect or operate as a waiver of such right, power or remedy; nor shall any single or partial exercise of any such right, power or remedy preclude, waive or otherwise affect any other or further exercise thereof or the exercise of any other right, power or remedy. Any waiver, permit, consent or approval of any kind by the Agent or any Lender of any breach of or default

under any of the Credit Documents must be in writing and shall be effective only to the extent set forth in such writing.

12.5 Invalidity

If any provision of this Agreement or any part of any provision of this Agreement is held to be invalid, illegal or unenforceable by a court of competent jurisdiction, such provision or part will not affect the validity, legality or enforceability of any other provision of this Agreement or the balance of any provision of this Agreement absent such part and such invalid, illegal or unenforceable provision or part is deemed to be severed from this Agreement and this Agreement will then be construed and enforced as if such invalid, illegal or unenforceable provision or part had never been included in this Agreement.

12.6 Time

Time is of the essence of this Agreement and no extension or variation of this Agreement operates as a waiver of this provision. When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period is excluded. If the last day of such period is not a Business Day, the period in question ends on the next following Business Day.

12.7 Further Assurances

The parties shall with reasonable diligence do all things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement. Each party shall provide and execute such further documents or instruments as may be reasonably required by any other party, exercise its influence and do and perform or cause to be done or performed such further and other acts as may be reasonably necessary or desirable to effect the purpose of and to carry out the provisions of this Agreement.

12.8 Notice

Any notice or other communication required or permitted to be given by this Agreement must be in writing and will be effectively given if:

- (a) delivered personally;
- (b) sent by prepaid courier service;
- (c) sent by registered mail;
- (d) sent by fax or email,

in the case of notice to:

- (i) the Borrower or any other Obligor:

965591 Alberta Ltd.
14721 123 Avenue
Edmonton, Alberta T5L 2Y6

Attention: Kelly McCarthy
Email: kelly@genint.com

(ii) the Agent or any of the Lenders:

c/o Cortland Credit Lending Corporation
 Royal Bank Plaza, South Tower
 200 Bay Street, Suite 3230
 Toronto, Ontario M5J 2J2

Attention: Sean Rogister, CEO
 Email: srogister@cortlandcredit.ca

or at such other address as the party to whom such notice or other communication is to be given advises the party giving same in the manner provided in this Section. Any notice or other communication delivered personally or by prepaid courier service will be deemed to have been given and received on the day it is so delivered at such address, unless such day is not a Business Day in which case it will be deemed to have been given and received on the next following Business Day. Any notice or other communication sent by registered mail will be deemed to have been given and received on the third Business Day following the date of its mailing. Any notice or other communication sent by fax or email will be deemed to have been given and received on the day it is sent provided that such day is a Business Day and it is sent before 5:00 p.m. on such day, failing which it will be deemed to have been given and received on the first Business Day after it is sent. Regardless of the foregoing, if there is a mail stoppage or labour dispute or threatened labour dispute which has affected or could affect normal mail delivery by Canada Post, then no notice or other communication may be delivered by registered mail.

12.9 Counterparts and Execution

This Agreement may be executed in one or more counterparts, each of which when so executed shall constitute an original and all of which together shall constitute one and the same Agreement.

12.10 Electronic Execution of Certain Documents

The words “delivery”, “execution,” “signed,” “signature,” and words of like import in any Credit Document or any other document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, provided, that notwithstanding anything contained herein to the contrary the Agent is under no obligation to agree to accept electronic signature in any form or in any format unless expressly agreed to by the Agent pursuant to procedures approved by it.

12.11 Assignability

No Obligor may assign or transfer its interests or rights hereunder without the Agent’s prior written consent. The Agent and each of the Lenders reserves the right to sell, assign, transfer, negotiate or grant participations in all or any part of, or any interest in, the Agent’s or such Lender’s rights and benefits under each of the Credit Documents and, in connection therewith, the Agent and/or such Lender may disclose, notwithstanding anything else herein contained, all documents and information which the Agent and such Lender now has or may hereafter acquire relating to any credit subject hereto, any Obligor or such Obligor’s business or any Collateral required hereunder.

12.12 No Adverse Presumption

This Agreement has been approved by the parties and, notwithstanding any rule or maxim of law or construction to the contrary, any ambiguity or uncertainty will not be construed against either of the parties by reason of the authorship of any of the provisions of this Agreement.

12.13 Binding Effect

This Agreement enures to the benefit of and is binding on the parties and their respective successors and permitted assigns.

12.14 GOVERNING LAW

THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS (EXCEPT, AS TO ANY OTHER CREDIT DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT (EXCEPT, AS TO ANY OTHER CREDIT DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE PROVINCE OF ALBERTA AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN.

12.15 SUBMISSION TO JURISDICTION

EACH OBLIGOR IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE AGENT OR ANY RELATED PARTY OF THE AGENT IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE PROVINCE OF ALBERTA SITTING IN THE CITY OF EDMONTON, AND ANY APPELLATE COURT FROM ANY THEREOF, (EXCEPT, AS TO ANY OTHER CREDIT DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH ALBERTA COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY APPLICABLE LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER CREDIT DOCUMENT SHALL AFFECT ANY RIGHT THAT THE AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AGAINST ANY OBLIGOR OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

12.16 WAIVER OF VENUE

EACH OBLIGOR IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT IN ANY

COURT REFERRED TO IN SECTION 12.16. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

12.17 SERVICE OF PROCESS

EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 12.8, TO THE EXTENT PERMITTED BY APPLICABLE LAW. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

12.18 WAIVER OF JURY TRIAL

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

12.19 Lenders

- (a) Each Obligor acknowledges and agrees that the Agent is acting as administrative and collateral agent for certain third parties, including any Affiliate of the Agent, that agrees with the Borrower to be bound by the terms of this Agreement from time to time (collectively, the **“Lenders”** and each is, individually, a **“Lender”**). The Borrower acknowledges and agrees that the Agent shall be entitled to disclose all information received by it regarding the Borrower, any Obligor and the Credit Facility to each Lender, and each prospective Lender, provided that each Lender and each prospective Lender agrees to maintain the confidentiality of any such information in respect of which the Agent has any duty of confidentiality to the Borrower or any Obligor. The Agent and the Lenders confirm that, regardless of the number and identity of the Lenders, the Obligors will only be required to act in accordance with the instructions of the Agent, and no Lender will have an independent cause of action or remedy against the Obligors directly, it being understood that each Lender has appointed, or will appoint, the Agent as its sole and exclusive administrative and collateral agent in connection with the transactions contemplated by this Agreement.
- (b) The Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a register for the recordation of the names and addresses of the Lenders and principal amounts and stated interest of the Credit Facility owing to each Lender, pursuant to the terms hereof from time to time (the **“Register”**). The entries in the Register shall be conclusive absent manifest error and the Borrower, the Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender for all purposes of this Agreement. The Register shall be available for inspection by the Obligors and any Lender, as the

case may be, at any reasonable time and from time to time upon reasonable prior notice. In establishing and maintaining the Register, the Agent shall serve as the Borrower's non-fiduciary agent solely for tax purposes and solely with respect to the actions described in this Section.

[signature pages follow]


IN WITNESS WHEREOF the parties have executed this Credit Agreement.

**CORTLAND CREDIT LENDING
CORPORATION, as Agent**


Per: Sean R.
Name: Sean Register
Title: CEO

Per: _____
Name:
Title:


965591 ALBERTA LTD., as Borrower

Per: 
Name: P. KEUM MCCARTHY
Title: PRESIDENT

GENESIS INTEGRATION INC., as Guarantor

Per: 
Name: P. KEUM MCCARTHY
Title: PRESIDENT

GENESIS ESOP BUYCO LTD., as Guarantor

Per: 
Name: P. KEUM MCCARTHY
Title: PRESIDENT

FUSION CINE SALES & RENTALS INC., as Guarantor

Per: _____
Name:
Title:

FC CANADA UV SOLUTIONS INC., as Guarantor

Per: _____
Name:
Title:

965591 ALBERTA LTD., as Borrower

Per: _____
Name:
Title:


GENESIS INTEGRATION INC., as Guarantor

Per: _____
Name:
Title:


GENESIS ESOP BUYCO LTD., as Guarantor

Per: _____
Name:
Title:

**FUSION CINE SALES & RENTALS INC., as
Guarantor**

Per: 
Name: Byron Drinkle
Title: President

FC CANADA UV SOLUTIONS INC., as Guarantor

Per: 
Name: Byron Drinkle
Title: President

SCHEDULE "A"

NOTICE OF BORROWING

[Date]

Cortland Credit Lending Corporation, as Agent
Royal Bank Plaza, South Tower
200 Bay Street, Suite 3230
Toronto, Ontario M5J 2J2

Attention: Sean Rogister, CEO

Dear Sir:

We refer to the Credit Agreement entered into as of December 15, 2020, by and among 965591 Alberta Ltd. (the "**Borrower**"), Cortland Credit Lending Corporation (as Agent for and on behalf of the Lenders), the Lenders described therein and the Guarantors described therein, with respect to a Credit Facility in the aggregate principal amount of \$4,020,519 (that agreement as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"). Capitalized terms used and not defined herein have the meanings given to them in the Credit Agreement.

We hereby confirm our request for an Advance under the Credit Facility in the amount of \$[____], which we require to be made by no later than [____], 20[____].

We hereby direct that the advance requested above, where applicable, be sent by wire transfer to the following coordinates: [____]

Yours truly,

965591 ALBERTA LTD.

Per: _____

Name:

Title:

SCHEDULE "B"

REPAYMENT NOTICE

[Date]

965591 Alberta Ltd.
c/o Genesis Integration Inc.
14721 123 Avenue
Edmonton, Alberta T5L 2Y6

Attention: Kelly McCarthy
Email: kelly@genint.com

Dear Ladies and Gentlemen:

We refer to the Credit Agreement entered into as of December 15, 2020, by and among 965591 Alberta Ltd. (the "**Borrower**"), Cortland Credit Lending Corporation (as Agent for and on behalf of the Lenders), the Lenders named therein and the Guarantors named therein, with respect to a Credit Facility in the aggregate principal amount of \$4,020,519 (that agreement as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"). Capitalized terms used and not defined herein have the meanings given to them in the Credit Agreement.

We hereby require and demand that you make repayment of [**all Obligations**] [**a portion of the Obligations in an amount of _____**] owing under the Credit Agreement by no later than [____], 20[____]. Failure to make such payment in a timely fashion will entitle the Agent to exercise any and all remedies available to it under the Credit Documents or at law.

Yours truly,

**CORTLAND CREDIT LENDING
CORPORATION**, as Agent

Per: _____
Name:
Title:

SCHEDULE "C"

COMPLIANCE CERTIFICATE

[Date]

Cortland Credit Lending Corporation, as Agent
Royal Bank Plaza, South Tower
200 Bay Street, Suite 3230
Toronto, Ontario M5J 2J2

Attention: Sean Rogister, CEO

Dear Sirs:

We refer to the Credit Agreement entered into as of December 15, 2020, by and among 965591 Alberta Ltd. (the "**Borrower**"), Cortland Credit Lending Corporation (as Agent for and on behalf of the Lenders), the Lenders named therein and the Guarantors named therein, with respect to a Credit Facility in the aggregate principal amount of \$4,020,519 (that agreement as amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"). Capitalized terms used and not defined herein have the meanings given to them in the Credit Agreement.

THE UNDERSIGNED, IN HIS/HER CAPACITY AS AN OFFICER OF THE BORROWER (AND NOT IN ANY PERSONAL CAPACITY), HEREBY CERTIFIES THAT:

1. I am the duly appointed _____ of the Borrower.
2. I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Borrower and have made such inquiries of other officers and senior persons as are sufficient to enable me to make an informed statement herein.
3. No Event of Default (or any condition, event or act which with the giving of notice or the passage of time or both would constitute an Event of Default) has occurred and is continuing on the date hereof.
4. The representations and warranties of the Borrower and, to the best of the Borrower's knowledge, each Obligor, set out in the Credit Agreement and the other Credit Documents are true and correct as of the date hereof.
5. As at the end of the most recent calendar month, the Tangible Net Worth of the Borrower is \$_____ (note: not to be less than \$15,000,000).
6. As at the end of the most recent calendar month, the Debt Service Coverage Ratio of the Borrower, for the rolling three-month period, is ____ : ____ (note: not to be less than 3:1).
7. Since the date of the most recent financial statements of the Borrower and/or any other Obligor provided to the Agent, there has been no Material Adverse Change.
8. Attached at Appendix A hereto are all supplements to schedules to the Credit Agreement to update such schedules that were delivered on the effective date of the Credit Agreement or pursuant to a subsequent Compliance Certificate.

Yours truly,

965591 ALBERTA LTD.

Per: _____

Name:

Title:

COMPLIANCE CERTIFICATE

Appendix A

Supplements to Disclosure Schedules in the Credit Agreement

SCHEDULE "D"

BUSINESS LOCATIONS

	Borrower	Genesis	ESOP	Fusion	FC Canada
Chief Executive Office	14721 - 123 Avenue NW Edmonton, AB	14721 - 123 Avenue NW Edmonton, AB	14721 - 123 Avenue NW Edmonton, AB	1469 Venables Street Vancouver, BC	1469 Venables Street Vancouver, BC
Owned Properties	-	-	-	-	-
Leased Properties	-	<p>927 Derwent Way, Delta, BC</p> <p>6143 4th Street S.E, Calgary, AB</p> <p>360 Eugenie Street E. Unit 212, Windsor, ON</p> <p>2740 Matheson Blvd E, Mississauga, ON</p> <p>5005, Blvd. Métropolitain EST, Montreal, QC</p> <p>771, Rue des Rocailles, Quebec City, QC</p> <p>22 Gurdwara Road, Ottawa, ON</p> <p>14721 - 123 Avenue NW, Edmonton, AB</p>	-	1469 Venables Street Vancouver, BC	-

Locations of Tangible Assets	-	<p>927 Derwent Way, Delta, BC</p> <p>6143 4th Street S.E, Calgary, AB</p> <p>360 Eugenie Street E. Unit 212, Windsor, ON</p> <p>2740 Matheson Blvd E, Mississauga, ON</p> <p>5005, Blvd. Métropolitain EST, Montreal, QC</p> <p>771, Rue des Rocailles, Quebec City, QC</p> <p>22 Gurdwara Road, Ottawa, ON</p> <p>14721 - 123 Avenue NW, Edmonton, AB</p>	-	1469 Venables Street Vancouver, BC	1469 Venables Street Vancouver, BC
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SCHEDULE "E"

COLLECTION ACCOUNTS & DEPOSIT ACCOUNTS

A. Collection Accounts:

Account Holder	Bank / Credit Union Name	Bank / Credit Union Address	Account Number	Account Type
965591 Alberta Ltd.	N/A	N/A	N/A	N/A
Genesis Integration Inc.	N/A	N/A	N/A	N/A
Fusion Cine Sales & Rentals Inc.	N/A	N/A	N/A	N/A
Genesis ESOP Buyco Ltd.	N/A	N/A	N/A	N/A
FC Canada UV Solutions Inc.	N/A	N/A	N/A	N/A

B. Deposit Accounts:

Account Holder	Bank / Credit Union Name	Bank / Credit Union Address	Account Number	Account Type
965591 Alberta Ltd	HSBC	108 - 3601 Highway 7 E, Markam ON, L3R OM3	230207-001	Business chequing
Genesis Integration Inc.	HSBC	108 - 3601 Highway 7 E, Markam ON, L3R OM3	230193-001	Business chequing
Genesis Integration Inc.	HSBC	108 - 3601 Highway 7 E, Markam ON, L3R OM3	230193-070	Business chequing – USD
Genesis Integration Inc.	BMO	13370 - 114 Avenue, Edmonton, AB T5M 4B7	1056-309	Business chequing

Account Holder	Bank / Credit Union Name	Bank / Credit Union Address	Account Number	Account Type
Genesis Integration Inc.	HSBC	108 - 3601 Highway 7 E, Markam ON, L3R OM3	230193-002	Business chequing
Genesis Integration Inc.	RBC	PO Box 6011, Station A, Montreal, QC H3C 3B8	120-564-0	Business chequing
Genesis Integration Inc.	BMO Harris	P.O. Box 94033, Palatine, IL 60094-4033	4804066934	Business chequing – USD
Fusion Cine Sales & Rentals Inc.	BMO	2515 East Hastings, Vancouver, BC V5K 1Z2	1041-579	Business chequing
Fusion Cine Sales & Rentals Inc.	BMO	2515 East Hastings, Vancouver, BC V5K 1Z2	4603-767	Business chequing – USD
Fusion Cine Sales & Rentals Inc.	HSBC	108 - 3601 Highway 7 E, Markam ON, L3R OM3	230185-001	Business chequing
Fusion Cine Sales & Rentals Inc.	HSBC	108 - 3601 Highway 7 E, Markam ON, L3R OM3	230185-070	Business chequing – USD
Fusion Cine Sales & Rentals Inc.	BMO Harris	P.O. Box 94033, Palatine, IL 60094-4033	2545481	Business chequing – USD
Genesis ESOP Buyco Ltd.	HSBC	108 - 3601 Highway 7 E, Markam ON, L3R OM3	232307-001	Business chequing

SCHEDULE "F"

EXISTING DEBT OF THE OBLIGORS

Obligor	Creditor	Amount Owed	Purpose
Genesis Integration Inc.	BNS	\$14,975.00	Vehicle Loan
Genesis Integration Inc.	RBC	\$4,472.00	Vehicle Loan
Genesis Integration Inc.	RBC	\$4,472.00	Vehicle Loan
Genesis Integration Inc.	RBC	\$4,962.00	Vehicle Loan
Genesis Integration Inc.	Due to Daniel Langelier	\$82,881.00	Debt Obligation
Genesis Integration Inc.	Due to Yvon Carriere	\$107,400.00	Debt Obligation
Genesis Integration Inc.	LT Liability – D. Langelier & Yvon Carriere	\$200,000.00	Debt Obligation
Genesis Integration Inc.	HSBC	\$1,060,352.64	Term Loan
Genesis Integration Inc.	HSBC	\$6,311,543.10	Credit Facility
Genesis Integration Inc.	HSBC Mastercard	\$53,832.33	Credit Card Facility
Genesis Integration Inc.	HSBC Mastercard	USD \$21,216.94	Credit Card Facility
Fusion Cine Sales & Rentals Inc.	One Cap 455747	\$15,565.00	Inventory Lease Obligation
Fusion Cine Sales & Rentals Inc.	Pemberton 10010-001	\$64,021.00	Inventory Lease Obligation
Fusion Cine Sales & Rentals Inc.	One Cap 600961	\$28,970.00	Inventory Lease Obligation

Obligor	Creditor	Amount Owed	Purpose
Fusion Cine Sales & Rentals Inc.	One Cap 617203	\$16,342.00	Inventory Lease Obligation
Fusion Cine Sales & Rentals Inc.	DLL 676913	\$55,648.00	Inventory Lease Obligation
Fusion Cine Sales & Rentals Inc.	DLL 695250	\$6,569.00	Inventory Lease Obligation

SCHEDULE "G"

SUBSIDIARIES

965591 Alberta Ltd.

- 100% of Genesis Integration Inc.

Genesis Integration Inc.

- 100% of Fusion Cine Sales & Rentals Inc.
- 100% of Genesis ESOP Buyco Ltd.

Fusion Cine Sales & Rentals Inc.

- 100% of FC Canada UV Solutions Inc.

Genesis ESOP Buyco Ltd.

- N/A

FC Canada UV Solutions Inc.

- N/A

SCHEDULE "H"

EXISTING LIENS

[TO FOLLOW]

SCHEDULE "I"

POST-CLOSING UNDERTAKINGS

1. As soon as practical following the Closing Date, and in any event on or before December 23, 2020, the Obligors will provide the Agent with evidence of the discharge and termination of all Liens registered against any Obligor in favour of HSBC Bank Canada.
2. As soon as practical following the Closing Date, and in any event on or before December 23, 2020, the Obligors will provide the Agent with evidence of the discharge and termination of all Liens registered against any Obligor in favour of Wells Fargo.
3. As soon as practical following the Closing Date, and in any event on or before December 23, 2020, the Obligors will deliver to the Agent the original securities certificates and accompanying originally executed share transfer powers (endorsed in blank) for the following Equity Interests:
 - (a) the shares of Genesis issued to the Borrower;
 - (b) the shares of ESOP and Fusion issued to Genesis; and
 - (c) the shares of FC Canada issued to Fusion.
4. As soon as practical following the Closing Date, and in any event on or before December 23, 2020, the Obligors will deliver to the Agent evidence that it has sent a notice to each Account Debtor that had previously been directed to make payments to a Deposit Account maintained with HSBC Bank Canada, revised instructions to make payment to a Deposit Account maintained with Bank of Montreal.
5. On or before December 23, 2020, the Borrower will establish (or designate an existing bank account as) the Blocked Account and each Guarantor will establish (or designate an existing bank account as) a Collection Account.
6. On or before December 31, 2020, the Obligors will arrange for the Agent to be granted "view access" to each Deposit Account (provided that until such time as such "view access" is granted to the Agent, the Obligors will provide the Agent with copies of the bank statements for such Deposit Accounts).
7. On or before January 15, 2021, the Obligors will provide the Agent with (a) an executed springing-block Control Agreement in respect of each Deposit Account and (b) an executed non-springing-block Control Agreement in respect of the Blocked Account and each other Collection Account, each in form and substance satisfactory to the Agent.
8. On or before January 15, 2021, the Obligors will provide the Agent with any Insurance Certificates and Endorsements not provided on or before the Closing Date.
9. On or before January 15, 2021, the Obligors will provide the Agent with a postponement agreement executed by any shareholder the Borrower in respect of any debt, liabilities or other obligations owed by the Borrower to such shareholder, in form and substance satisfactory to the Agent.
10. On or before January 31, 2021, the Obligors will provide the Agent with an executed Collateral Access Agreement in respect of each of the following leased premises, each in form and substance

satisfactory to the Agent:

- (a) 14721 123 Avenue Edmonton, AB T5L2Y6;
 - (b) 927 Derwent Way, Delta, BC V3M 5R4;
 - (c) 6143 4th Street S.E, Calgary, AB T2H 2H9;
 - (d) 360 Eugenie Street E. Unit 212, Windsor, ON N8X 2Y1;
 - (e) 2740 Matheson Blvd E, Mississauga, ON L4W 4X3;
 - (f) 5005 Boul Métropolitain EST, Saint-Leonard, QC H1R 1Z7;
 - (g) 771, Rue des Rocailles, Quebec City, QC G2J 1A2;
 - (h) 22 Gurdwara Road, Ottawa, ON K2E 8A2
11. On or before January 31, 2021, the Obligors will provide the Agent with evidence of the discharge and termination of all Liens registered in the RPMRR against Fusion and Genesis in favour of Bank of Montreal.
12. If required by the Agent, acting reasonably, on or before January 31, 2021, the Obligors will provide the Agent with such United States law security agreements as may be necessary to create and perfect the Agent's Liens over (a) any Accounts Receivable due from any Account Debtors located in the United States, (b) any Inventory located in the United States, and (c) any "deposit accounts" (as defined in the Uniform Commercial Code) maintained in the United States, together with such UCC-1 financing statements and other filings as may be necessary or desirable to perfect or maintain such Liens (collectively, the "**US Security Documents**"), each in form and substance satisfactory to the Agent.

AMENDING AGREEMENT NO. 1

THIS AMENDING AGREEMENT NO. 1 (this “**Amendment**”) is entered into as of December 16, 2020, by and among **965591 ALBERTA LTD.** (the “**Borrower**”), **CORTLAND CREDIT LENDING CORPORATION** (“**Cortland**”), in its capacity as administrative agent (in such capacity, the “**Agent**”) for the lenders referenced in the Credit Agreement (as defined below) (collectively, the “**Lenders**”), **GENESIS INTEGRATION INC.**, **GENESIS ESOP BUYCO LTD.**, **FUSION CINE SALES & RENTALS INC.** and **FC CANADA UV SOLUTIONS INC.** (collectively, the “**Guarantors**” and each, a “**Guarantor**”). Capitalized terms used herein without definition shall have the same meanings given them in the Credit Agreement.

WHEREAS:

A. the Borrower, the Guarantors and the Agent entered into that certain Credit Agreement dated as of December 15, 2020 in connection with a Credit Facility in the amount of \$4,020,519 (as the same may be amended, restated, replaced, increased, refinanced, supplemented or otherwise modified from time to time, the “**Credit Agreement**”);

B. the parties to the Credit Agreement wish to effect certain amendments to the Credit Agreement in order to provide for an additional commitment of \$2,979,481 (the “**Additional Commitment**”); and

C. the parties have agreed to effect the foregoing, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

NOW, THEREFORE, in consideration of the foregoing Recitals and other valuable consideration, and intending to be legally bound, the parties hereto agree as follows:

1. AMENDMENT; ACKNOWLEDGEMENT

1.1 The definition of “Credit Facility Limit” in Section 1.1(II) of the Credit Agreement is hereby deleted and replaced with the following:

“**Credit Facility Limit**” means \$7,000,000, or such other amount as the Agent and the Borrower may mutually agree.

2. FULL FORCE AND EFFECT.

2.1 The amendment set forth in Section 1 hereof shall be limited precisely as written and shall not be deemed: (a) to be an amendment, forbearance, waiver or modification of any other term or condition of any Credit Document or of any other instrument or agreement referred to therein or to prejudice any right or remedy which the Agent or any Lender may now have or in the future may have under or in connection with any Credit Document or any instrument or agreement referred to therein; (b) to be a consent to any future amendment, forbearance, waiver or modification to any instrument or agreement, the execution and delivery of which is consented to hereby, or to any waiver of any of the provisions thereof; or (c) to limit or impair the Agent’s or any Lender’s right to demand strict performance of all terms and covenants as of any date.

2.2 Except as expressly subject to the amendment described herein, as used in the Credit Agreement, the terms “Agreement,” “this Agreement,” “this Credit Agreement,” “herein,” “hereafter,” “hereto,” “hereof” and words of similar import, shall, unless the context otherwise requires, mean the Credit Agreement as modified by this Amendment.

3. REPRESENTATIONS AND WARRANTIES. Each Obligor represents and warrants that:

- (a) immediately upon giving effect to this Amendment, (i) the representations and warranties contained in the Credit Documents to which it is a party are true, accurate and complete in all material respects as of the Amendment No. 1 Effective Date (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct in all materials respects as of such date), and (ii) no Event of Default has occurred and is continuing;
- (b) it has the power and authority to execute and deliver this Amendment and to perform its obligations hereunder, under the Credit Agreement and each of the Credit Documents to which it is a party, as applicable;
- (c) its organizational documents remain true, accurate and complete and have not been amended, supplemented or restated, except for those amendments, supplements or restatements delivered to the Agent on or prior to the Amendment No. 1 Effective Date, and are and continue to be in full force and effect;
- (d) its execution and delivery of this Amendment and its performance of its obligations under the Credit Agreement and each of the other Credit Documents to which it is a party, as applicable, have been duly authorized by all necessary corporation action;
- (e) it has duly executed and delivered this Amendment and this Amendment is a binding obligation of it, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights; and other equitable principles;
- (f) as of the Amendment No. 1 Effective Date, it has no defenses against the obligations to pay any amounts under the Obligations and no claims of any nature whatsoever against the Agent or any Lender, as applicable. It acknowledges that the Agent and the Lenders have acted in good faith and each has conducted in a commercially reasonable manner its relationships with the Borrower and/or each Guarantor in connection with this Amendment and in connection with the Credit Documents; and
- (g) it understands and acknowledges that the Agent and the Lenders are entering into this Amendment in reliance upon, and in partial consideration for, the above representations and warranties, and agrees that such reliance is reasonable and appropriate.

4. EFFECT AND EFFECTIVENESS. This Amendment shall be effective upon the fulfillment by the Borrower in a manner reasonably satisfactory to the Agent, of all of the following conditions precedent set forth in this Section 4 (the "**Amendment No. 1 Effective Date**"):

- (a) **Amendment.** The Agent shall have received counterparts of this Amendment, duly executed and delivered, that, when taken together, bear the signatures of all of the Obligors.
- (b) **Documents.** The Agent shall have received such agreements, certificates, instruments, opinions and other documents as the Agent may determine to be necessary to give effect to this Amendment.
- (c) **No Material Adverse Change.** No Material Adverse Change shall have occurred since the date of the latest financial statements provided to the Agent.

(d) **Representations and Warranties.** The representations and warranties contained in Section 3 of this Amendment shall be true and correct in all material respects.

(e) **Fees and Expenses.** The Borrower shall have paid to the Agent:

- (i) an additional financing review fee of \$14,897, representing 0.5% of the Additional Commitment;
- (ii) an additional commitment fee of \$29,795, representing 1.0% of the Additional Commitment; and
- (iii) all fees, costs and expenses (including all reasonable legal fees and out-of-pocket expenses) of the Lender incurred and invoiced through the date of this Amendment.

5. FURTHER ASSURANCES.

(a) Each of the Obligors agrees to promptly take any such action as is deemed reasonable or necessary, in the Agent's sole discretion, to carry out the intent of this Amendment or for any party to comply with this Amendment or any other Credit Document, including, without limitation, making further amendments to the Credit Agreement to the extent necessary in connection with the additional and ongoing due diligence conducted by the Agent.

(b) The Borrower shall continue to pay all scheduled principal payments and all scheduled interest payments contemplated by the Credit Documents.

6. REAFFIRMATION. Each Guarantor hereby acknowledges, ratifies and confirms that its guarantee, together with all amendments and supplements thereto, variations or versions thereof or substitutions or replacements therefor, is and shall remain in full force and effect as a guarantee of all claims, debts, liabilities and other obligations of the Borrower under the Credit Agreement, as amended by this Amendment, and any other Credit Documents to which such Guarantor is a party. Each Obligor hereby acknowledges, ratifies and confirms that any Security executed and delivered by it to the Agent, together with all amendments and supplements thereto, variations or versions thereof or substitutions or replacements therefor, is and shall remain in full force and effect and shall be deemed to secure, the claims, debts, liabilities and other obligations of such Obligor under the Credit Agreement, as amended by this Amendment, and any future loans, advances or credit facilities made or provided to the Borrower under the Credit Agreement, as amended by this Amendment, and any claims, debts, liabilities and other obligations of the Borrower or such Obligor, whatsoever, to the Agent and the Lenders pursuant to the Credit Documents. Each Obligor acknowledges that each Credit Document entered into by it is in full force and effect and that such Obligor waives any and all defenses to enforcement of each such Credit Document that might otherwise be available as a result of this Amendment to the Credit Agreement.

7. COUNTERPARTS. This Amendment may be executed in one or more counterparts, each of which when so executed shall constitute an original and all of which together shall constitute one and the same agreement.

8. INTEGRATION. This Amendment and any documents executed in connection herewith or pursuant hereto contain the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements, understandings, offers and negotiations, oral or written, with respect thereto and no extrinsic evidence whatsoever may be introduced in any judicial or arbitration proceeding, if any, involving this Amendment; except that any financing statements or other agreements or

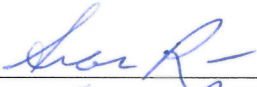
instruments filed by the Agent with respect to Borrower and/or the Guarantors shall remain in full force and effect.

9. MISCELLANEOUS. Sections 12.1 through 12.19 of the Credit Agreement are hereby incorporated by reference, *mutatis mutandis*, as if its provisions were fully set forth herein.

[Signature Pages Follow]


IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

**CORTLAND CREDIT LENDING
CORPORATION, as Agent**


Per: 
Name: Sean Register
Title: CEO

Per: _____
Name:
Title:

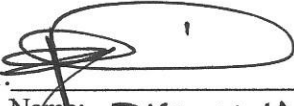
965591 ALBERTA LTD., as Borrower

Per: 
Name: P. KENN MCCARTHY
Title: PRESIDENT

GENESIS INTEGRATION INC., as Guarantor

Per: 
Name: P. KENN MCCARTHY
Title: PRESIDENT

GENESIS ESOP BUYCO LTD., as Guarantor

Per: 
Name: P. KENN MCCARTHY
Title: PRESIDENT

FUSION CINE SALES & RENTALS INC., as Guarantor

Per: _____
Name:
Title:

FC CANADA UV SOLUTIONS INC., as Guarantor

Per: _____
Name:
Title:

965591 ALBERTA LTD., as Borrower

Per: _____

Name:

Title:

GENESIS INTEGRATION INC., as Guarantor

Per: _____

Name:

Title:

GENESIS ESOP BUYCO LTD., as Guarantor

Per: _____

Name:

Title:

FUSION CINE SALES & RENTALS INC., as Guarantor

Per: _____

Name: Byron Drinkle

Title: President

FC CANADA UV SOLUTIONS INC., as Guarantor

Per: _____

Name: Byron Drinkle

Title: President

AMENDING AGREEMENT NO. 2

THIS AMENDING AGREEMENT NO. 2 (this “**Amendment**”) is entered into as of April 30, 2021, by and among **965591 ALBERTA LTD.** (the “**Borrower**”), **CORTLAND CREDIT LENDING CORPORATION** (“**Cortland**”), in its capacity as administrative agent (in such capacity, the “**Agent**”) for the lenders referenced in the Credit Agreement (as defined below) (collectively, the “**Lenders**”), **GENESIS INTEGRATION INC.**, **GENESIS ESOP BUYCO LTD.**, **FUSION CINE SALES & RENTALS INC.**, and **FC CANADA UV SOLUTIONS INC.** (collectively, the “**Guarantors**” and each, a “**Guarantor**”). Capitalized terms used herein without definition shall have the same meanings given them in the Credit Agreement.

WHEREAS:

- A. the Borrower, the Guarantors and the Agent entered into that certain Credit Agreement dated as of December 15, 2020, as amended by Amendment No. 1 dated as of December 16, 2020, in connection with a Credit Facility in the amount of \$7,000,000 (as the same may be amended, restated, replaced, increased, refinanced, supplemented or otherwise modified from time to time, the “**Credit Agreement**”);
- B. the parties to the Credit Agreement wish to effect certain amendments to the Credit Agreement in order to provide for an additional commitment of \$1,000,000 (the “**Additional Commitment**”); and
- C. the parties have agreed to effect the foregoing, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

NOW, THEREFORE, in consideration of the foregoing Recitals and other valuable consideration, and intending to be legally bound, the parties hereto agree as follows:

1. AMENDMENT; ACKNOWLEDGEMENT

1.1 The following definitions in Section 1.1 of the Credit Agreement are hereby deleted and replaced with the following:

- (ll) “**Credit Facility Limit**” means \$8,000,000, or such other amount as the Agent and the Borrower may mutually agree.
- (kkk) “**Fulcrum Contribution**” means, collectively, the Fulcrum Original Contribution and the Fulcrum Additional Contribution.
- (qqq) “**Guarantors**” means, collectively, Genesis, ESOP, Fusion, FC Canada, Fulcrum and each future Affiliate or subsidiary of any Obligor that becomes a guarantor of the Obligations in accordance with the terms of this Agreement, and each of them is a “**Guarantor**”.

1.2 The following definitions are added to Section 1.1 of the Credit Agreement in alphabetical order:

- (j.1) “**Amendment No. 1**” means that certain Amendment No. 1 dated as of December 16, 2020 among the Agent, the Borrower and the Guarantors, relating to the Credit Facility.
- (j.2) “**Amendment No. 2**” means that certain Amendment No. 1 dated as of April 30, 2021 among the Agent, the Borrower and the Guarantors, relating to the Credit Facility.

- (j.3) “**Amendment No. 2 Effective Date**” has the meaning given to such term in Amendment No. 2.
- (jj.1) “**Fulcrum Additional Contribution**” the amount of \$500,000 contributed by Fulcrum to the Borrower on April 1, 2021 to acquire convertible Debt Securities of the Borrower, on terms reasonably satisfactory to the Agent.
- (jj.2) “**Fulcrum Original Contribution**” the amount of \$750,000 contributed by Fulcrum to the Borrower on December 15, 2020 to acquire convertible Debt Securities of the Borrower, on terms reasonably satisfactory to the Agent.

1.3 The following is hereby added to the Credit Agreement as Section 3.10:

3.10 Bonus Shares.

To induce the Agent to arrange for the Lenders to make the Credit Facility available to the Borrower, as a condition precedent to funding of the second Advance under the Credit Facility the Borrower shall, within 10 calendar days of the Amendment No. 2 Effective Date (or such other date as the Agent and the Borrower may mutually agree), issue shares of the Borrower to the Agent equal to 5% of the outstanding fully diluted equity of the Borrower (final amounts, anti-dilution and other provisions to be negotiated on or before the Amendment No. 2 Effective Date) (the “**Bonus Shares**”). The Bonus Shares will be structured to comply with all Applicable Laws. The Bonus Shares may, at the Agent’s election, be allocated among the Lenders in such proportions as the Agent may determine in its discretion. The Agent and the Lenders, if allocated as the case may be, shall execute all such documents in connection with the Bonus Shares as may be reasonably required by the Borrower in connection with any go public transaction, including any lock-up and restrictive agreements required of the Borrower’s principal shareholders.

1.4 Paragraphs (a) and (b) of Section 7.3 are hereby deleted and replaced with the following:

- (a) maintain Tangible Net Worth of at least \$2,000,000, which will be tested monthly, commencing at the end of the calendar month ending August 31, 2021; and
- (b) maintain a Debt Service Coverage Ratio of no less than 2:1, which will be tested monthly, commencing at the end of the calendar month ending August 31, 2021, on a rolling three month basis.

1.5 Schedule “I” attached to the Credit Agreement is hereby deleted and replaced with Schedule “I” attached hereto.

2. FULL FORCE AND EFFECT.

2.1 The amendment set forth in Section 1 hereof shall be limited precisely as written and shall not be deemed: (a) to be an amendment, forbearance, waiver or modification of any other term or condition of any Credit Document or of any other instrument or agreement referred to therein or to prejudice any right or

remedy which the Agent or any Lender may now have or in the future may have under or in connection with any Credit Document or any instrument or agreement referred to therein; (b) to be a consent to any future amendment, forbearance, waiver or modification to any instrument or agreement, the execution and delivery of which is consented to hereby, or to any waiver of any of the provisions thereof; or (c) to limit or impair the Agent's or any Lender's right to demand strict performance of all terms and covenants as of any date.

2.2 Except as expressly subject to the amendment described herein, as used in the Credit Agreement, the terms "Agreement," "this Agreement," "this Credit Agreement," "herein," "hereafter," "hereto," "hereof" and words of similar import, shall, unless the context otherwise requires, mean the Credit Agreement as modified by this Amendment.

3. REPRESENTATIONS AND WARRANTIES. Each Obligor represents and warrants that:

- (a) immediately upon giving effect to this Amendment, (i) the representations and warranties contained in the Credit Documents to which it is a party are true, accurate and complete in all material respects as of the Amendment No. 2 Effective Date (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct in all materials respects as of such date), and (ii) no Event of Default has occurred and is continuing;
- (b) it has the power and authority to execute and deliver this Amendment and to perform its obligations hereunder, under the Credit Agreement and each of the Credit Documents to which it is a party, as applicable;
- (c) its organizational documents remain true, accurate and complete and have not been amended, supplemented or restated, except for those amendments, supplements or restatements delivered to the Agent on or prior to the Amendment No. 2 Effective Date, and are and continue to be in full force and effect;
- (d) its execution and delivery of this Amendment and its performance of its obligations under the Credit Agreement and each of the other Credit Documents to which it is a party, as applicable, have been duly authorized by all necessary corporation action;
- (e) it has duly executed and delivered this Amendment and this Amendment is a binding obligation of it, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights and other equitable principles;
- (f) as of the Amendment No. 2 Effective Date, it has no defenses against the obligations to pay any amounts under the Obligations and no claims of any nature whatsoever against the Agent or any Lender, as applicable. It acknowledges that the Agent and the Lenders have acted in good faith and each has conducted in a commercially reasonable manner its relationships with the Borrower and/or each Guarantor in connection with this Amendment and in connection with the Credit Documents;
- (g) in the case of the Borrower, it has the corporate and lawful power and authority to create and issue the Bonus Shares, the certificate(s) representing the Bonus Shares, if any, will be delivered as directed, such Bonus Shares will be issued as fully paid and non-assessable common shares of the Borrower and the holders thereof will not be liable to the Borrower or to its creditors in respect thereof;

- (h) in the case of the Borrower, it has taken (or will have taken prior to Amendment No. 2 Effective Date) such actions as may be reasonably necessary and as are within its power to ensure that all Bonus Shares will be issued without violation of any applicable laws or the applicable requirements of any stock exchange upon which the common shares of the Borrower may be listed; and
- (i) it understands and acknowledges that the Agent and the Lenders are entering into this Amendment in reliance upon, and in partial consideration for, the above representations and warranties, and agrees that such reliance is reasonable and appropriate.

4. EFFECT AND EFFECTIVENESS. This Amendment shall be effective upon the fulfillment by the Borrower in a manner reasonably satisfactory to the Agent, of all of the following conditions precedent set forth in this Section 4 (the “**Amendment No. 2 Effective Date**”):

(a) **Amendment.** The Agent shall have received counterparts of this Amendment, duly executed and delivered, that, when taken together, bear the signatures of all of the Obligor.

(b) **Documents.** The Agent shall have received such agreements, certificates, instruments, opinions and other documents as the Agent may determine to be necessary to give effect to this Amendment, including:

- (i) an amended and restated guarantee executed by Patrick Kelly McCarthy in favour of the Agent in respect of the Obligations, limited to a maximum principal amount of \$500,000 and removing the automatic termination of such guarantee upon the acquisition of Control of the Borrower by Fulcrum, in form satisfactory to the Agent;
- (ii) an instrument of assumption and joinder executed by Fulcrum in favour of the Agent in respect of the Credit Agreement, pursuant to which Fulcrum agrees to become a party to the Credit Agreement and assumes all obligations as a Guarantor and as an Obligor thereunder, in form satisfactory to the Agent;
- (iii) an amended and restated guarantee executed by Fulcrum in favour of the Agent in respect of the Obligations, removing any limitation on the amount of such guarantee, in form satisfactory to the Agent;
- (iv) a security agreement executed by Fulcrum, pursuant to which, among other things, Fulcrum shall grant to the Agent (i) a first-priority security interest over all present and after-acquired assets and other personal property of Fulcrum, (ii) a Lien over Fulcrum’s Collection Accounts and Deposit Accounts, and (iii) a pledge of all equity interests and other securities issued to Fulcrum by any Person, including any Obligor, in form satisfactory to the Agent;
- (v) if required by the Agent, a postponement, subordination and standstill agreement from Fulcrum, in respect of any debt owing to it by the Obligor, including the Fulcrum Additional Contribution;
- (vi) if required by the Agent, an assignment of insurance executed by Fulcrum in respect of any insurance policy maintained by or on behalf of Fulcrum (other than third party liability insurance);
- (vii) if required by the Agent, a Control Agreement in respect of each Collection Account and each Deposit Account maintained by Fulcrum, in form satisfactory to the Agent;

- (viii) if required by the Agent, a Collateral Access Agreement in respect of any premises where any tangible personal property of Fulcrum (i) is located and where such premises are not owned by an Obligor, and (ii) where such premises are owned or controlled by a third party bailee, carrier or warehouse operator;
 - (ix) a certificate of status or good standing, as applicable, of Fulcrum for its jurisdiction of formation; and
 - (x) a certificate of an officer of Fulcrum with respect to certain factual matters pertaining to Fulcrum and to which certificate is attached, the certificate and articles of incorporation and by-laws (or equivalent) of Fulcrum, any shareholders agreement of Fulcrum, a copy of a resolution of the directors, shareholders, managers, members or partners of Fulcrum authorizing, among other things, the execution, delivery and performance of each of the Credit Documents to which it is a party, and a certificate of incumbency of its officers and directors.
- (c) **Registration of Security.** All registrations, recordings and filings of or with respect to the Security granted by Fulcrum which in the opinion of counsel to the Agent are necessary to render effective the Liens intended to be created thereby shall have been completed, including PPSA financing statements.
- (d) **Certificated Equity Interests.** If applicable, the Agent shall have received original certificates for any equity interests issued to Fulcrum, together with duly executed stock transfer powers of attorney with respect to the Security.
- (e) **Discharges, etc.** The Agent shall have received, in form and substance satisfactory to the Agent, delivery of any estoppel letters, releases, discharges, subordinations and postponements (in registerable form where appropriate) with respect to any Liens affecting any assets or property of Fulcrum forming part of the Collateral, other than Permitted Liens.
- (f) **Opinion.** Legal counsel to Fulcrum shall have delivered a currently-dated letter of opinion, in form and substance satisfactory to the Agent and its legal counsel in their sole discretion, acting reasonably with respect to due authorization, execution and delivery of the Credit Documents.
- (g) **Fulcrum Contribution and Conversion.** The Agent shall have received evidence, in form satisfactory to the Agent, that (i) Fulcrum has advanced an additional \$500,000 to the Borrower on account of the Fulcrum Additional Contribution, and (ii) Fulcrum has acquired 100% Control of the Borrower by (A) converting the Fulcrum Original Contribution into 500,000,000 shares of the Borrower and (B) purchasing all other outstanding equity interests of the Borrower from the holders thereof.
- (h) **No Material Adverse Change.** No Material Adverse Change shall have occurred since the date of the latest financial statements provided to the Agent.
- (i) **Representations and Warranties.** The representations and warranties contained in Section 3 of this Amendment shall be true and correct in all material respects.
- (j) **Fees and Expenses.** The Borrower shall have paid to the Agent:
- (i) an additional financing review fee of \$5,000, representing 0.5% of the Additional Commitment;

- (ii) an additional commitment fee of \$10,000, representing 1.0% of the Additional Commitment; and
- (iii) all fees, costs and expenses (including all reasonable legal fees and out-of-pocket expenses) of the Lender incurred and invoiced through the date of this Amendment.

5. FURTHER ASSURANCES.

(a) Each of the Obligors agrees to promptly take any such action as is deemed reasonable or necessary, in the Agent's sole discretion, to carry out the intent of this Amendment or for any party to comply with this Amendment or any other Credit Document, including, without limitation, making further amendments to the Credit Agreement to the extent necessary in connection with the additional and ongoing due diligence conducted by the Agent.

(b) The Borrower shall continue to pay all scheduled principal payments and all scheduled interest payments contemplated by the Credit Documents.

6. REAFFIRMATION. Each Guarantor hereby acknowledges, ratifies and confirms that its guarantee, together with all amendments and supplements thereto, variations or versions thereof or substitutions or replacements therefor, is and shall remain in full force and effect as a guarantee of all claims, debts, liabilities and other obligations of the Borrower under the Credit Agreement, as amended by this Amendment, and any other Credit Documents to which such Guarantor is a party. Each Obligor hereby acknowledges, ratifies and confirms that any Security executed and delivered by it to the Agent, together with all amendments and supplements thereto, variations or versions thereof or substitutions or replacements therefor, is and shall remain in full force and effect and shall be deemed to secure, the claims, debts, liabilities and other obligations of such Obligor under the Credit Agreement, as amended by this Amendment, and any future loans, advances or credit facilities made or provided to the Borrower under the Credit Agreement, as amended by this Amendment, and any claims, debts, liabilities and other obligations of the Borrower or such Obligor, whatsoever, to the Agent and the Lenders pursuant to the Credit Documents. Each Obligor acknowledges that each Credit Document entered into by it is in full force and effect and that such Obligor waives any and all defenses to enforcement of each such Credit Document that might otherwise be available as a result of this Amendment to the Credit Agreement.

7. COUNTERPARTS. This Amendment may be executed in one or more counterparts, each of which when so executed shall constitute an original and all of which together shall constitute one and the same agreement.

8. INTEGRATION. This Amendment and any documents executed in connection herewith or pursuant hereto contain the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements, understandings, offers and negotiations, oral or written, with respect thereto and no extrinsic evidence whatsoever may be introduced in any judicial or arbitration proceeding, if any, involving this Amendment; except that any financing statements or other agreements or instruments filed by the Agent with respect to Borrower and/or the Guarantors shall remain in full force and effect.

9. MISCELLANEOUS. Sections 12.1 through 12.19 of the Credit Agreement are hereby incorporated by reference, *mutatis mutandis*, as if its provisions were fully set forth herein.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

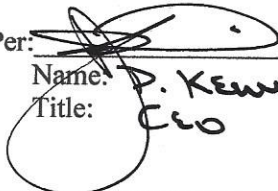
CORTLAND CREDIT LENDING CORPORATION, as Agent

Per: 

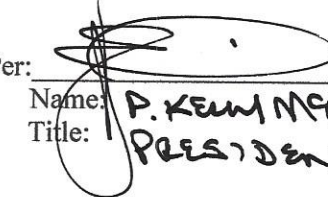
Name: **Sean Register**
Title: **CEO**

Per: _____
Name:
Title:

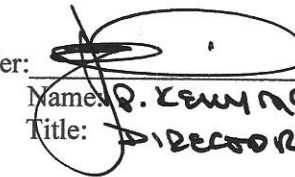
965591 ALBERTA LTD., as Borrower

Per: 
Name: P. KEWM MCCARTHY
Title: CEO

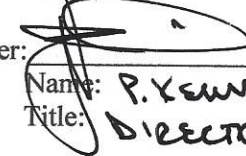
GENESIS INTEGRATION INC., as Guarantor

Per: 
Name: P. KEWM MCCARTHY
Title: PRESIDENT

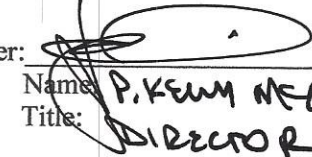
GENESIS ESOP BUYCO LTD., as Guarantor

Per: 
Name: P. KEWM MCCARTHY
Title: DIRECTOR

FUSION CINE SALES & RENTALS INC., as Guarantor

Per: 
Name: P. KEWM MCCARTHY
Title: DIRECTOR

FC CANADA UV SOLUTIONS INC., as Guarantor

Per: 
Name: P. KEWM MCCARTHY
Title: DIRECTOR

SCHEDULE "I"

POST-CLOSING UNDERTAKINGS

1. On or before May 10, 2021, the Borrower will provide the Agent with the original share certificates for the Bonus Shares issued by the Borrower.
2. On or before June 15, 2021, the Borrower will establish (or designate an existing bank account as) the Blocked Account and each Guarantor will establish (or designate an existing bank account as) a Collection Account.
3. On or before June 15, 2021, the Obligors will provide the Agent with (a) an executed springing-block Control Agreement in respect of each Deposit Account and (b) an executed non-springing-block Control Agreement in respect of the Blocked Account and each other Collection Account, each in form and substance satisfactory to the Agent.
4. On or before June 15, 2021, the Obligors will provide the Agent with an executed Collateral Access Agreement in respect of each of the following leased premises, each in form and substance satisfactory to the Agent:
 - (a) 2740 Matheson Blvd E, Mississauga, ON L4W 4X3;
 - (b) 771, Rue des Rocailles, Quebec City, QC G2J 1A2;
 - (c) 22 Gurdwara Road, Ottawa, ON K2E 8A2
5. If required by the Agent, acting reasonably, on or before June 15, 2021, the Obligors will provide the Agent with such United States law security agreements as may be necessary to create and perfect the Agent's Liens over (a) any Accounts Receivable due from any Account Debtors located in the United States, (b) any Inventory located in the United States, and (c) any "deposit accounts" (as defined in the Uniform Commercial Code) maintained in the United States, together with such UCC-1 financing statements and other filings as may be necessary or desirable to perfect or maintain such Liens (collectively, the "**US Security Documents**"), each in form and substance satisfactory to the Agent.

AMENDING AGREEMENT NO. 3

THIS AMENDING AGREEMENT NO. 3 (this “**Amendment**”) is entered into as of December 23, 2021, by and among **965591 ALBERTA LTD.** (the “**Borrower**”), **CORTLAND CREDIT LENDING CORPORATION** (“**Cortland**”), in its capacity as administrative agent (in such capacity, the “**Agent**”) for the lenders referenced in the Credit Agreement (as defined below) (collectively, the “**Lenders**”), **GENESIS INTEGRATION INC.**, **GENESIS ESOP BUYCO LTD.**, **FUSION CINE SALES & RENTALS INC.**, **FC CANADA UV SOLUTIONS INC.** and **FULCRUM AV INTEGRATION PARTNERS LTD.** (collectively, the “**Guarantors**” and each, a “**Guarantor**”). Capitalized terms used herein without definition shall have the same meanings given them in the Credit Agreement.

WHEREAS:

- A. the Borrower, the Guarantors and the Agent entered into that certain Credit Agreement dated as of December 15, 2020, as amended by Amendment No. 1 dated as of December 16, 2020 and Amendment No. 2 dated as of April 30, 2021, in connection with a Credit Facility in the amount of \$8,000,000 (as the same may be amended, restated, replaced, increased, refinanced, supplemented or otherwise modified from time to time, the “**Credit Agreement**”);
- B. the parties to the Credit Agreement wish to effect certain amendments to the Credit Agreement in order to, among other things, provide for an additional commitment of \$3,000,000 (the “**Additional Commitment**”); and
- C. the parties have agreed to effect the foregoing, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

NOW THEREFORE, in consideration of the foregoing Recitals and other valuable consideration, and intending to be legally bound, the parties hereto agree as follows:

1. AMENDMENTS.

- 1.1 The definition of “**Credit Facility Limit**” in Section 1.1(II) of the Credit Agreement is hereby deleted and replaced with the following:

“**Credit Facility Limit**” means \$11,000,000, or such other amount as the Agent and the Borrower may mutually agree.

- 1.2 The following definitions are added to Section 1.1 of the Credit Agreement in alphabetical order:

“**Amendment No. 3**” means that certain Amendment No. 3 dated as of December 23, 2021 among the Agent, the Borrower and the Guarantors, relating to the Credit Facility.

“**Amendment No. 3 Effective Date**” has the meaning given to such term in Amendment No. 3.

- 1.3 The following definitions in Section 1.1 of the Credit Agreement are hereby deleted and replaced with the following:

(c) “**Account Debtor**” means any account debtor (as defined in the PPSA for the Province of Alberta) of any Obligor.

(d) **“Accounts Receivable”** means all debts, accounts (including all “accounts” as defined in the PPSA for the Province of Alberta), claims, demands, monies and choses in action which are now or which may at any time hereafter be due, owing to or accruing due to or owned by any Obligor, together with all books, records, documents, papers and electronically recorded data and any other documents or information of any kind which in any way evidences or relates to any or all of the said debts, accounts, claims, demands, monies and choses in action.

(m) **“Approved Debtor”** means each Account Debtor which satisfies any Debtor Eligibility Criteria relevant to classifying debtors of the Obligors which may be established by the Agent from time to time.

(n) **“Approved Debtor Invoice”** means any Debtor Invoice owing from an Approved Debtor to an Obligor that complies with the following eligibility criteria:

- (i) such invoice is aged less than 90 days past the invoice date;
- (ii) such invoice does not have any Potential Priority Claims attached to it, in the opinion of the Agent;
- (iii) such invoice is not due from any Approved Debtors who have more than 50% of the aggregate outstanding debtor balance aged greater than 90 days from the invoice date (50% cross-aging restriction);
- (iv) such invoice is not related to any products which are either voluntarily or involuntarily recalled by either such Obligor, any Governmental Authority, or any supplier of such Obligor;
- (v) such invoice is not an invoice which has been issued to a foreign entity (other than the United States), which does not carry credit insurance;
- (vi) if such invoice covers products not yet delivered, such Obligor maintains adequate insurance over such products while in transit;
- (vii) such invoice is not an invoice which is contestable by the relevant Account Debtor; and
- (viii) any other eligibility criteria that the Agent may determine from time to time.

(o) **“Approved Purchase Order”** means any Purchase Order issued by an Obligor to an Approved Debtor that complies with the following eligibility criteria:

- (i) such Purchase Order complies with the eligibility criteria for Approved Debtor Invoices (other than being a Debtor Invoice);

- (ii) the due date for completion of such Purchase Order is less than four months;
- (iii) such Purchase Order is irrevocable by such Approved Debtor; and
- (iv) any other eligibility criteria that the Agent may determine from time to time.

(q) “**Blocked Account**” means an account established by each Obligor, as applicable, and maintained with a Canadian chartered bank reasonably acceptable to the Agent.

(s) “**Borrowing Base Amount**” means the calculations prepared by the Borrower and reviewed by the Agent from time to time which calculated the availability under the Credit Facility using criteria set out for Approved Debtors, Approved Debtor Invoices and Eligible Inventory, and calculated as follows, collectively, without duplication:

- (i) the product of (A) the Insured Advance Rate, multiplied by (B) 100% of the outstanding balance of all Insured Approved Debtor Invoices owing to the Obligors, plus
- (ii) the product of (A) the Uninsured Advance Rate, multiplied by (B) 100% of the outstanding face value balance of all Uninsured Approved Debtor Invoices owing to the Obligors; plus
- (iii) the product of (A) the Inventory Advance Rate, multiplied by (B) 100% of the face value of all Eligible Inventory; plus
- (iv) 50% of the outstanding balance of all Approved Purchase Orders owing to the Obligors; plus
- (v) the value of cash held in the Blocked Accounts maintained by the Obligors, less
- (vi) the Inventory Reserve; less
- (vii) the Rent Reserve; less
- (viii) the Operational Reserve; less
- (ix) the value of any Potential Priority Claims,

provided that:

- (A) the amount included in the Borrowing Base Amount for any single Account Debtor will be subject to concentration limits to be determined by the Agent from time to time;
- (B) each Approved Purchase Order included in the Borrowing

Base Amount must be fully-billed within four months of the date that it is first included in such Borrowing Base Amount, failing which it will be removed from such Borrowing Base Amount; and

- (C) no amount shall be included in the Borrowing Base Amount on account of (1) any Accounts Receivable owing from any Account Debtors located in the United States, or (2) any Inventory located in the United States, in either case unless and until the Obligors have executed and delivered to the Agent the US Security Documents.

(y) **“Change of Control”** means either (i) any Change of Management, (ii) Fulcrum ceasing to Control the Borrower, (iii) Fulcrum ceasing to Control any Guarantor (other than Fulcrum), (iv) the assignment, sale, transfer or other disposition of (A) all or substantially all of the assets and business of the Obligors (taken as a whole), (B) any material business of the Obligors (taken as a whole), or (C) a material portion of the Collateral (in each case whether in a single transaction or a series of transactions), or (v) any transaction or series of transactions whereby any Person or group of Persons, acting jointly or otherwise in concert, acquire the right, by contract or otherwise, to direct the management and activities of the Borrower or any Guarantor.

(z) **“Change of Management”** means that Shane Maine shall cease for any reason, including termination of employment, death or disability, to substantially perform the functions and services currently being performed by him for Fulcrum, and Fulcrum shall fail, for a period of 90 consecutive days following the earliest date that such individual may be considered disabled or shall have otherwise ceased to perform his functions with Fulcrum as aforesaid, to replace such individual with an individual or individuals acceptable to the Agent (it being acknowledged for the avoidance of doubt that if Shane Maine shall cease to perform his functions with Fulcrum as aforesaid, any permanent replacement therefor shall nevertheless be required to be acceptable to the Agent).

(ss) **“Debtor Invoice”** means any invoice issued by an Obligor to an Account Debtor from time to time, copies of which shall be provided to the Agent if and when requested by the Agent or otherwise in accordance with this Agreement; provided, however, that the term “Debtor Invoice” excludes any Purchase Order.

(eeee) **“Purchase Order”** means purchase orders issued by customers of any Obligor for the purchase of goods or services from such Obligor, copies of which shall be provided to the Agent if and when requested by the Agent or otherwise in accordance with this Agreement.

2. FULL FORCE AND EFFECT.

2.1 The amendment set forth in Section 1 hereof shall be limited precisely as written and shall not be deemed: (a) to be an amendment, forbearance, waiver or modification of any other term or condition of any Credit Document or of any other instrument or agreement referred to therein or to prejudice any right or remedy which the Agent or any Lender may now have or in the future may have under or in connection with any Credit Document or any instrument or agreement referred to therein; (b) to be a consent to any

future amendment, forbearance, waiver or modification to any instrument or agreement, the execution and delivery of which is consented to hereby, or to any waiver of any of the provisions thereof; or (c) to limit or impair the Agent's or any Lender's right to demand strict performance of all terms and covenants as of any date.

2.2 Except as expressly subject to the amendment described herein, as used in the Credit Agreement, the terms "Agreement," "this Agreement," "this Credit Agreement," "herein," "hereafter," "hereto," "hereof" and words of similar import, shall, unless the context otherwise requires, mean the Credit Agreement as modified by this Amendment.

3. REPRESENTATIONS AND WARRANTIES. Each Obligor represents and warrants that:

- (a) immediately upon giving effect to this Amendment, (i) the representations and warranties contained in the Credit Documents to which it is a party are true, accurate and complete in all material respects as of the Amendment No. 3 Effective Date (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct in all materials respects as of such date), and (ii) no Event of Default has occurred and is continuing;
- (b) it has the power and authority to execute and deliver this Amendment and to perform its obligations hereunder, under the Credit Agreement and each of the Credit Documents to which it is a party, as applicable;
- (c) its organizational documents remain true, accurate and complete and have not been amended, supplemented or restated, except for those amendments, supplements or restatements delivered to the Agent on or prior to the Amendment No. 3 Effective Date, and are and continue to be in full force and effect;
- (d) its execution and delivery of this Amendment and its performance of its obligations under the Credit Agreement and each of the other Credit Documents to which it is a party, as applicable, have been duly authorized by all necessary corporation action;
- (e) it has duly executed and delivered this Amendment and this Amendment is a binding obligation of it, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights and other equitable principles;
- (f) as of the Amendment No. 3 Effective Date, it has no defenses against the obligations to pay any amounts under the Obligations and no claims of any nature whatsoever against the Agent or any Lender, as applicable. It acknowledges that the Agent and the Lenders have acted in good faith and each has conducted in a commercially reasonable manner its relationships with the Borrower and/or each Guarantor in connection with this Amendment and in connection with the Credit Documents; and
- (g) it understands and acknowledges that the Agent and the Lenders are entering into this Amendment in reliance upon, and in partial consideration for, the above representations and warranties, and agrees that such reliance is reasonable and appropriate.

4. EFFECTIVENESS. This Amendment shall be effective upon the fulfillment by the Borrower in a manner reasonably satisfactory to the Agent, of all of the following conditions precedent set forth in this Section 4 (the "**Amendment No. 3 Effective Date**"):

- (a) **Amendment.** The Agent shall have received counterparts of this Amendment, duly executed and delivered, that, when taken together, bear the signatures of all of the Obligor.
- (b) **No Material Adverse Change.** No Material Adverse Change shall have occurred since the date of the latest financial statements provided to the Agent.
- (c) **Representations and Warranties.** The representations and warranties contained in Section 3 of this Amendment shall be true and correct in all material respects.
- (d) **Fees and Expenses.** The Borrower shall have paid to the Agent:
 - (i) an additional financing review fee of \$15,000, representing 0.5% of the Additional Commitment;
 - (ii) an additional commitment fee of \$30,000, representing 1.0% of the Additional Commitment; and
 - (iii) all fees, costs and expenses (including all reasonable legal fees and out-of-pocket expenses) of the Lender incurred and invoiced through the date of this Amendment.

5. FURTHER ASSURANCES.

5.1 Each of the Obligors agrees to promptly take any such action as is deemed reasonable or necessary, in the Agent's sole discretion, to carry out the intent of this Amendment or for any party to comply with this Amendment or any other Credit Document, including, without limitation, making further amendments to the Credit Agreement to the extent necessary in connection with the additional and ongoing due diligence conducted by the Agent.

5.2 The Borrower shall continue to pay all scheduled principal payments and all scheduled interest payments contemplated by the Credit Documents.

6. REAFFIRMATION.

6.1 Each Guarantor hereby acknowledges, ratifies and confirms that its guarantee, together with all amendments and supplements thereto, variations or versions thereof or substitutions or replacements therefor, is and shall remain in full force and effect as a guarantee of all claims, debts, liabilities and other obligations of the Borrower under the Credit Agreement, as amended by this Amendment, and any other Credit Documents to which such Guarantor is a party.

6.2 Each Obligor hereby acknowledges, ratifies and confirms that any Security executed and delivered by it to the Agent, together with all amendments and supplements thereto, variations or versions thereof or substitutions or replacements therefor, is and shall remain in full force and effect and shall be deemed to secure, the claims, debts, liabilities and other obligations of such Obligor under the Credit Agreement, as amended by this Amendment, and any future loans, advances or credit facilities made or provided to the Borrower under the Credit Agreement, as amended by this Amendment, and any claims, debts, liabilities and other obligations of the Borrower or such Obligor, whatsoever, to the Agent and the Lenders pursuant to the Credit Documents.

6.3 Each Obligor acknowledges that each Credit Document entered into by it is in full force and effect and that such Obligor waives any and all defenses to enforcement of each such Credit Document that might otherwise be available as a result of this Amendment to the Credit Agreement.

7. **COUNTERPARTS.** This Amendment may be executed in one or more counterparts, each of which when so executed shall constitute an original and all of which together shall constitute one and the same agreement.

8. **INTEGRATION.** This Amendment and any documents executed in connection herewith or pursuant hereto contain the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements, understandings, offers and negotiations, oral or written, with respect thereto and no extrinsic evidence whatsoever may be introduced in any judicial or arbitration proceeding, if any, involving this Amendment; except that any financing statements or other agreements or instruments filed by the Agent with respect to Borrower and/or the Guarantors shall remain in full force and effect.

9. **MISCELLANEOUS.** Sections 12.1 through 12.19 of the Credit Agreement are hereby incorporated by reference, *mutatis mutandis*, as if its provisions were fully set forth herein.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.


**CORTLAND CREDIT LENDING
CORPORATION**, as Agent



Per: _____
Sean Register
Title: CEO

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.


965591 ALBERTA LTD., as Borrower

Per: 
Title: P. K. MCCARTHY
DIRECTOR

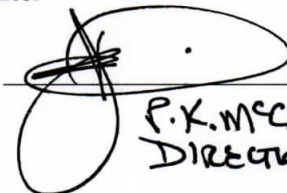
GENESIS INTEGRATION INC., as Guarantor

Per: 
Title: P. K. MCCARTHY
DIRECTOR


GENESIS ESOP BUYCO LTD., as Guarantor

Per: 
Title: P. K. MCCARTHY
DIRECTOR

FUSION CINE SALES & RENTALS INC., as Guarantor

Per: 
Title: P. K. MCCARTHY
DIRECTOR

FC CANADA UV SOLUTIONS INC., as Guarantor

Per: 
Title: P. K. MCCARTHY
DIRECTOR

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

**FULCRUM AV INTEGRATION PARTNERS
LTD.**, as Guarantor

A handwritten signature in blue ink, appearing to be 'SM', written over a horizontal line.

Per: Shane Maine
Title: Chairman

This is Exhibit "E" referred to in the Affidavit
of Sean Register sworn before me this
1st day of September, 2022



Commissioner for Oaths in and for Ontario

GUARANTEE

TO: CORTLAND CREDIT LENDING CORPORATION, as Agent

FROM: GENESIS INTEGRATION INC., as Guarantor

RE: 965591 ALBERTA LTD., as Borrower

DATE: December 15, 2020

IN CONSIDERATION OF Cortland Credit Lending Corporation, in its capacity as agent ("**Agent**") agreeing to arrange certain credit accommodations to 965591 Alberta Ltd., an Alberta corporation ("**Borrower**") pursuant to a Credit Agreement dated as of December 15, 2020 (as amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), Genesis Integration Inc., an Alberta corporation ("**Guarantor**") hereby guarantees the payment by Borrower of all claims, debts, liabilities and other obligations, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by Borrower to Agent and the Lenders (as defined in the Credit Agreement) or remaining unpaid by Borrower to Agent or the Lenders pursuant to the Credit Documents (as defined in the Credit Agreement) (collectively the "**Liabilities**"). The Liabilities shall be repayable on a demand basis and shall bear interest at a variable rate per annum which is equal to the greater of (a) 7.55% above the Prime Rate (as defined in the Credit Agreement), and (b) 10%, calculated monthly not in advance, both before and after default, demand and judgment on the principal amount and overdue interest, if any, from time to time remaining unpaid, such interest to accrue from the date of demand to the date of final payment.

AND GUARANTOR does hereby agrees with Agent as follows:

1. **Continuing Guarantee.** This Guarantee shall be a continuing Guarantee and shall cover all of the Liabilities outstanding from time to time. This Guarantee shall further apply to and secure any ultimate balance due or remaining unpaid to Agent by Borrower and it shall remain in full force and effect notwithstanding the release or discharge of Borrower for any reason whatsoever other than payment in full of the ultimate balance of the Liabilities.
2. **Partial Payments.** This Guarantee shall not be considered or deemed wholly or partially satisfied by the payment at any time or times of any sum or sums of money for the time being due or remaining unpaid to Agent and any monies received or realized by Agent from Borrower or others shall be for all purposes payments in gross without any right on the part of Guarantor to claim in reduction of the liability under this Guarantee the benefit of any such payments and Guarantor shall have no rights to be subrogated in any of the rights of until shall have received payment in full of the Liabilities.
3. **Recourse.** Agent shall not be bound to exhaust its recourse against Borrower or others or any security it may at any time hold before being entitled to payment from Guarantor of the Liabilities. Guarantor renounces all benefits of discussion and division.
4. **Failure of Agent to Exercise Rights.** Agent may grant time, renewals, extensions, indulgences, releases and discharges to, take security from and give the same and any or all existing security up to, abstain from taking security from or from perfecting security of, cease or refrain from giving credit or making loans or advances to, accept compositions from and otherwise deal with Borrower and others and with all security as Agent may see fit, and may apply all monies at any time received from Borrower or others or from security upon such part of the Liabilities as Agent deems best and change any such application in whole or in part from time to time as Agent may see fit, the whole without in any way limiting

or lessening the liability of Guarantor under this Guarantee, and no loss of or in respect of any security realized by Agent from Borrower or others, whether occasioned by the fault of Agent or otherwise, shall in any way limit or lessen the liability of Guarantor under this Guarantee.

5. **Guarantee to Remain Enforceable.** This Guarantee shall not be discharged or otherwise affected by any change in the name of Borrower, or in the objects, capital structure or constitution of Borrower, or by the sale of the business of Borrower or any part thereof or by Borrower being amalgamated with another corporation, but shall, notwithstanding any such event, continue to apply to all Liabilities whether incurred before or after such change, and in the case of Borrower being amalgamated with another corporation, this Guarantee shall apply to the Liabilities of the resulting partnership or corporation, and the term "**Borrower**" shall include each such resulting partnership and corporation.

6. **Assignment and Postponement.** All indebtedness and liability, present and future, of Borrower to Guarantor is hereby assigned to Agent and postponed to the Liabilities, and, after the occurrence of an Acceleration Event that is continuing, all monies received by Guarantor in respect thereof shall be received in trust for Agent and forthwith upon receipt shall be paid over to Agent, the whole without in any way limiting or lessening the liabilities of Guarantor under the foregoing Guarantee. This assignment and postponement is independent of the said Guarantee and shall remain in full force and effect notwithstanding that the liability of Guarantor under the said Guarantee may be extinct.

7. **Additional Liabilities.** All advances, renewals and credits made or granted by Agent purportedly to or for Borrower after the bankruptcy or insolvency of Borrower but before Borrower has received written notice thereof, shall be deemed to form part of the Liabilities; and all advances, renewals and credits obtained from purportedly by or on behalf of Borrower shall be deemed to form part of the Liabilities, notwithstanding any lack or limitation of power, incapacity or disability of Borrower or of the directors, officers or agents thereof, or that Borrower may not be a legal entity, or any irregularity, defect or informality in the obtaining of such advance, renewals or credits, whether or not had knowledge thereof; and any such advance, renewal or credit which may not be recoverable from Guarantor as guarantor shall be recoverable from Guarantor as principal debtor in respect thereof and shall be paid to Agent on demand with interest and accessories.

8. **Not a Substitution for any other Guarantee.** This Guarantee is in addition to and not in substitution for any other Guarantee, by whomsoever given, at any time held by Agent, and any present or future obligation to Agent incurred or arising otherwise than under a Guarantee of Guarantor or of any other obligant, whether bound with or apart from, excepting any Guarantee surrendered for cancellation on delivery of this instrument.

9. **Acceptance of Account by Guarantor.** Guarantor shall be bound by any account settled between Agent and Borrower, and if no such account has been so settled immediately before demand of payment under this Guarantee, any account stated by Agent shall be accepted by Guarantor as conclusive evidence of the amount which at the date of the account so stated is due by Borrower to Agent or remains unpaid by Borrower to Agent.

10. **Determination of Guarantors' Liability.** Guarantor may, by notice in writing delivered to Agent, determine its liability under this Guarantee in respect of Liabilities thereafter incurred or arising but not in respect of any Liabilities incurred or arising even though not then mature, provided, however, that notwithstanding receipt of any such notice Agent may fulfil any requirements of Agent based on agreements express or implied made prior to the receipt of such notice and any resulting Liabilities shall be covered by this Guarantee.

11. **No Right of Set-Off or Counterclaim.** Until repayment in full of all the Liabilities, all dividends, compositions, proceeds of security, security valued or payments received by Agent from Borrower or others, or from estates in respect of the Liabilities shall be regarded for all purposes as payments in gross without any right on the part of Guarantor to claim the benefit thereof in reduction of the liability under this Guarantee, and Guarantor shall not claim any set-off or counterclaim against Agent in respect of any liability of Borrower to Guarantor, claim or prove in the bankruptcy or insolvency of Borrower in competition with Agent or have any right to be subrogated to Agent.

12. **Notices.** No suit based on this Guarantee shall be instituted until demand of payment has been made upon Guarantor. For the purposes of this Guarantee, demand made hereunder shall be sufficiently given or made for all purposes if be given by personal delivery, or except during any period when postal service is interrupted, by prepaid registered mail, or by facsimile, electronic mail or by other means of instantaneous transmission that produces a permanent copy to the address noted below ("**other communication**") addressed as follows:

(a) to Guarantor:

14721 123 Avenue
Edmonton, Alberta T5L 2Y6
Attention: Kelly McCarthy, Chairman
Email: kelly@genint.com

(b) to Agent:

Cortland Credit Lending Corporation
c/o Cortland Credit Group Inc.
Royal Bank Plaza, South Tower
200 Bay Street, Suite 3230
Toronto, Ontario M5J 2J2
Attention: Sean Rogister
Email: srogister@cortlandcredit.ca

or at such other address as may be given such person to the other parties hereto in writing from time to time. All such demands shall be deemed to have been received when delivered or transmitted, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof.

13. **Additional Considerations.** The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this agreement and every part thereof.

14. **Counterparts.** This Agreement may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

15. **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.

16. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representations or writings whatever not incorporated herein and made a part hereof and may not be amended or modified in any respect except by written instrument signed by the

parties hereto. Any schedules referred to herein are incorporated herein by reference and form part of the Agreement.

17. **Enurement.** This Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, administrators, successors, legal representatives and permitted assigns.

18. **Currency.** Unless otherwise provided for herein, all monetary amounts referred to herein shall refer to the lawful money of Canada.

19. **Headings for Convenience Only.** The division of this Agreement into articles and sections is for convenience of reference only and shall not affect the interpretation or construction of this agreement.

20. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and each of the parties hereto agrees irrevocably to conform to the non-exclusive jurisdiction of the Courts of such Province.

21. **Gender.** In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neuter genders and the word "person" shall include an individual, a trust, a partnership, a body corporate, an association or other incorporated or unincorporated organization or entity.

22. **Calculation of Time.** When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is not a Business Day, then the time period in question shall end on the first business day following such non-business day.

23. **Legislation References.** Any references in this Agreement to any law, by-law, rule, regulation, order or act of any government, governmental body or other regulatory body shall be construed as a reference thereto as amended or re-enacted from time to time or as a reference to any successor thereto.

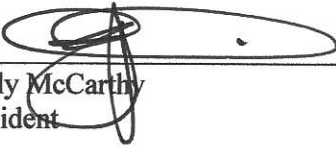
24. **Severability.** If any Article, Section or any portion of any Section of this Agreement is determined to be unenforceable or invalid for any reason whatsoever that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid Article, Section or portion thereof shall be severed from the remainder of this Agreement.

25. **Transmission by Facsimile.** The parties hereto agree that this Agreement may be transmitted by facsimile or such similar device and that the reproduction of signatures by facsimile or such similar device will be treated as binding as if originals and each party hereto undertakes to provide each and every other party hereto with a copy of the Agreement bearing original signatures forthwith upon demand.

[signature page follows]

IN WITNESS WHEREOF Guarantor has duly executed this Guarantee.

GENESIS INTEGRATION INC.

Per: 
Name: Kelly McCarthy
Title: President

I have the authority to bind the Guarantor.

This is Exhibit "F" referred to in the Affidavit
of Sean Register sworn before me this
1st day of September, 2022



Commissioner for Oaths in and for Ontario

GENERAL SECURITY AGREEMENT

TO: CORTLAND CREDIT LENDING CORPORATION, as Agent
FROM: 965591 ALBERTA LTD.
DATE: December 15, 2020

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Debtor, the Debtor hereby agrees as follows:

Definitions and Interpretation

1. In this agreement, the following words shall, unless otherwise provided, have the meanings set out below:

“Business Day” means a day, other than a Saturday, Sunday or statutory holiday in the Provinces of Alberta or Ontario;

“Collateral” means all present and future property, assets and undertaking of the Debtor pledged, assigned, mortgaged, charged, hypothecated or made subject to a security interest pursuant to this agreement;

“Contractual Right” means any agreement, right, franchise, licence, authorization, approval, privilege or permit (a) to which the Debtor is now or hereafter becomes a party, (b) in which the Debtor now or hereafter has any interest or (c) of which the Debtor is or hereafter becomes a beneficiary;

“Credit Agreement” means the loan facility agreement dated as of December 15, 2020 among the Debtor, the Secured Party and others, as it may be amended, restated, replaced, supplemented or otherwise modified from time to time;

“Debtor” means 965591 Alberta Ltd., an Alberta corporation, and its successors and assigns;

“Intellectual Property” means all patents, trademarks, trade names, business names, trade styles, logos and other business identifiers, copyrights, technology, inventions, industrial designs, know-how, trade secrets and other industrial and intellectual property in which the Debtor now or in the future has any right, title or interest, including any industrial or intellectual property specifically listed or otherwise described in Schedule “A” hereto;

“Investment Collateral” means all present and future Investment Property (as such term is defined in the PPSA) and Financial Assets (as such term is defined in the STA) of the Debtor, including all present and future options and warrants of the Debtor and all other rights and entitlements arising therefrom or related thereto, and the Debtor’s present and future interests in partnerships, limited partnerships, limited liability partnerships and limited liability companies, and including all substitutions for any of the foregoing and dividends and income derived therefrom or payable in connection therewith;

“Obligations” means all present and future indebtedness, liabilities and obligations, direct or indirect, absolute or contingent, matured or unmatured, joint or several, of the Debtor to the Secured Party, including all such indebtedness, liabilities and obligations pursuant to or in respect of the Credit Agreement;

“**Permitted Liens**” means those liens, charges, mortgages, security interests and encumbrances the particulars of which are listed in Schedule “B” hereto;

“**Person**” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, limited partnership or other entity;

“**PPSA**” means the *Personal Property Security Act* (Alberta), as amended from time to time and any legislation substituted therefor and any amendments thereto;

“**Receiver**” means a receiver, receiver-manager and receiver and manager;

“**Secured Party**” means Cortland Credit Lending Corporation, in its capacity as administrative agent for certain lenders referenced in the Credit Agreement, and its successors and assigns;

“**Security Interest**” means the pledges, assignments, mortgages, charges and hypothecations of and the security interests in the Collateral created in favour of the Secured Party hereunder; and

“**STA**” means the *Securities Transfer Act* (Alberta), as amended from time to time and any legislation substituted therefor and any amendments thereto.

2. References such as “this agreement”, “hereof”, “herein”, “hereto” and like references refer to this agreement and any schedules, exhibits or appendices attached hereto (all of which schedules, exhibits and appendices form a part of this agreement) and not to any particular section, subsection, paragraph or other subdivision of this agreement.

3. The division of this agreement into sections, subsections and paragraphs and the insertion of headings in this agreement are for convenience of reference only and shall not affect the construction or interpretation of this agreement.

4. Terms used herein which are defined in the PPSA shall have the same meanings herein as are ascribed to such terms in the PPSA, unless such terms are otherwise defined.

5. The word “Debtor”, the personal pronoun “it” or “its” and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used. The term “successors” shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation. Where the context so requires, words used herein (including defined terms) importing the singular shall include the plural and vice versa and words used herein (including defined terms) importing gender shall include all genders (including the neuter).

6. Nothing herein (including the definition and use of the term Permitted Liens) is intended or shall be deemed to subordinate the Security Interest to any Permitted Lien or any other lien, charge, mortgage, security interest, hypothec or encumbrance affecting all or any portion of the Collateral.

7. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, such provision or provisions shall be severed from this agreement only to the extent necessary, and the validity, legality and enforceability of the remaining provisions hereof, including the provision or provisions remaining after such severance, shall not in any way be affected or impaired thereby.

8. Unless otherwise expressly provided in this agreement, if any matter in this agreement is subject to the determination, consent or approval of the Secured Party or is to be acceptable to the Secured Party,

such determination, consent, approval or determination of acceptability will be in the sole discretion of the Secured Party, which means the Secured Party shall have sole and unfettered discretion, without any obligation to act reasonably. If any provision in this agreement refers to any action taken or to be taken by the Debtor, or which the Debtor is prohibited from taking, such provision will be interpreted to include any and all means, direct or indirect, of taking, or not taking, such action. When used in the context of a general statement followed by a reference to one or more specific items or matters, the term “including” shall mean “including, without limitation” and the use of the term “includes” shall mean “includes, without limitation”.

9. This agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. The Debtor hereby irrevocably and unconditionally attorns and submits to the non-exclusive jurisdiction of the courts of the Province of Alberta, provided that nothing herein shall prevent the Secured Party from proceeding at its election against the Debtor in the courts of any other province, country or jurisdiction.

Grant of Security Interest

10. As continuing security for the payment and performance of all Obligations, the Debtor hereby pledges, assigns, mortgages, charges and hypothecates to the Secured Party and grants to the Secured Party a security interest in the following:

- (a) all present and future equipment of the Debtor, including all of its present and future machinery, fixtures, plant, tools, furniture, books, records, documents, vehicles of any nature, kind or description and any equipment specifically listed or otherwise described in Schedule “C” hereto, and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating to the foregoing;
- (b) all present and future inventory of the Debtor, including all of its present and future raw materials, materials used or consumed in its business, work-in-progress, finished goods, goods used for packing and goods acquired or held for sale or lease or that have been leased or furnished or that are to be furnished under contracts of rental or service, and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing;
- (c) all present and future intangibles of the Debtor, including all of its present and future accounts and other amounts receivable, book debts, goodwill, Intellectual Property and choses in action of every nature and kind;
- (d) all present and future documents of title, chattel paper, instruments and money of the Debtor;
- (e) all present and future Investment Collateral;
- (f) all present and future real property, personal property, assets, and undertaking of the Debtor of any nature or kind, including all real property, personal property, assets and undertaking at any time owned, leased or licenced by the Debtor or in which the Debtor at any time has any right or interest or to which the Debtor is or may at any time become entitled (other than the property, assets and undertaking of the Debtor validly pledged or assigned or subjected to a valid mortgage, charge, hypothec or security interest by subsection 10(a), 10(b), 10(c) 10(d) or 10(e) hereof and subject to the exceptions hereinafter contained); and

- (g) all proceeds arising from the property, assets and undertaking of the Debtor referred to in this section 10, including insurance proceeds and any other payment representing indemnity or compensation for loss of or damage thereto.

Limited Exceptions to Grant of Security Interest

11. Despite any other provision of this agreement, the last day of any term reserved by any lease of real property, oral or written, or any agreement therefor, now held or hereafter acquired by the Debtor, and whether falling within the general or particular description of the Collateral, is hereby and shall be excepted out of the Security Interest, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term, for the time being demised, as aforesaid, upon trust to assign and dispose of the same as any purchaser of such term shall direct.

12. Despite any other provision of this agreement, the Security Interest shall not attach to any Contractual Right listed in Schedule "D" hereto to the extent that the granting of the Security Interest therein would constitute a breach of, or permit any Person to terminate such Contractual Right, but the Debtor shall hold its interest in each such Contractual Right in trust for the Secured Party and shall, after the Security Interest shall have become enforceable, specifically assign each such Contractual Right to the Secured Party, or as the Secured Party may otherwise direct. The Debtor agrees that it shall, upon the request of the Secured Party, whether before or after the Security Interest has become enforceable, use all commercially reasonable efforts to obtain any consent required to permit any such Contractual Right to be subjected to the Security Interest, and the Security Interest shall attach to such Contractual Right following the receipt of such consent.

13. Despite any other provision of this agreement, the interests granted to the Secured Party pursuant to this agreement in the Debtor's existing and after-acquired trademarks shall be limited to the Secured Party's security interests therein.

Attachment

14. The Debtor confirms and agrees that:

- (a) value has been given by the Secured Party to the Debtor;
- (b) the Debtor has rights in all existing Collateral and power to transfer rights in the Collateral to the Secured Party; and
- (c) the Debtor and the Secured Party have not postponed the time for attachment of the Security Interest, and the Security Interest shall attach to existing Collateral upon the execution of this agreement and shall attach to Collateral in which the Debtor hereafter acquires rights at the time that the Debtor acquires rights in such Collateral.

Provisions with respect to Investment Collateral

15. Whenever any Investment Collateral is a certificated security, an uncertificated security or a security entitlement, the Debtor shall, or shall cause the issuer of such Investment Collateral to, or shall cause the securities intermediary that holds such Investment Collateral to, take all steps as are necessary to give exclusive control over such Investment Collateral to the Secured Party in a manner satisfactory to the Secured Party.

16. All certificates representing Investment Collateral may remain registered in the name of the

Debtor, but the Debtor shall, promptly at the request of the Secured Party, duly endorse such certificates in blank for transfer or execute stock powers of attorney in respect thereof and deliver such certificates or powers of attorney to the Secured Party; in either case with signatures guaranteed and with all documentation being in form and substance satisfactory to the Secured Party. Upon the request of the Secured Party:

- (a) the Debtor shall promptly cause the Investment Collateral to be registered in the name of the Secured Party or its nominee, and the Secured Party is hereby appointed the irrevocable attorney (coupled with an interest) of the Debtor with full power of substitution to cause any or all of the Investment Collateral to be registered in the name of the Secured Party or its nominee;
- (b) the Debtor shall promptly cause each securities intermediary that holds any Investment Collateral that is a security entitlement to record the Secured Party as the entitlement holder of such Investment Collateral; and
- (c) the Debtor shall promptly:
 - (i) cause a security certificate to be issued for any Investment Collateral that is in the form of an uncertificated security or a security entitlement;
 - (ii) endorse such security certificate in blank;
 - (iii) deliver such security certificate to the Secured Party; and
 - (iv) take all other steps necessary to give exclusive control over such certificated security to the Secured Party,

in a manner satisfactory to the Secured Party.

17. Until further notice is given by the Secured Party to the Debtor terminating such rights of the Debtor, the Debtor shall be entitled to exercise all voting rights attached to the Investment Collateral and give consents, waivers and ratifications in respect thereof; provided that no vote shall be cast or consent, waiver or ratification given or action taken which would be prejudicial to the interests of the Secured Party or which would have the effect of reducing the value of the Investment Collateral as security for the Obligations, or imposing any restriction on the transferability of any of the Investment Collateral. All such rights of the Debtor to vote and give consents, waivers and ratifications shall cease immediately upon receipt by the Debtor of such notice by the Secured Party.

18. All dividends, distributions, interest and other income in respect of Investment Collateral and all proceeds received by the Debtor in respect of Investment Collateral may be received by the Debtor in the ordinary course and distributed in the ordinary course to the Debtor's shareholder or shareholders until further notice by the Secured Party. Upon receipt by the Debtor of such notice, the Debtor shall not be entitled to retain or distribute to its shareholder or shareholders any such dividends, distributions, interest or other income or proceeds and, if any such amounts are received by the Debtor after the Debtor receives such notice by the Secured Party, the Debtor shall hold such amounts in trust, as trustee for the Secured Party, and the Debtor shall forthwith pay such amounts to the Secured Party, to be applied to reduce the Obligations or, at the option of the Secured Party, to be held as additional security for the Obligations.

19. The responsibility of the Secured Party in respect of any Investment Collateral held by the Secured Party shall be limited to exercising the same degree of care which it gives valuable property of the Secured Party at the Secured Party's office where such Investment Collateral is held. The Secured

Party shall not be bound under any circumstances to realize on any Investment Collateral or allow any Investment Collateral to be sold, or exercise any option or right attaching thereto, or be responsible for any loss occasioned by any sale of Investment Collateral or by the retention or other refusal to sell the same; nor shall the Secured Party be obliged to collect or see to the payment of interest or dividends thereon but, subject to section 18, all such interest and dividends, if and when received by the Debtor, shall be held by the Debtor in trust for the Secured Party and shall be forthwith paid to the Secured Party.

Representations and Warranties of the Debtor

20. The Debtor hereby represents and warrants to the Secured Party that:
- (a) the Debtor has the capacity and authority to incur the Obligations, to create the Security Interest and to execute and deliver and perform its obligations under this agreement;
 - (b) the execution and delivery of this agreement and the performance by the Debtor of its obligations hereunder have been duly authorized by all necessary proceedings;
 - (c) this agreement constitutes a legal, valid and binding obligation of the Debtor, enforceable against the Debtor in accordance with its terms subject only to bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting creditors' rights and the discretion exercisable by courts of competent jurisdiction in respect of the availability of equitable remedies;
 - (d) except for the Security Interest and any Permitted Liens, the Collateral is owned by the Debtor free from any mortgage, charge, lien, pledge, security interest or other encumbrance or claim whatsoever;
 - (e) the chief executive office of the Debtor is located at the address listed in Part I of Schedule "E" of this agreement;
 - (f) the Debtor does not keep tangible Collateral at any location(s) except:
 - (i) the location listed in Part I of Schedule "E" hereto, and
 - (ii) any location(s) listed in Part II of Schedule "E" hereto,
 other than tangible Collateral in transit to or from such locations;
 - (g) the Debtor has made all necessary filings, registrations and recordations to protect all of its right, title and interest in the Intellectual Property including all relevant renewals; and all such filings, registrations and recordations have been duly and properly made and are in full force and effect and are not subject to dispute by any governmental authority or agency;
 - (h) all Contractual Rights relating to or affecting the Intellectual Property are in good standing;
 - (i) the Debtor owns directly or is entitled to use by Contractual Right or otherwise all of the Intellectual Property;
 - (j) no litigation is pending or threatened which contains allegations respecting the validity, enforceability, infringement or ownership of any of the Intellectual Property, including any of right, title or interest of the Debtor in the Intellectual Property;

- (k) Schedule "A" hereto contains a complete and accurate list of all of the presently registered Intellectual Property of the Debtor, including all registered patents, trademarks and copyrights of the Debtor; and
- (l) the Debtor has no Contractual Right which, because of the granting of the Security Interest therein, would be breached or could be terminated, except for any such Contractual Rights listed in Schedule "D" hereto, which schedule contains an accurate description of all such Contractual Rights, the parties thereto, and any provisions thereof which would be so breached or which would result in such a termination right.

Covenants of the Debtor

21. The Debtor agrees with the Secured Party that, until the Obligations have been satisfied and paid in full:

- (a) it will:
 - (i) pay and satisfy the Obligations when due;
 - (ii) maintain the tangible Collateral in good condition and repair and allow the Secured Party or its agent access to all premises of the Debtor to inspect any and all Collateral;
 - (iii) make and maintain all filings, registrations and recordations necessary or desirable to protect its right, title and interest in the Collateral, including all filings, registrations and recordations necessary or desirable in respect of patents, trade-marks, copyrights and industrial designs included in the Intellectual Property;
 - (iv) defend the Collateral against any actions, claims and demands of any Person (other than the Secured Party) claiming the Collateral (or any of it) or an interest therein;
 - (v) pay all taxes, rates, levies, assessments and other impositions and charges, of every nature and kind, which may now or hereafter be lawfully levied, assessed or imposed on or in respect of the Debtor or the Collateral (or any of it), including those which could result in the creation of a statutory lien or deemed trust affecting the Debtor or the Collateral, as and when the same become due and payable;
 - (vi) maintain its corporate existence and file or cause to be filed any returns, documents or other information necessary to preserve such corporate existence;
 - (vii) notify the Secured Party of any loss or damage to the Collateral, any change in any information provided in this agreement (including the schedules hereto) or any actual or potential claim affecting the Debtor, the Collateral or the Security Interest;
 - (viii) hold the proceeds received from any direct or indirect dealing with the Collateral in trust for the Secured Party after either the Security Interest becomes enforceable or any of the Collateral is sold other than in the ordinary course of business of the Debtor and for the purpose of carrying on such business;
 - (ix) obtain from financially responsible insurance companies and maintain:

- A. public liability insurance,
- B. all risks property insurance in respect of the Collateral on a replacement cost basis,
- C. business interruption insurance, and
- D. insurance in respect of such other risks as the Secured Party may reasonably require from time to time,

and such policies of insurance shall be in such amounts as may be reasonably required by the Secured Party and shall include a standard mortgage clause approved by the Insurance Bureau of Canada; and the Debtor agrees to cause the Secured Party to be noted as first loss payee and first mortgagee on such policies of insurance (except the public liability insurance policy, in respect of which it will cause the Secured Party to be noted as additional insured) and to furnish the Secured Party with certificates of insurance and certified copies of such policies; all such policies of insurance shall neither permit nor provide for any amount of co-insurance by the Debtor;

- (x) strictly comply with every covenant and undertaking heretofore or hereafter given by it to the Secured Party, whether contained herein or not;
- (xi) permit the Secured Party at any time and from time to time, both before and after the Security Interest shall have become enforceable, to require any account debtor of the Debtor to make payment to the Secured Party of any or all amounts owing by the account debtor to the Debtor and the Secured Party may take control of any proceeds referred to in subsection 10(g) hereof and may hold all amounts received from any account debtor and any proceeds as cash collateral as part of the Collateral and as security for the Obligations;
- (xii) prevent any Collateral from becoming an accession to any personal property not subject to the Security Interest, or becoming affixed to any real property;
- (xiii) deliver to the Secured Party, at the Secured Party's request, duly endorsed and/or accompanied by such assignments, transfers, powers of attorney or other documents as the Secured Party may request, all items of the Collateral comprising chattel paper, instruments, Investment Collateral and documents of title;
- (xiv) use commercially reasonable efforts to deliver to the Secured Party, at the Secured Party's request, a written agreement from each landlord of the Debtor in favour of the Secured Party and in form and substance satisfactory to the Secured Party, whereby such landlord:
 - A. agrees to give notice to the Secured Party of any default by the Debtor under the Debtor's lease and a reasonable opportunity to cure such default prior to the exercise of any remedies by the landlord; and
 - B. consents to the Security Interest and agrees that the Secured Party shall be entitled to enforce the Security Interest in priority to any right, interest or claim of the landlord in the Collateral;

- (xv) pay, on demand by the Secured Party, all reasonable costs and expenses (including all legal fees) incurred by the Secured Party in the preparation, perfection, administration and enforcement of this agreement (including expenses incurred in considering, protecting or improving the Secured Party's position, or attempting to do so, whether before or after default) and all such reasonable costs and expenses shall bear interest at the highest rate applicable to the Obligations, shall form part of the Obligations and shall be secured by the Security Interest;
 - (xvi) at all times, both before and after the occurrence of a default, do or cause to be done such further and additional acts and things and execute and deliver or cause to be executed and delivered all such further and additional documents and agreements as the Secured Party may reasonably require to better pledge, assign, mortgage, charge and hypothecate the Collateral in favour of the Secured Party, to perfect the Security Interest and, without limiting the generality of the forgoing, to accomplish the intentions of this agreement;
 - (xvii) preserve the Debtor's rights, powers, licences, privileges, franchises and goodwill, comply with all applicable laws, regulations and orders (including environmental laws, regulations and orders) affecting the Debtor or the Collateral and conduct its business in a proper and efficient manner so as to protect the Collateral, the Security Interest and the business and undertaking of the Debtor; and
 - (xviii) without limiting the generality of any of the forgoing, perform all covenants required of the Debtor under any Contractual Right relating to or affecting the Intellectual Property (or any of it), including promptly paying all required fees, royalties and taxes, to maintain each and every item of Intellectual Property in full force and effect, and vigorously protect, preserve and maintain all of the value of, and all of the right, title and interest of the Debtor in, all Intellectual Property, by way of the prosecution of or defence against suits concerning the validity, infringement, enforceability or ownership of the Intellectual Property (or any of it) or otherwise; and
- (b) it shall take, or shall refrain from taking, as the case may be, each action that is necessary to be taken or not taken, as the case may be, so that no Acceleration Event (as defined by the Credit Agreement) is caused by the failure to take such action or to refrain from taking such action by it or any of its Subsidiaries (as defined by the Credit Agreement); and
 - (c) it shall not (i) sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any of the Collateral, except as expressly permitted by the Credit Agreement, or (ii) create or permit to exist any Security Interest upon or with respect to any of the Collateral, except for Permitted Liens. The inclusion of proceeds in the Collateral shall not be deemed to constitute Secured Party's consent to any sale or other disposition of any of the Collateral except as expressly permitted in this Agreement or the other Credit Documents (as defined by the Credit Agreement); and
 - (d) it recognizes that financing statements pertaining to the Collateral have been or may be filed by Secured Party where it is organized. Without limitation of any other covenant herein, it will not cause or permit (i) any change to be made in its legal name, jurisdiction of organization, identity, structure, state organizational number or taxpayer identification number, or (ii) any change to the identity of any warehouseman, common carrier, other third party transporter, bailee or any agent or processor in possession or control of any Collateral, unless, in each case, it shall have first (x) notified Secured Party of such change at least 30 days prior to the date of such change, and (y) taken all action reasonably requested by Secured Party for the purpose of maintaining the

perfection and priority of Secured Party's security interests under this Agreement. In any notice furnished pursuant to this provision, it will expressly state in a conspicuous manner that the notice is required by this Agreement and contains facts that may require additional filings of financing statements or other notices for the purposes of continuing perfection of Secured Party's security interest in the Collateral.

Default

22. Without prejudice to any right which the Secured Party may now or hereafter have to demand payment of any of the Obligations, the Obligations shall, at the option of the Secured Party, become payable and the Security Interest shall become enforceable in each and every of the following events:

- (a) if the Debtor defaults in the payment of any of the Obligations when due;
- (b) if there occurs an Acceleration Event or if the Debtor defaults in the observance or performance of any other written agreement or undertaking heretofore or hereafter given by the Debtor to the Secured Party, whether contained herein or not;
- (c) if an order is made or a resolution passed for the winding-up, liquidation or dissolution of the Debtor, or if a petition is presented or filed for the winding-up of the Debtor, whether pursuant to the *Winding-up and Restructuring Act* (Canada) or otherwise;
- (d) if the Debtor ceases or threatens to cease to carry on business or makes a bulk sale of its assets, or if a Receiver or trustee for the Debtor or any of its property or assets is appointed (whether privately or by court order);
- (e) if the Debtor becomes insolvent or commits or threatens to commit any act of bankruptcy or if the Debtor makes an assignment or proposal in bankruptcy or files a notice of intention to make a proposal in bankruptcy or if a bankruptcy petition is filed or presented against the Debtor or if the Debtor otherwise becomes subject to proceedings under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous law in any jurisdiction;
- (f) if any proceedings with respect to the Debtor are commenced under the *Companies' Creditors Arrangement Act* (Canada) or if the Debtor seeks relief or consents to the filing of a petition against it under any law which involves any compromise of any creditor's rights against the Debtor;
- (g) if an execution or any other process of any court becomes enforceable against the Debtor or if a distress or analogous process is initiated or levied against or upon the property of the Debtor or any part thereof;
- (h) if the Debtor permits any sum which has been admitted as due by the Debtor or is not disputed to be due by it and which forms or is capable of being made a charge on any Collateral in priority to the Security Interest to remain unpaid after proceedings have been taken to enforce such charge;
- (i) if any representation or warranty made by the Debtor or any of its officers, employees or agents to the Secured Party shall be false or inaccurate in any material respect;
- (j) if the Debtor defaults in the observance or performance of any provision relating to the indebtedness or liability of the Debtor to any person other than the Secured Party; or

- (k) if any licence, permit or approval required by any law, regulation or governmental policy or any governmental agency or commission for the operation by the Debtor of its business shall be withdrawn or cancelled.

Remedies of the Secured Party

23. Whenever the Security Interest shall have become enforceable, and so long as it shall remain enforceable, the Secured Party may proceed to realize the Security Interest and the Collateral and to enforce its rights by doing any one or more of the following:

- (a) entering upon the Collateral and any lands and premises where any Collateral is or may be located;
- (b) taking possession of Collateral by any method permitted by law;
- (c) occupying any lands and premises owned or occupied by the Debtor and using all or any part of such lands and premises and the equipment and other Collateral located thereon;
- (d) leasing, selling, licensing or otherwise disposing of the whole or any part or parts of the Collateral;
- (e) collecting, selling or otherwise dealing with any accounts or other amounts receivable of the Debtor, including notifying any person obligated to the Debtor in respect of an account, chattel paper or instrument to make payment to the Secured Party of all present and future amounts due thereon;
- (f) taking steps and expending such monies as it considers necessary or desirable in its sole discretion to maintain, preserve and protect the Collateral, including making payments on account of other security interests affecting the Collateral; provided that the Secured Party shall have no obligation to take any such actions or make any such expenditures; but any such amounts paid by the Secured Party shall be added to the Obligations and shall be secured by the Security Interest;
- (g) collecting any rents, income, and profits received in connection with the business of the Debtor or the Collateral, without carrying on such business;
- (h) exercising all voting rights attached to any Collateral constituting Investment Collateral (whether or not registered in the name of the Secured Party or its nominee) and giving or withholding all consents, waivers and ratifications in respect thereof and otherwise acting with respect thereto as though it were the absolute owner thereof;
- (i) exercising any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to any Collateral constituting Investment Collateral as if it were the absolute owner thereof including the right to exchange at its sole discretion any and all of such Investment Collateral upon the merger, consolidation, reorganization, recapitalization or other readjustment of any issuer thereof, or upon the exercise by any issuer of any right, privilege or option pertaining to any such Investment Collateral, and in connection therewith, to deposit and deliver any such Investment Collateral with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine in its sole discretion, all without liability except to account for property actually received by it;
- (j) complying with any limitation or restriction in connection with any proposed sale or other

disposition of Collateral constituting Investment Collateral as may be necessary in order to comply with applicable law or regulation or any policy imposed by any stock exchange, securities commission or other governmental or regulatory authority or official, and the Debtor agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, and the Secured Party shall not be liable or accountable to the Debtor for any discount in the sale price of any such Investment Collateral which may be given by reason of the fact that such Investment Collateral are sold in compliance with any such limitation or restriction;

- (k) carrying on the business of the Debtor or any portion thereof;
- (l) exercising any and all of the rights and remedies granted pursuant to the PPSA and any other applicable legislation, or otherwise available at law or in equity;
- (m) demanding, commencing, continuing or defending any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and giving valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the accounts or other amounts receivable of the Debtor or any other obligation of any third party to the Debtor;
- (n) borrowing money for the maintenance, preservation or protection of the Collateral or for the carrying on of the business of the Debtor, and charge and grant further security interests in the Collateral in priority to the Security Interest or otherwise, as security for the money so borrowed;
- (o) accepting the Collateral in satisfaction of the Obligations;
- (p) appointing by instrument in writing a Receiver or Receivers of the Collateral or any part thereof;
- (q) bringing proceedings in any court of competent jurisdiction for the appointment of a Receiver or Receivers or for the sale of the Collateral or any part thereof; and
- (r) filing such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relating to the Debtor or the Collateral.

24. Any Receiver appointed by the Secured Party may be any person or persons (including one or more officers or employees of the Secured Party), and the Secured Party may remove any Receiver so appointed and appoint another or others instead. Any such Receiver may exercise any and all of the rights, remedies and powers of the Secured Party provided in this agreement. The Secured Party shall not be responsible for the actions, errors or omissions of any Receiver it appoints and any such Receiver shall be deemed to act as agent for the Debtor for all purposes, including the occupation of any lands and premises of the Debtor and in carrying on the Debtor's business, unless the Secured Party expressly specifies in writing that the Receiver shall be agent for the Secured Party for one or more purposes. Without limiting the generality of the forgoing, for the purposes of realizing upon the Security Interest, any Receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Secured Party as the Secured Party may specify in writing in its sole discretion. The Debtor agrees to ratify and confirm all actions of any Receiver appointed by the Secured Party acting as agent for the Debtor, and to release and indemnify the Receiver in respect of all such actions.

25. Without limiting the ability of the Secured Party or any Receiver to dispose of Collateral in any other manner, the Debtor agrees that any sale, lease or other disposition of the Collateral hereunder may

be completed by public auction, public tender or private contract, with or without notice, with or without advertising and with or without any other formality (except as required by law), all of which are hereby waived by the Debtor. Any such disposition of Collateral may involve all or part of the Collateral and may be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as the Secured Party or any Receiver appointed by the Secured Party may, in its sole discretion, deem advantageous and may take place whether or not the Secured Party or any such Receiver has taken possession of such Collateral. Any purchaser or lessee of Collateral may be a customer of the Secured Party.

26. The Secured Party shall not be liable for any delay or failure to enforce any rights, powers or remedies available to it or to institute any proceedings for such purposes.

27. No right, power or remedy of the Secured Party (whether granted herein or otherwise) shall be exclusive of or dependent on or merge in any other right, power or remedy, but all such rights, powers and remedies may from time to time be exercised independently or in combination.

28. The Debtor agrees to pay to the Secured Party, forthwith on demand by the Secured Party, all reasonable costs and expenses incurred by the Secured Party in connection with the exercise by the Secured Party of its rights, powers and remedies hereunder, including:

- (a) any reasonable costs and expenses incurred by the Secured Party in taking, holding, moving, storing, recovering, possessing, repairing, processing, preparing for disposition or disposing of Collateral;
- (b) any reasonable legal fees and expenses incurred by the Secured Party in enforcing its rights, powers and remedies, including those incurred in connection with any proceedings taken for the purpose of enforcing its rights, powers and remedies hereunder or otherwise relating to the non-payment or non-performance of any Obligations;
- (c) the cost of borrowing amounts as hereinbefore provided (for the purpose of carrying on the Debtor's business or otherwise), including, the principal amount or any such amount borrowed, all interest thereon and fees relating thereto; and
- (d) all reasonable costs and expenses of or incurred by any Receiver, agent or consultant appointed by the Secured Party (including any reasonable legal fees and expenses incurred by any such Receiver, agent or consultant).

All such sums shall bear interest at the highest rate applicable to the Obligations, shall form part of the Obligations and shall be secured by the Security Interest.

29. Any and all payments made in respect of the Obligations from time to time and moneys realized from any Collateral (including moneys realized on any enforcement of this agreement) may be applied to such part or parts of the Obligations as the Secured Party may see fit, and the Secured Party shall at all times and from time to time have the right to change any appropriation as the Secured Party may see fit.

30. The Debtor shall remain liable for all Obligations that are outstanding following realization of all or any part of the Collateral.

Rights of the Secured Party

31. The Secured Party may pay the whole or any part of any liens, taxes, rates, charges or

encumbrances now or hereafter existing in respect of any Collateral and such payments together with all reasonable costs, charges and expenses which may be incurred in connection with making such payments shall form part of the Obligations, shall bear interest at the highest rate applicable to the Obligations, and shall be secured by the Security Interest. Whenever the Secured Party pays any such lien, tax, rate, charge or encumbrance, it shall be entitled to all the equities and securities of the Person or Persons so paid and is hereby authorized to obtain any discharge thereof and hold such discharge without registration for so long as it may deem advisable to do so.

32. If the Debtor fails to perform or comply with any covenant or other obligation of the Debtor under this agreement, the Secured Party may, but need not, perform or otherwise cause the performance or compliance of such covenant or other obligation, provided that any performance or compliance undertaken by the Secured Party will not constitute a waiver, remedy or satisfaction of such failure. The reasonable costs and expenses of the Secured Party incurred in connection with any such performance or compliance shall be payable by the Debtor to the Secured Party on demand, form part of the Obligations, bear interest at the highest rate applicable to the Obligations and be secured by the Security Interest.

33. The Debtor grants to the Secured Party the right to set off against the Obligations (or any portion thereof) any amount owed by the Secured Party to the Debtor, including the amount of any and all accounts, credits or balances maintained by the Debtor with the Secured Party.

34. The Secured Party, without exonerating in whole or in part the Debtor, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from, and may otherwise deal with the Debtor and all other Persons and securities as the Secured Party may see fit.

35. Nothing herein shall obligate the Secured Party to extend or amend any credit to the Debtor or to any other Person.

36. The Secured Party may assign, transfer and deliver to any transferee any of the Obligations or any security or any documents or instruments held by the Secured Party in respect thereof. The Debtor shall not assign any of its rights or obligations hereunder without the prior written consent of the Secured Party.

Amalgamation of Debtor

37. If the Debtor amalgamates with any other corporation or corporations, this agreement shall continue in full force and effect and shall be binding on the amalgamated corporation and, for greater certainty:

- (a) the Security Interest shall:
 - (i) continue to secure payment of all obligations of the Debtor to the Secured Party;
 - (ii) secure payment of all obligations of each other amalgamating corporation to the Secured Party; and
 - (iii) secure payment of all obligations of the amalgamated corporation to the Secured Party arising on or after the amalgamation;

and the term “**Obligations**” shall include all such obligations of the Debtor, the other

amalgamating corporations and the amalgamated corporation;

- (b) the Security Interest shall:
- (i) continue to charge all property and assets of the Debtor;
 - (ii) charge all property and assets of each other amalgamating corporation; and
 - (iii) charge all property and assets of the amalgamated corporation in existence at the time of the amalgamation and all property and assets acquired by the amalgamated corporation after the amalgamation;
- and the term “**Collateral**” shall include all such property and assets of the Debtor, the other amalgamating corporations and the amalgamated corporation;
- (c) all defined terms and other provisions of this agreement shall be deemed to have been amended to reflect such amalgamation, to the extent required by the context; and
- (d) the parties agree to execute and deliver all such further documents and assurances as may be necessary or desirable in connection with the foregoing.

Notices

38. Any notice, demand or other communication permitted or required to be given hereunder shall be sufficiently given or made for all purposes if be given by personal delivery, or except during any period when postal service is interrupted, by prepaid registered mail, or by facsimile, electronic mail or by other means of instantaneous transmission that produces a permanent copy to the address noted below (“**other communication**”) addressed as follows:

- (a) to the Debtor:

965591 Alberta Ltd.
14721 123 Avenue
Edmonton, Alberta T5L 2Y6
Attention: Kelly McCarthy
Email: kelly@genint.com

- (b) to the Secured Party:

Cortland Credit Lending Corporation
c/o Cortland Credit Group Inc.
Royal Bank Plaza, South Tower
200 Bay Street, Suite 3230
Toronto, Ontario M5J 2J2
Attention: Sean Rogister
Email: srogister@cortlandcredit.ca

or at such other address as may be given such person to the other parties hereto in writing from time to time. All such demands shall be deemed to have been received when delivered or transmitted, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof.

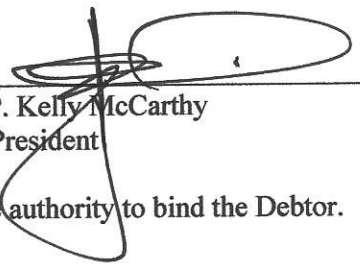
Miscellaneous

39. In the event that any day, on or before which any action is required to be taken hereunder, is not a Business Day, then such action shall be required to be taken on or before the first Business Day thereafter.
40. Time shall be of the essence of this agreement.
41. Upon payment and fulfillment by the Debtor, its successors or permitted assigns, of all Obligations and provided that the Secured Party is then under no obligation (conditional or otherwise) to make any further loan or extend any other type of credit to the Debtor or to any other Person, the payment of which is secured, directly or indirectly, by this agreement, the Secured Party shall, upon request in writing by the Debtor, delivered to the Secured Party at the Secured Party's address as set out in subsection 38(a) hereof and at the Debtor's expense, discharge this agreement.
42. This agreement is in addition to and not in substitution for any other security now or hereafter held by the Secured Party and shall be general and continuing security notwithstanding that the Obligations shall be at any time or from time to time fully satisfied or paid.
43. The Secured Party may in writing (and not otherwise) waive any default by the Debtor in the observance or performance of any provision of this agreement; provided that no waiver by the Secured Party shall extend to or be taken in any manner whatsoever to affect any subsequent default, whether of the same or a different nature, or the rights resulting therefrom.
44. This agreement shall enure to the benefit of the Secured Party, its successors and assigns, and shall be binding on the Debtor, its successors and permitted assigns.
45. The Debtor agrees that the Secured Party may from time to time provide information concerning this agreement (including a copy hereof), the Collateral and the Obligations to any Person the Secured Party in good faith believes is entitled thereto pursuant to applicable legislation.
46. The Debtor acknowledges receipt of an executed copy of this agreement.

[signature page follows]

IN WITNESS WHEREOF this agreement has been executed by the Debtor.

965591 ALBERTA LTD.

Per: 
Name: P. Kelly McCarthy
Title: President

I have the authority to bind the Debtor.

SCHEDULE "A"

Intellectual Property

NIL

SCHEDULE "B"

Permitted Liens

1. statutory liens which secure payment of amounts not then overdue;
2. statutory liens which secure payment of amounts which are then overdue but the validity of which is being contested in good faith and in respect of which reserves satisfactory to the Secured Party in its sole discretion have been established;
3. security given to a public utility, municipality, government or statutory or public authority to secure obligations incurred to such utility, municipality, government or other authority in the ordinary course of business and not then overdue;
4. liens and privileges arising out of judgments or awards in respect of which an appeal or proceeding for review has been commenced, provided a stay of execution pending such appeal or proceedings for review has been obtained and provided reserves satisfactory to the Secured Party in its sole discretion have been established;
5. liens or rights of distress reserved in or exercisable under any lease of real property for rent not then overdue or for compliance with the provisions of such lease not then in default;
6. security deposits given under leases of real property not in excess of an amount equivalent to six months' rent;
7. liens securing obligations or duties affecting real property due to any public utility, municipality, government, or statutory or public authority with respect to any franchise, grant, licence or permit in good standing and any minor irregularities in title to any real property, provided such obligations, duties and minor title irregularities do not materially impair the use, value or marketability of such real property;
8. liens incurred or deposits made in connection with contracts, bids or tenders made in the ordinary course of business or in connection with expropriation proceedings, surety or appeal bonds or costs of litigation to the extent required by law;
9. liens (including construction liens) arising in connection with the construction or improvement of any real property or arising out of the furnishing of materials or supplies therefor, provided that such liens secure payment of amounts not then overdue (or if overdue, the validity of which is being contested in good faith and in respect of which reserves satisfactory to the Secured Party in its sole discretion have been established) and provided notice of such lien has not been given to the Secured Party and such lien has not been registered against title to such real property;
10. zoning and building by-laws affecting real property provided they are complied with;
11. encumbrances in favour of the Secured Party; and
12. Permitted Liens (as defined in the Credit Agreement).

SCHEDULE "C"

Specifically Described Collateral

NIL

SCHEDULE "D"

Listed Contractual Rights

NIL

SCHEDULE "E"

Part I

Location of the Debtor's Chief Executive Office

14721 123 Avenue Edmonton, AB T5L2Y6

Part II

Other Location(s) of the Debtor's Tangible Collateral

N/A

This is Exhibit "G" referred to in the Affidavit
of Sean Register sworn before me this
1st day of September, 2022



Commissioner for Oaths in and for Ontario

GENERAL SECURITY AGREEMENT

TO: CORTLAND CREDIT LENDING CORPORATION, as Agent
FROM: GENESIS INTEGRATION INC.
DATE: December 15, 2020

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Debtor, the Debtor hereby agrees as follows:

Definitions and Interpretation

1. In this agreement, the following words shall, unless otherwise provided, have the meanings set out below:

“Business Day” means a day, other than a Saturday, Sunday or statutory holiday in the Provinces of Alberta or Ontario;

“Collateral” means all present and future property, assets and undertaking of the Debtor pledged, assigned, mortgaged, charged, hypothecated or made subject to a security interest pursuant to this agreement;

“Contractual Right” means any agreement, right, franchise, licence, authorization, approval, privilege or permit (a) to which the Debtor is now or hereafter becomes a party, (b) in which the Debtor now or hereafter has any interest or (c) of which the Debtor is or hereafter becomes a beneficiary;

“Credit Agreement” means the loan facility agreement dated as of December 15, 2020 among 965591 Alberta Ltd., the Debtor, the Secured Party and others, as it may be amended, restated, replaced, supplemented or otherwise modified from time to time;

“Debtor” means Genesis Integration Inc., an Alberta corporation, and its successors and assigns;

“Intellectual Property” means all patents, trademarks, trade names, business names, trade styles, logos and other business identifiers, copyrights, technology, inventions, industrial designs, know-how, trade secrets and other industrial and intellectual property in which the Debtor now or in the future has any right, title or interest, including any industrial or intellectual property specifically listed or otherwise described in Schedule “A” hereto;

“Investment Collateral” means all present and future Investment Property (as such term is defined in the PPSA) and Financial Assets (as such term is defined in the STA) of the Debtor, including all present and future options and warrants of the Debtor and all other rights and entitlements arising therefrom or related thereto, and the Debtor’s present and future interests in partnerships, limited partnerships, limited liability partnerships and limited liability companies, and including all substitutions for any of the foregoing and dividends and income derived therefrom or payable in connection therewith;

“Obligations” means all present and future indebtedness, liabilities and obligations, direct or indirect, absolute or contingent, matured or unmatured, joint or several, of the Debtor to the Secured Party, including all such indebtedness, liabilities and obligations pursuant to or in respect of the Credit Agreement;

“**Permitted Liens**” means those liens, charges, mortgages, security interests and encumbrances the particulars of which are listed in Schedule “B” hereto;

“**Person**” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, limited partnership or other entity;

“**PPSA**” means the *Personal Property Security Act* (Alberta), as amended from time to time and any legislation substituted therefor and any amendments thereto;

“**Receiver**” means a receiver, receiver-manager and receiver and manager;

“**Secured Party**” means Cortland Credit Lending Corporation, in its capacity as administrative agent for certain lenders referenced in the Credit Agreement, and its successors and assigns;

“**Security Interest**” means the pledges, assignments, mortgages, charges and hypothecations of and the security interests in the Collateral created in favour of the Secured Party hereunder; and

“**STA**” means the *Securities Transfer Act* (Alberta), as amended from time to time and any legislation substituted therefor and any amendments thereto.

2. References such as “this agreement”, “hereof”, “herein”, “hereto” and like references refer to this agreement and any schedules, exhibits or appendices attached hereto (all of which schedules, exhibits and appendices form a part of this agreement) and not to any particular section, subsection, paragraph or other subdivision of this agreement.

3. The division of this agreement into sections, subsections and paragraphs and the insertion of headings in this agreement are for convenience of reference only and shall not affect the construction or interpretation of this agreement.

4. Terms used herein which are defined in the PPSA shall have the same meanings herein as are ascribed to such terms in the PPSA, unless such terms are otherwise defined.

5. The word “Debtor”, the personal pronoun “it” or “its” and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used. The term “successors” shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation. Where the context so requires, words used herein (including defined terms) importing the singular shall include the plural and vice versa and words used herein (including defined terms) importing gender shall include all genders (including the neuter).

6. Nothing herein (including the definition and use of the term Permitted Liens) is intended or shall be deemed to subordinate the Security Interest to any Permitted Lien or any other lien, charge, mortgage, security interest, hypothec or encumbrance affecting all or any portion of the Collateral.

7. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, such provision or provisions shall be severed from this agreement only to the extent necessary, and the validity, legality and enforceability of the remaining provisions hereof, including the provision or provisions remaining after such severance, shall not in any way be affected or impaired thereby.

8. Unless otherwise expressly provided in this agreement, if any matter in this agreement is subject to the determination, consent or approval of the Secured Party or is to be acceptable to the Secured Party,

such determination, consent, approval or determination of acceptability will be in the sole discretion of the Secured Party, which means the Secured Party shall have sole and unfettered discretion, without any obligation to act reasonably. If any provision in this agreement refers to any action taken or to be taken by the Debtor, or which the Debtor is prohibited from taking, such provision will be interpreted to include any and all means, direct or indirect, of taking, or not taking, such action. When used in the context of a general statement followed by a reference to one or more specific items or matters, the term “including” shall mean “including, without limitation” and the use of the term “includes” shall mean “includes, without limitation”.

9. This agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. The Debtor hereby irrevocably and unconditionally attorns and submits to the non-exclusive jurisdiction of the courts of the Province of Alberta, provided that nothing herein shall prevent the Secured Party from proceeding at its election against the Debtor in the courts of any other province, country or jurisdiction.

Grant of Security Interest

10. As continuing security for the payment and performance of all Obligations, the Debtor hereby pledges, assigns, mortgages, charges and hypothecates to the Secured Party and grants to the Secured Party a security interest in the following:

- (a) all present and future equipment of the Debtor, including all of its present and future machinery, fixtures, plant, tools, furniture, books, records, documents, vehicles of any nature, kind or description and any equipment specifically listed or otherwise described in Schedule “C” hereto, and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating to the foregoing;
- (b) all present and future inventory of the Debtor, including all of its present and future raw materials, materials used or consumed in its business, work-in-progress, finished goods, goods used for packing and goods acquired or held for sale or lease or that have been leased or furnished or that are to be furnished under contracts of rental or service, and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing;
- (c) all present and future intangibles of the Debtor, including all of its present and future accounts and other amounts receivable, book debts, goodwill, Intellectual Property and choses in action of every nature and kind;
- (d) all present and future documents of title, chattel paper, instruments and money of the Debtor;
- (e) all present and future Investment Collateral;
- (f) all present and future real property, personal property, assets, and undertaking of the Debtor of any nature or kind, including all real property, personal property, assets and undertaking at any time owned, leased or licenced by the Debtor or in which the Debtor at any time has any right or interest or to which the Debtor is or may at any time become entitled (other than the property, assets and undertaking of the Debtor validly pledged or assigned or subjected to a valid mortgage, charge, hypothec or security interest by subsection 10(a), 10(b), 10(c) 10(d) or 10(e) hereof and subject to the exceptions hereinafter contained); and

- (g) all proceeds arising from the property, assets and undertaking of the Debtor referred to in this section 10, including insurance proceeds and any other payment representing indemnity or compensation for loss of or damage thereto.

Limited Exceptions to Grant of Security Interest

11. Despite any other provision of this agreement, the last day of any term reserved by any lease of real property, oral or written, or any agreement therefor, now held or hereafter acquired by the Debtor, and whether falling within the general or particular description of the Collateral, is hereby and shall be excepted out of the Security Interest, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term, for the time being demised, as aforesaid, upon trust to assign and dispose of the same as any purchaser of such term shall direct.

12. Despite any other provision of this agreement, the Security Interest shall not attach to any Contractual Right listed in Schedule "D" hereto to the extent that the granting of the Security Interest therein would constitute a breach of, or permit any Person to terminate such Contractual Right, but the Debtor shall hold its interest in each such Contractual Right in trust for the Secured Party and shall, after the Security Interest shall have become enforceable, specifically assign each such Contractual Right to the Secured Party, or as the Secured Party may otherwise direct. The Debtor agrees that it shall, upon the request of the Secured Party, whether before or after the Security Interest has become enforceable, use all commercially reasonable efforts to obtain any consent required to permit any such Contractual Right to be subjected to the Security Interest, and the Security Interest shall attach to such Contractual Right following the receipt of such consent.

13. Despite any other provision of this agreement, the interests granted to the Secured Party pursuant to this agreement in the Debtor's existing and after-acquired trademarks shall be limited to the Secured Party's security interests therein.

Attachment

14. The Debtor confirms and agrees that:

- (a) value has been given by the Secured Party to the Debtor;
- (b) the Debtor has rights in all existing Collateral and power to transfer rights in the Collateral to the Secured Party; and
- (c) the Debtor and the Secured Party have not postponed the time for attachment of the Security Interest, and the Security Interest shall attach to existing Collateral upon the execution of this agreement and shall attach to Collateral in which the Debtor hereafter acquires rights at the time that the Debtor acquires rights in such Collateral.

Provisions with respect to Investment Collateral

15. Whenever any Investment Collateral is a certificated security, an uncertificated security or a security entitlement, the Debtor shall, or shall cause the issuer of such Investment Collateral to, or shall cause the securities intermediary that holds such Investment Collateral to, take all steps as are necessary to give exclusive control over such Investment Collateral to the Secured Party in a manner satisfactory to the Secured Party.

16. All certificates representing Investment Collateral may remain registered in the name of the

Debtor, but the Debtor shall, promptly at the request of the Secured Party, duly endorse such certificates in blank for transfer or execute stock powers of attorney in respect thereof and deliver such certificates or powers of attorney to the Secured Party; in either case with signatures guaranteed and with all documentation being in form and substance satisfactory to the Secured Party. Upon the request of the Secured Party:

- (a) the Debtor shall promptly cause the Investment Collateral to be registered in the name of the Secured Party or its nominee, and the Secured Party is hereby appointed the irrevocable attorney (coupled with an interest) of the Debtor with full power of substitution to cause any or all of the Investment Collateral to be registered in the name of the Secured Party or its nominee;
- (b) the Debtor shall promptly cause each securities intermediary that holds any Investment Collateral that is a security entitlement to record the Secured Party as the entitlement holder of such Investment Collateral; and
- (c) the Debtor shall promptly:
 - (i) cause a security certificate to be issued for any Investment Collateral that is in the form of an uncertificated security or a security entitlement;
 - (ii) endorse such security certificate in blank;
 - (iii) deliver such security certificate to the Secured Party; and
 - (iv) take all other steps necessary to give exclusive control over such certificated security to the Secured Party,

in a manner satisfactory to the Secured Party.

17. Until further notice is given by the Secured Party to the Debtor terminating such rights of the Debtor, the Debtor shall be entitled to exercise all voting rights attached to the Investment Collateral and give consents, waivers and ratifications in respect thereof; provided that no vote shall be cast or consent, waiver or ratification given or action taken which would be prejudicial to the interests of the Secured Party or which would have the effect of reducing the value of the Investment Collateral as security for the Obligations, or imposing any restriction on the transferability of any of the Investment Collateral. All such rights of the Debtor to vote and give consents, waivers and ratifications shall cease immediately upon receipt by the Debtor of such notice by the Secured Party.

18. All dividends, distributions, interest and other income in respect of Investment Collateral and all proceeds received by the Debtor in respect of Investment Collateral may be received by the Debtor in the ordinary course and distributed in the ordinary course to the Debtor's shareholder or shareholders until further notice by the Secured Party. Upon receipt by the Debtor of such notice, the Debtor shall not be entitled to retain or distribute to its shareholder or shareholders any such dividends, distributions, interest or other income or proceeds and, if any such amounts are received by the Debtor after the Debtor receives such notice by the Secured Party, the Debtor shall hold such amounts in trust, as trustee for the Secured Party, and the Debtor shall forthwith pay such amounts to the Secured Party, to be applied to reduce the Obligations or, at the option of the Secured Party, to be held as additional security for the Obligations.

19. The responsibility of the Secured Party in respect of any Investment Collateral held by the Secured Party shall be limited to exercising the same degree of care which it gives valuable property of the Secured Party at the Secured Party's office where such Investment Collateral is held. The Secured

Party shall not be bound under any circumstances to realize on any Investment Collateral or allow any Investment Collateral to be sold, or exercise any option or right attaching thereto, or be responsible for any loss occasioned by any sale of Investment Collateral or by the retention or other refusal to sell the same; nor shall the Secured Party be obliged to collect or see to the payment of interest or dividends thereon but, subject to section 18, all such interest and dividends, if and when received by the Debtor, shall be held by the Debtor in trust for the Secured Party and shall be forthwith paid to the Secured Party.

Representations and Warranties of the Debtor

20. The Debtor hereby represents and warrants to the Secured Party that:
- (a) the Debtor has the capacity and authority to incur the Obligations, to create the Security Interest and to execute and deliver and perform its obligations under this agreement;
 - (b) the execution and delivery of this agreement and the performance by the Debtor of its obligations hereunder have been duly authorized by all necessary proceedings;
 - (c) this agreement constitutes a legal, valid and binding obligation of the Debtor, enforceable against the Debtor in accordance with its terms subject only to bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting creditors' rights and the discretion exercisable by courts of competent jurisdiction in respect of the availability of equitable remedies;
 - (d) except for the Security Interest and any Permitted Liens, the Collateral is owned by the Debtor free from any mortgage, charge, lien, pledge, security interest or other encumbrance or claim whatsoever;
 - (e) the chief executive office of the Debtor is located at the address listed in Part I of Schedule "E" of this agreement;
 - (f) the Debtor does not keep tangible Collateral at any location(s) except:
 - (i) the location listed in Part I of Schedule "E" hereto, and
 - (ii) any location(s) listed in Part II of Schedule "E" hereto,
 other than tangible Collateral in transit to or from such locations;
 - (g) the Debtor has made all necessary filings, registrations and recordations to protect all of its right, title and interest in the Intellectual Property including all relevant renewals; and all such filings, registrations and recordations have been duly and properly made and are in full force and effect and are not subject to dispute by any governmental authority or agency;
 - (h) all Contractual Rights relating to or affecting the Intellectual Property are in good standing;
 - (i) the Debtor owns directly or is entitled to use by Contractual Right or otherwise all of the Intellectual Property;
 - (j) no litigation is pending or threatened which contains allegations respecting the validity, enforceability, infringement or ownership of any of the Intellectual Property, including any of right, title or interest of the Debtor in the Intellectual Property;

- (k) Schedule "A" hereto contains a complete and accurate list of all of the presently registered Intellectual Property of the Debtor, including all registered patents, trademarks and copyrights of the Debtor; and
- (l) the Debtor has no Contractual Right which, because of the granting of the Security Interest therein, would be breached or could be terminated, except for any such Contractual Rights listed in Schedule "D" hereto, which schedule contains an accurate description of all such Contractual Rights, the parties thereto, and any provisions thereof which would be so breached or which would result in such a termination right.

Covenants of the Debtor

21. The Debtor agrees with the Secured Party that, until the Obligations have been satisfied and paid in full:

- (a) it will:
 - (i) pay and satisfy the Obligations when due;
 - (ii) maintain the tangible Collateral in good condition and repair and allow the Secured Party or its agent access to all premises of the Debtor to inspect any and all Collateral;
 - (iii) make and maintain all filings, registrations and recordations necessary or desirable to protect its right, title and interest in the Collateral, including all filings, registrations and recordations necessary or desirable in respect of patents, trade-marks, copyrights and industrial designs included in the Intellectual Property;
 - (iv) defend the Collateral against any actions, claims and demands of any Person (other than the Secured Party) claiming the Collateral (or any of it) or an interest therein;
 - (v) pay all taxes, rates, levies, assessments and other impositions and charges, of every nature and kind, which may now or hereafter be lawfully levied, assessed or imposed on or in respect of the Debtor or the Collateral (or any of it), including those which could result in the creation of a statutory lien or deemed trust affecting the Debtor or the Collateral, as and when the same become due and payable;
 - (vi) maintain its corporate existence and file or cause to be filed any returns, documents or other information necessary to preserve such corporate existence;
 - (vii) notify the Secured Party of any loss or damage to the Collateral, any change in any information provided in this agreement (including the schedules hereto) or any actual or potential claim affecting the Debtor, the Collateral or the Security Interest;
 - (viii) hold the proceeds received from any direct or indirect dealing with the Collateral in trust for the Secured Party after either the Security Interest becomes enforceable or any of the Collateral is sold other than in the ordinary course of business of the Debtor and for the purpose of carrying on such business;
 - (ix) obtain from financially responsible insurance companies and maintain:

- A. public liability insurance,
- B. all risks property insurance in respect of the Collateral on a replacement cost basis,
- C. business interruption insurance, and
- D. insurance in respect of such other risks as the Secured Party may reasonably require from time to time,

and such policies of insurance shall be in such amounts as may be reasonably required by the Secured Party and shall include a standard mortgage clause approved by the Insurance Bureau of Canada; and the Debtor agrees to cause the Secured Party to be noted as first loss payee and first mortgagee on such policies of insurance (except the public liability insurance policy, in respect of which it will cause the Secured Party to be noted as additional insured) and to furnish the Secured Party with certificates of insurance and certified copies of such policies; all such policies of insurance shall neither permit nor provide for any amount of co-insurance by the Debtor;

- (x) strictly comply with every covenant and undertaking heretofore or hereafter given by it to the Secured Party, whether contained herein or not;
- (xi) permit the Secured Party at any time and from time to time, both before and after the Security Interest shall have become enforceable, to require any account debtor of the Debtor to make payment to the Secured Party of any or all amounts owing by the account debtor to the Debtor and the Secured Party may take control of any proceeds referred to in subsection 10(g) hereof and may hold all amounts received from any account debtor and any proceeds as cash collateral as part of the Collateral and as security for the Obligations;
- (xii) prevent any Collateral from becoming an accession to any personal property not subject to the Security Interest, or becoming affixed to any real property;
- (xiii) deliver to the Secured Party, at the Secured Party's request, duly endorsed and/or accompanied by such assignments, transfers, powers of attorney or other documents as the Secured Party may request, all items of the Collateral comprising chattel paper, instruments, Investment Collateral and documents of title;
- (xiv) use commercially reasonable efforts to deliver to the Secured Party, at the Secured Party's request, a written agreement from each landlord of the Debtor in favour of the Secured Party and in form and substance satisfactory to the Secured Party, whereby such landlord:
 - A. agrees to give notice to the Secured Party of any default by the Debtor under the Debtor's lease and a reasonable opportunity to cure such default prior to the exercise of any remedies by the landlord; and
 - B. consents to the Security Interest and agrees that the Secured Party shall be entitled to enforce the Security Interest in priority to any right, interest or claim of the landlord in the Collateral;

- (xv) pay, on demand by the Secured Party, all reasonable costs and expenses (including all legal fees) incurred by the Secured Party in the preparation, perfection, administration and enforcement of this agreement (including expenses incurred in considering, protecting or improving the Secured Party's position, or attempting to do so, whether before or after default) and all such reasonable costs and expenses shall bear interest at the highest rate applicable to the Obligations, shall form part of the Obligations and shall be secured by the Security Interest;
 - (xvi) at all times, both before and after the occurrence of a default, do or cause to be done such further and additional acts and things and execute and deliver or cause to be executed and delivered all such further and additional documents and agreements as the Secured Party may reasonably require to better pledge, assign, mortgage, charge and hypothecate the Collateral in favour of the Secured Party, to perfect the Security Interest and, without limiting the generality of the forgoing, to accomplish the intentions of this agreement;
 - (xvii) preserve the Debtor's rights, powers, licences, privileges, franchises and goodwill, comply with all applicable laws, regulations and orders (including environmental laws, regulations and orders) affecting the Debtor or the Collateral and conduct its business in a proper and efficient manner so as to protect the Collateral, the Security Interest and the business and undertaking of the Debtor; and
 - (xviii) without limiting the generality of any of the forgoing, perform all covenants required of the Debtor under any Contractual Right relating to or affecting the Intellectual Property (or any of it), including promptly paying all required fees, royalties and taxes, to maintain each and every item of Intellectual Property in full force and effect, and vigorously protect, preserve and maintain all of the value of, and all of the right, title and interest of the Debtor in, all Intellectual Property, by way of the prosecution of or defence against suits concerning the validity, infringement, enforceability or ownership of the Intellectual Property (or any of it) or otherwise; and
- (b) it shall take, or shall refrain from taking, as the case may be, each action that is necessary to be taken or not taken, as the case may be, so that no Acceleration Event (as defined by the Credit Agreement) is caused by the failure to take such action or to refrain from taking such action by it or any of its Subsidiaries (as defined by the Credit Agreement); and
 - (c) it shall not (i) sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any of the Collateral, except as expressly permitted by the Credit Agreement, or (ii) create or permit to exist any Security Interest upon or with respect to any of the Collateral, except for Permitted Liens. The inclusion of proceeds in the Collateral shall not be deemed to constitute Secured Party's consent to any sale or other disposition of any of the Collateral except as expressly permitted in this Agreement or the other Credit Documents (as defined by the Credit Agreement); and
 - (d) it recognizes that financing statements pertaining to the Collateral have been or may be filed by Secured Party where it is organized. Without limitation of any other covenant herein, it will not cause or permit (i) any change to be made in its legal name, jurisdiction of organization, identity, structure, state organizational number or taxpayer identification number, or (ii) any change to the identity of any warehouseman, common carrier, other third party transporter, bailee or any agent or processor in possession or control of any Collateral, unless, in each case, it shall have first (x) notified Secured Party of such change at least 30 days prior to the date of such change, and (y) taken all action reasonably requested by Secured Party for the purpose of maintaining the

perfection and priority of Secured Party's security interests under this Agreement. In any notice furnished pursuant to this provision, it will expressly state in a conspicuous manner that the notice is required by this Agreement and contains facts that may require additional filings of financing statements or other notices for the purposes of continuing perfection of Secured Party's security interest in the Collateral.

Default

22. Without prejudice to any right which the Secured Party may now or hereafter have to demand payment of any of the Obligations, the Obligations shall, at the option of the Secured Party, become payable and the Security Interest shall become enforceable in each and every of the following events:

- (a) if the Debtor defaults in the payment of any of the Obligations when due;
- (b) if there occurs an Acceleration Event or if the Debtor defaults in the observance or performance of any other written agreement or undertaking heretofore or hereafter given by the Debtor to the Secured Party, whether contained herein or not;
- (c) if an order is made or a resolution passed for the winding-up, liquidation or dissolution of the Debtor, or if a petition is presented or filed for the winding-up of the Debtor, whether pursuant to the *Winding-up and Restructuring Act* (Canada) or otherwise;
- (d) if the Debtor ceases or threatens to cease to carry on business or makes a bulk sale of its assets, or if a Receiver or trustee for the Debtor or any of its property or assets is appointed (whether privately or by court order);
- (e) if the Debtor becomes insolvent or commits or threatens to commit any act of bankruptcy or if the Debtor makes an assignment or proposal in bankruptcy or files a notice of intention to make a proposal in bankruptcy or if a bankruptcy petition is filed or presented against the Debtor or if the Debtor otherwise becomes subject to proceedings under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous law in any jurisdiction;
- (f) if any proceedings with respect to the Debtor are commenced under the *Companies' Creditors Arrangement Act* (Canada) or if the Debtor seeks relief or consents to the filing of a petition against it under any law which involves any compromise of any creditor's rights against the Debtor;
- (g) if an execution or any other process of any court becomes enforceable against the Debtor or if a distress or analogous process is initiated or levied against or upon the property of the Debtor or any part thereof;
- (h) if the Debtor permits any sum which has been admitted as due by the Debtor or is not disputed to be due by it and which forms or is capable of being made a charge on any Collateral in priority to the Security Interest to remain unpaid after proceedings have been taken to enforce such charge;
- (i) if any representation or warranty made by the Debtor or any of its officers, employees or agents to the Secured Party shall be false or inaccurate in any material respect;
- (j) if the Debtor defaults in the observance or performance of any provision relating to the indebtedness or liability of the Debtor to any person other than the Secured Party; or

- (k) if any licence, permit or approval required by any law, regulation or governmental policy or any governmental agency or commission for the operation by the Debtor of its business shall be withdrawn or cancelled.

Remedies of the Secured Party

23. Whenever the Security Interest shall have become enforceable, and so long as it shall remain enforceable, the Secured Party may proceed to realize the Security Interest and the Collateral and to enforce its rights by doing any one or more of the following:

- (a) entering upon the Collateral and any lands and premises where any Collateral is or may be located;
- (b) taking possession of Collateral by any method permitted by law;
- (c) occupying any lands and premises owned or occupied by the Debtor and using all or any part of such lands and premises and the equipment and other Collateral located thereon;
- (d) leasing, selling, licensing or otherwise disposing of the whole or any part or parts of the Collateral;
- (e) collecting, selling or otherwise dealing with any accounts or other amounts receivable of the Debtor, including notifying any person obligated to the Debtor in respect of an account, chattel paper or instrument to make payment to the Secured Party of all present and future amounts due thereon;
- (f) taking steps and expending such monies as it considers necessary or desirable in its sole discretion to maintain, preserve and protect the Collateral, including making payments on account of other security interests affecting the Collateral; provided that the Secured Party shall have no obligation to take any such actions or make any such expenditures; but any such amounts paid by the Secured Party shall be added to the Obligations and shall be secured by the Security Interest;
- (g) collecting any rents, income, and profits received in connection with the business of the Debtor or the Collateral, without carrying on such business;
- (h) exercising all voting rights attached to any Collateral constituting Investment Collateral (whether or not registered in the name of the Secured Party or its nominee) and giving or withholding all consents, waivers and ratifications in respect thereof and otherwise acting with respect thereto as though it were the absolute owner thereof;
- (i) exercising any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to any Collateral constituting Investment Collateral as if it were the absolute owner thereof including the right to exchange at its sole discretion any and all of such Investment Collateral upon the merger, consolidation, reorganization, recapitalization or other readjustment of any issuer thereof, or upon the exercise by any issuer of any right, privilege or option pertaining to any such Investment Collateral, and in connection therewith, to deposit and deliver any such Investment Collateral with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine in its sole discretion, all without liability except to account for property actually received by it;
- (j) complying with any limitation or restriction in connection with any proposed sale or other

disposition of Collateral constituting Investment Collateral as may be necessary in order to comply with applicable law or regulation or any policy imposed by any stock exchange, securities commission or other governmental or regulatory authority or official, and the Debtor agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, and the Secured Party shall not be liable or accountable to the Debtor for any discount in the sale price of any such Investment Collateral which may be given by reason of the fact that such Investment Collateral are sold in compliance with any such limitation or restriction;

- (k) carrying on the business of the Debtor or any portion thereof;
- (l) exercising any and all of the rights and remedies granted pursuant to the PPSA and any other applicable legislation, or otherwise available at law or in equity;
- (m) demanding, commencing, continuing or defending any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and giving valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the accounts or other amounts receivable of the Debtor or any other obligation of any third party to the Debtor;
- (n) borrowing money for the maintenance, preservation or protection of the Collateral or for the carrying on of the business of the Debtor, and charge and grant further security interests in the Collateral in priority to the Security Interest or otherwise, as security for the money so borrowed;
- (o) accepting the Collateral in satisfaction of the Obligations;
- (p) appointing by instrument in writing a Receiver or Receivers of the Collateral or any part thereof;
- (q) bringing proceedings in any court of competent jurisdiction for the appointment of a Receiver or Receivers or for the sale of the Collateral or any part thereof; and
- (r) filing such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relating to the Debtor or the Collateral.

24. Any Receiver appointed by the Secured Party may be any person or persons (including one or more officers or employees of the Secured Party), and the Secured Party may remove any Receiver so appointed and appoint another or others instead. Any such Receiver may exercise any and all of the rights, remedies and powers of the Secured Party provided in this agreement. The Secured Party shall not be responsible for the actions, errors or omissions of any Receiver it appoints and any such Receiver shall be deemed to act as agent for the Debtor for all purposes, including the occupation of any lands and premises of the Debtor and in carrying on the Debtor's business, unless the Secured Party expressly specifies in writing that the Receiver shall be agent for the Secured Party for one or more purposes. Without limiting the generality of the forgoing, for the purposes of realizing upon the Security Interest, any Receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Secured Party as the Secured Party may specify in writing in its sole discretion. The Debtor agrees to ratify and confirm all actions of any Receiver appointed by the Secured Party acting as agent for the Debtor, and to release and indemnify the Receiver in respect of all such actions.

25. Without limiting the ability of the Secured Party or any Receiver to dispose of Collateral in any other manner, the Debtor agrees that any sale, lease or other disposition of the Collateral hereunder may

be completed by public auction, public tender or private contract, with or without notice, with or without advertising and with or without any other formality (except as required by law), all of which are hereby waived by the Debtor. Any such disposition of Collateral may involve all or part of the Collateral and may be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as the Secured Party or any Receiver appointed by the Secured Party may, in its sole discretion, deem advantageous and may take place whether or not the Secured Party or any such Receiver has taken possession of such Collateral. Any purchaser or lessee of Collateral may be a customer of the Secured Party.

26. The Secured Party shall not be liable for any delay or failure to enforce any rights, powers or remedies available to it or to institute any proceedings for such purposes.

27. No right, power or remedy of the Secured Party (whether granted herein or otherwise) shall be exclusive of or dependent on or merge in any other right, power or remedy, but all such rights, powers and remedies may from time to time be exercised independently or in combination.

28. The Debtor agrees to pay to the Secured Party, forthwith on demand by the Secured Party, all reasonable costs and expenses incurred by the Secured Party in connection with the exercise by the Secured Party of its rights, powers and remedies hereunder, including:

- (a) any reasonable costs and expenses incurred by the Secured Party in taking, holding, moving, storing, recovering, possessing, repairing, processing, preparing for disposition or disposing of Collateral;
- (b) any reasonable legal fees and expenses incurred by the Secured Party in enforcing its rights, powers and remedies, including those incurred in connection with any proceedings taken for the purpose of enforcing its rights, powers and remedies hereunder or otherwise relating to the non-payment or non-performance of any Obligations;
- (c) the cost of borrowing amounts as hereinbefore provided (for the purpose of carrying on the Debtor's business or otherwise), including, the principal amount or any such amount borrowed, all interest thereon and fees relating thereto; and
- (d) all reasonable costs and expenses of or incurred by any Receiver, agent or consultant appointed by the Secured Party (including any reasonable legal fees and expenses incurred by any such Receiver, agent or consultant).

All such sums shall bear interest at the highest rate applicable to the Obligations, shall form part of the Obligations and shall be secured by the Security Interest.

29. Any and all payments made in respect of the Obligations from time to time and moneys realized from any Collateral (including moneys realized on any enforcement of this agreement) may be applied to such part or parts of the Obligations as the Secured Party may see fit, and the Secured Party shall at all times and from time to time have the right to change any appropriation as the Secured Party may see fit.

30. The Debtor shall remain liable for all Obligations that are outstanding following realization of all or any part of the Collateral.

Rights of the Secured Party

31. The Secured Party may pay the whole or any part of any liens, taxes, rates, charges or

encumbrances now or hereafter existing in respect of any Collateral and such payments together with all reasonable costs, charges and expenses which may be incurred in connection with making such payments shall form part of the Obligations, shall bear interest at the highest rate applicable to the Obligations, and shall be secured by the Security Interest. Whenever the Secured Party pays any such lien, tax, rate, charge or encumbrance, it shall be entitled to all the equities and securities of the Person or Persons so paid and is hereby authorized to obtain any discharge thereof and hold such discharge without registration for so long as it may deem advisable to do so.

32. If the Debtor fails to perform or comply with any covenant or other obligation of the Debtor under this agreement, the Secured Party may, but need not, perform or otherwise cause the performance or compliance of such covenant or other obligation, provided that any performance or compliance undertaken by the Secured Party will not constitute a waiver, remedy or satisfaction of such failure. The reasonable costs and expenses of the Secured Party incurred in connection with any such performance or compliance shall be payable by the Debtor to the Secured Party on demand, form part of the Obligations, bear interest at the highest rate applicable to the Obligations and be secured by the Security Interest.

33. The Debtor grants to the Secured Party the right to set off against the Obligations (or any portion thereof) any amount owed by the Secured Party to the Debtor, including the amount of any and all accounts, credits or balances maintained by the Debtor with the Secured Party.

34. The Secured Party, without exonerating in whole or in part the Debtor, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from, and may otherwise deal with the Debtor and all other Persons and securities as the Secured Party may see fit.

35. Nothing herein shall obligate the Secured Party to extend or amend any credit to the Debtor or to any other Person.

36. The Secured Party may assign, transfer and deliver to any transferee any of the Obligations or any security or any documents or instruments held by the Secured Party in respect thereof. The Debtor shall not assign any of its rights or obligations hereunder without the prior written consent of the Secured Party.

Amalgamation of Debtor

37. If the Debtor amalgamates with any other corporation or corporations, this agreement shall continue in full force and effect and shall be binding on the amalgamated corporation and, for greater certainty:

- (a) the Security Interest shall:
 - (i) continue to secure payment of all obligations of the Debtor to the Secured Party;
 - (ii) secure payment of all obligations of each other amalgamating corporation to the Secured Party; and
 - (iii) secure payment of all obligations of the amalgamated corporation to the Secured Party arising on or after the amalgamation;

and the term “**Obligations**” shall include all such obligations of the Debtor, the other

amalgamating corporations and the amalgamated corporation;

- (b) the Security Interest shall:
- (i) continue to charge all property and assets of the Debtor;
 - (ii) charge all property and assets of each other amalgamating corporation; and
 - (iii) charge all property and assets of the amalgamated corporation in existence at the time of the amalgamation and all property and assets acquired by the amalgamated corporation after the amalgamation;
- and the term “**Collateral**” shall include all such property and assets of the Debtor, the other amalgamating corporations and the amalgamated corporation;
- (c) all defined terms and other provisions of this agreement shall be deemed to have been amended to reflect such amalgamation, to the extent required by the context; and
- (d) the parties agree to execute and deliver all such further documents and assurances as may be necessary or desirable in connection with the foregoing.

Notices

38. Any notice, demand or other communication permitted or required to be given hereunder shall be sufficiently given or made for all purposes if be given by personal delivery, or except during any period when postal service is interrupted, by prepaid registered mail, or by facsimile, electronic mail or by other means of instantaneous transmission that produces a permanent copy to the address noted below (“**other communication**”) addressed as follows:

- (a) to the Debtor:

Genesis Integration Inc.
14721 123 Avenue
Edmonton, Alberta T5L 2Y6
Attention: Kelly McCarthy
Email: kelly@genint.com

- (b) to the Secured Party:

Cortland Credit Lending Corporation
c/o Cortland Credit Group Inc.
Royal Bank Plaza, South Tower
200 Bay Street, Suite 3230
Toronto, Ontario M5J 2J2
Attention: Sean Rogister
Email: srogister@cortlandcredit.ca

or at such other address as may be given such person to the other parties hereto in writing from time to time. All such demands shall be deemed to have been received when delivered or transmitted, if mailed, 48 hours after 12:01 a.m. on the day following the day of the mailing thereof.

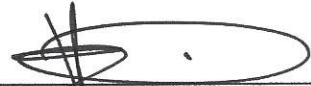
Miscellaneous

39. In the event that any day, on or before which any action is required to be taken hereunder, is not a Business Day, then such action shall be required to be taken on or before the first Business Day thereafter.
40. Time shall be of the essence of this agreement.
41. Upon payment and fulfillment by the Debtor, its successors or permitted assigns, of all Obligations and provided that the Secured Party is then under no obligation (conditional or otherwise) to make any further loan or extend any other type of credit to the Debtor or to any other Person, the payment of which is secured, directly or indirectly, by this agreement, the Secured Party shall, upon request in writing by the Debtor, delivered to the Secured Party at the Secured Party's address as set out in subsection 38(a) hereof and at the Debtor's expense, discharge this agreement.
42. This agreement is in addition to and not in substitution for any other security now or hereafter held by the Secured Party and shall be general and continuing security notwithstanding that the Obligations shall be at any time or from time to time fully satisfied or paid.
43. The Secured Party may in writing (and not otherwise) waive any default by the Debtor in the observance or performance of any provision of this agreement; provided that no waiver by the Secured Party shall extend to or be taken in any manner whatsoever to affect any subsequent default, whether of the same or a different nature, or the rights resulting therefrom.
44. This agreement shall enure to the benefit of the Secured Party, its successors and assigns, and shall be binding on the Debtor, its successors and permitted assigns.
45. The Debtor agrees that the Secured Party may from time to time provide information concerning this agreement (including a copy hereof), the Collateral and the Obligations to any Person the Secured Party in good faith believes is entitled thereto pursuant to applicable legislation.
46. The Debtor acknowledges receipt of an executed copy of this agreement.

[signature page follows]

IN WITNESS WHEREOF this agreement has been executed by the Debtor.

GENESIS INTEGRATION INC.

Per: 
Name: _____
Title: **P. KELLY MCCARTHY**
PRESIDENT

I have the authority to bind the Debtor.

SCHEDULE "A"

Intellectual Property

Debtor	Trademark	Registration No.
Genesis Integration Inc.	"Genesis Integration"	TMA796,617

SCHEDULE "B"

Permitted Liens

1. statutory liens which secure payment of amounts not then overdue;
2. statutory liens which secure payment of amounts which are then overdue but the validity of which is being contested in good faith and in respect of which reserves satisfactory to the Secured Party in its sole discretion have been established;
3. security given to a public utility, municipality, government or statutory or public authority to secure obligations incurred to such utility, municipality, government or other authority in the ordinary course of business and not then overdue;
4. liens and privileges arising out of judgments or awards in respect of which an appeal or proceeding for review has been commenced, provided a stay of execution pending such appeal or proceedings for review has been obtained and provided reserves satisfactory to the Secured Party in its sole discretion have been established;
5. liens or rights of distress reserved in or exercisable under any lease of real property for rent not then overdue or for compliance with the provisions of such lease not then in default;
6. security deposits given under leases of real property not in excess of an amount equivalent to six months' rent;
7. liens securing obligations or duties affecting real property due to any public utility, municipality, government, or statutory or public authority with respect to any franchise, grant, licence or permit in good standing and any minor irregularities in title to any real property, provided such obligations, duties and minor title irregularities do not materially impair the use, value or marketability of such real property;
8. liens incurred or deposits made in connection with contracts, bids or tenders made in the ordinary course of business or in connection with expropriation proceedings, surety or appeal bonds or costs of litigation to the extent required by law;
9. liens (including construction liens) arising in connection with the construction or improvement of any real property or arising out of the furnishing of materials or supplies therefor, provided that such liens secure payment of amounts not then overdue (or if overdue, the validity of which is being contested in good faith and in respect of which reserves satisfactory to the Secured Party in its sole discretion have been established) and provided notice of such lien has not been given to the Secured Party and such lien has not been registered against title to such real property;
10. zoning and building by-laws affecting real property provided they are complied with;
11. encumbrances in favour of the Secured Party; and
12. Permitted Liens (as defined in the Credit Agreement).

SCHEDULE "C"

Specifically Described Collateral

Financed/Leased Motor Vehicles:

2017 Nissan NV 200 Compact	VIN# 3N6CM0KN7HK692405 (Loan with RBC)
2017 Nissan NV 200 Compact	VIN# 3N6CM0KN7HK692303 (Loan with RBC)
2017 Nissan NV 200 Compact	VIN# 3N6CM0KN6HK719698 (Loan with RBC)
2019 Nissan NV 200	VIN# 3N6CM0KNXKK691007 (Loan with BNS)

Owned Motor Vehicles:

2013 Ford E250D	VIN# 1FTNE2EW3DDA29054
2015 Dodge Grand Caravan	VIN# 2C4RDGBG9FR722659
2015 Dodge Grand Caravan	VIN# 2C4RDGBG9FR679425
2014 Ford E-250 Cargo Van	VIN# 1FTNE2EW5EDA34791
2009 Dodge Grand Caravan	VIN# 2D8HN44E39R590488
2008 Dodge Caravan	VIN# 2D8HN44P78R672448
2015 Ford F-350	VIN# 1FT8W3B62FEB65239
2017 Dodge Ram 1500	VIN# 3C6RR7KT0HG746170
2017 Dodge Ram 1500	VIN# 3C6RR7KT5HG755964
2011 GMC Sierra 1500 Denali Crewcab	VIN# 3GTP2XE25BG197435
2011 Dodge Grand Caravan SE	VIN# 2D4RN4DG5BR600693
2012 Dodge Grand Caravan SE	VIN# 2C4RDGBG5CR347347
2012 Dodge Grand Caravan SE	VIN# 2C4RDGBG8CR347410
2014 Dodge Ram 1500	VIN# 1C6RR7FT7ES435754
2007 Chev Uplander LT Ext	VIN# 1GN2V33117D218015
2010 Ford Econoline E250 Cargo Van	VIN# 1FTNE2EW5ADA35336
2011 Dodge Grand Caravan SE	VIN# 1FTNE2EW5ADA35336
2011 Dodge Grand Caravan SE	VIN# 2D4RN4DGXBR774727
2012 Dodge Grand Caravan	VIN# 2C4RDGBB4CR347601
2014 Dodge Grand Caravan	VIN# 2C4RDGBG7ER457044
2011 Ford Transit	VIN# NM0LS7BNXBT061539
2009 Dodge Grand Caravan	VIN# 2D8HN44E39R522837
2014 Dodge Grand Caravan	VIN# 2C4RDGBG9ER457580

SCHEDULE "D"

Listed Contractual Rights

NIL

SCHEDULE "E"

Part I

Location of the Debtor's Chief Executive Office

14721 123 Avenue Edmonton, AB T5L2Y6

Part II

Other Location(s) of the Debtor's Tangible Collateral

927 Derwent Way, Delta, BC V3M 5R4

6143 4th Street S.E, Calgary, AB T2H 2H9

360 Eugenie Street E. Unit 212, Windsor, ON N8X 2Y1

2740 Matheson Blvd E, Mississauga, ON L4W 4X3

5005 Boul Métropolitain EST, Saint-Leonard, QC H1R 1Z7

771, Rue des Rocailles, Quebec City, QC G2J 1A2

22 Gurdwara Road, Ottawa, ON K2E 8A2

This is Exhibit "H" referred to in the Affidavit
of Sean Register sworn before me this
1st day of September, 2022



Commissioner for Oaths in and for Ontario

Search ID #: Z15334871

Transmitting Party

WEST-END REGISTRATIONS LICENSING & SEARCHES
LTD. (P158)

10011 170 STREET
EDMONTON, AB T5P 4R5

Party Code: 50076967

Phone #: 780 483 8211

Reference #: 04092345-EDD3 5
2585

Search ID #: Z15334871

Date of Search: 2022-Aug-23

Time of Search: 13:13:07

Business Debtor Search For:

GENESIS INTEGRATION INC.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z15334871

Business Debtor Search For:

GENESIS INTEGRATION INC.

Search ID #: Z15334871

Date of Search: 2022-Aug-23

Time of Search: 13:13:07

Registration Number: 19031326829

Registration Type: SECURITY AGREEMENT

Registration Date: 2019-Mar-13

Registration Status: Current

Expiry Date: 2023-Mar-13 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 GENESIS INTEGRATION INC.
14721 123 AV NW
EDMONTON, AB T5L2Y6

Current

Secured Party / Parties

Block

Status

1 THE BANK OF NOVA SCOTIA
10 WRIGHT BOULEVARD
STRATFORD, ON N5A7X9

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	3N6CM0KNXKK691007	2019	Nissan NV200	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	OUR SECURITY INTEREST IS LIMITED TO THE MOTOR VEHICLES LISTED ABOVE AND THE PROCEEDS OF THOSE VEHICLES	Current

Search ID #: Z15334871

Business Debtor Search For:

GENESIS INTEGRATION INC.

Search ID #: Z15334871

Date of Search: 2022-Aug-23

Time of Search: 13:13:07

Registration Number: 20013004429

Registration Type: SECURITY AGREEMENT

Registration Date: 2020-Jan-30

Registration Status: Current

Expiry Date: 2025-Jan-30 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 GENESIS INTEGRATION INC.
14721 123 AVENUE
EDMONTON, AB T5L 2Y6

Current

Secured Party / Parties

Block

Status

1 CRESTRON ELECTRONICS, INC.
15 VOLVO DRIVE
ROCKLEIGH, NJ 07647
Email: snewman@rivierafinance.com

Current

Collateral: General

Block

Description

Status

1 ALL INVENTORY OF ELECTRONIC GOODS AND MERCHANDISE OF ANY TYPE OR DESCRIPTION (INCLUDING, BUT NOT LIMITED TO, THOSE BEARING THE CRESTRON TRADEMARKS) AT ANY TIME ACQUIRED BY DEBTOR FROM SECURED PARTY AND ALL ADDITIONS, ACCESSIONS, ACCOUNTS, CHATTEL PAPER, DOCUMENTS, INSTRUMENTS, CONTRACT RIGHTS AND GENERAL INTANGIBLES ARISING OUT OF OR WITH RESPECT TO SUCH INVENTORY AND ALL PROCEEDS OF THE FOREGOING.

Current

Search ID #: Z15334871

Business Debtor Search For:

GENESIS INTEGRATION INC.

Search ID #: Z15334871

Date of Search: 2022-Aug-23

Time of Search: 13:13:07

Registration Number: 20121510597

Registration Type: SECURITY AGREEMENT

Registration Date: 2020-Dec-15

Registration Status: Current

Expiry Date: 2030-Dec-15 23:59:59

Exact Match on:

Debtor

No: 1

Amendments to Registration

20121726806

Amendment

2020-Dec-17

Debtor(s)

Block

Status

Current

1 GENESIS INTEGRATION INC.
14721 - 123 AVENUE NW
EDMONTON, AB T5L 2Y6

Secured Party / Parties

Block

Status

Deleted by
20121726806

1 CORTLAND CREDIT LENDING CORPORATION
200 BAY STREET, SUITE 3230
TORONTO, ON M5J 2J2
Email: apreobrazenski@cortlandcredit.ca

Block

Status

Current by
20121726806

2 CORTLAND CREDIT LENDING CORPORATION, AS AGENT
200 BAY STREET, SUITE 3230
TORONTO, ON M5J 2J2
Email: apreobrazenski@cortlandcredit.ca

Collateral: General

Block

Description

Status

1 All present and after-acquired personal property of the Debtor, including proceeds.

Current

Search ID #: Z15334871

Particulars

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	TO CHANGE THE NAME OF THE SECURED PARTY FROM CORTLAND CREDIT LENDING CORPORATION TO CORTLAND CREDIT LENDING CORPORATION, AS AGENT.	Current By 20121726806

Result Complete

This is Exhibit "I" referred to in the Affidavit
of Sean Register sworn before me this
1st day of September, 2022



Commissioner for Oaths in and for Ontario

Search ID #: Z15334872

Transmitting Party

WEST-END REGISTRATIONS LICENSING & SEARCHES
LTD. (P158)

10011 170 STREET
EDMONTON, AB T5P 4R5

Party Code: 50076967

Phone #: 780 483 8211

Reference #: 04092348-EDD3 5
2585

Search ID #: Z15334872

Date of Search: 2022-Aug-23

Time of Search: 13:13:12

Business Debtor Search For:

965591 ALBERTA LTD.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z15334872

Business Debtor Search For:

965591 ALBERTA LTD.

Search ID #: Z15334872

Date of Search: 2022-Aug-23

Time of Search: 13:13:12

Registration Number: 20121511165

Registration Type: SECURITY AGREEMENT

Registration Date: 2020-Dec-15

Registration Status: Current

Expiry Date: 2030-Dec-15 23:59:59

Exact Match on:

Debtor

No: 1

Amendments to Registration

20121726618

Amendment

2020-Dec-17

Debtor(s)

Block

Status

Current

1 965591 ALBERTA LTD.
14721 - 123 AVENUE NW
EDMONTON, AB T5L 2Y6

Secured Party / Parties

Block

Status

Deleted by
20121726618

1 CORTLAND CREDIT LENDING CORPORATION
200 BAY STREET, SUITE 3230
TORONTO, ON M5J 2J2
Email: apreobrazenski@cortlandcredit.ca

Block

Status

Current by
20121726618

2 CORTLAND CREDIT LENDING CORPORATION, AS AGENT
200 BAY STREET, SUITE 3230
TORONTO, ON M5J 2J2
Email: apreobrazenski@cortlandcredit.ca

Collateral: General

Block

Description

Status

1 All present and after-acquired personal property of the Debtor, including proceeds.

Current

Search ID #: Z15334872

Particulars

Block **Additional Information**

Status

1	TO CHANGE THE NAME OF THE SECURED PARTY FROM CORTLAND CREDIT LENDING CORPORATION TO CORTLAND CREDIT LENDING CORPORATION, AS AGENT.	Current By 20121726618
---	--	---------------------------

Result Complete

This is Exhibit "J" referred to in the Affidavit
of Sean Register sworn before me this
1st day of September, 2022



Commissioner for Oaths in and for Ontario

September 1, 2022

File No.: 552470-104

Sent Via Registered Mail and E-Mail**965591 Alberta Ltd.**11428 142 St NW
Edmonton, Alberta T5M 1V1

Attention: Kelly McCarthy

Dear Sir:

Re: Indebtedness pursuant to a credit agreement dated December 15, 2020, as amended by amending agreement no. 1 dated December 16, 2016, amending agreement no. 2 dated April 30, 2021, and amending agreement no. 3 dated December 23, 2021, among (i) 965591 Alberta Ltd. ("965 Alberta"), as borrower, (ii) Genesis Integration Inc. ("Genesis", and together with 965 Alberta, the "Debtors"), among others, as guarantors and (iii) Cortland Credit Lending Corporation (the "Agent"), as collateral and administrative agent for the lenders under such credit agreement (the "Lenders")

(collectively, the "Credit Agreement")

We are counsel for the Agent in connection with the Credit Agreement.

We refer to:

1. the Credit Agreement; and
2. a general security agreement dated December 15, 2020, from 965 Alberta to the Agent (the "**GSA**").

As at September 1, 2022, the amount of \$9,424,365.42 is owing by 965 Alberta to the Agent pursuant to the Credit Agreement, which amount (i) includes principal and interest up to and including September 1, 2022, but (ii) excludes legal fees and other amounts incurred or accruing pursuant to the Credit Agreement from and after the date of default (collectively, the "**Outstanding Indebtedness**").

Certain Events of Default have occurred under section 9.1 of the Credit Agreement, which Events of Default are continuing and have not been cured, including but not limited to:

- certain defaults in the payment and performance of obligations under certain of the Debtors' contracts, including but not limited to, defaults under section 7.1 of the Credit Agreement;

- 965 Alberta's failure, since January 2022, to comply with the financial covenants under section 7.3 the Credit Agreement, including but not limited to, maintaining the specified Tangible Net Worth and Debt Service Coverage Ratios (as defined in the Credit Agreement); and
- 965 Alberta's failure, since July 2022, to comply with the reporting covenants under section 7.4 the Credit Agreement.

Accordingly, on behalf of the Agent, we hereby make formal demand on 965 Alberta for payment of the Outstanding Indebtedness pursuant to the terms of the Credit Agreement. Payment is required to be made immediately. Interest continues to accrue on the Outstanding Indebtedness at the per diem rate of \$3,141.73 pursuant to the Credit Agreement and other agreements, as applicable.

If payment of the Outstanding Indebtedness is not received immediately, the Agent shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing, including, without limitation, seeking to appoint an interim receiver, receiver or receiver and/or manager of the current and future assets, undertakings and properties (collectively, the "**Property**") of the Debtors, in which case the Agent will also be seeking all costs incurred in so doing.

As you are aware, we, on behalf of the Agent, have also issued a similar Demand Letter and Notice of Intention to Enforce Security to Genesis in connection with its unlimited guarantee of the Outstanding Indebtedness.

In accordance with the terms of the GSA, we enclose for service upon you a Notice of Intention to Enforce Security in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**"). If you are prepared to (i) waive the ten-day notice period pursuant to section 244(2) of the BIA and (ii) consent to the appointment of KSV Restructuring Inc. as receiver of the Property, please endorse the Acknowledgment and Consent enclosed with the Notice of Intention to Enforce Security and return a copy to the undersigned.

Please note that the Agent reserves its rights to proceed against 965 Alberta prior to the time stipulated above in the event that it determines that its position is further jeopardized.

Very truly yours,

Dentons Canada LLP



John Salmas

Enclosures: (1) Notice of Intention to Enforce Security
(2) Acknowledgment and Consent

Cc: *Client*

Notice of Intention to Enforce a Security

(Rule 124)

To: 965591 Alberta Ltd. ("**965 Alberta**"), an insolvent corporation

Re: Indebtedness pursuant to a credit agreement dated December 15, 2020, as amended by amending agreement no. 1 dated December 16, 2016, amending agreement no. 2 dated April 30, 2021, and amending agreement no. 3 dated December 23, 2021, among (i) 965 Alberta, as borrower, (ii) Genesis Integration Inc., among others, as guarantors and (iii) Cortland Credit Lending Corporation (the "**Agent**"), as collateral and administrative agent for the lenders under such credit agreement (the "**Lenders**")

(collectively, the "**Credit Agreement**")

Take notice that:

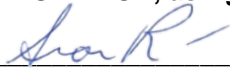
1. The Agent, as agent for the Lenders, a secured creditor, intends to enforce its security on 965 Alberta's property described below:
 - (a) all present and future equipment of 965 Alberta, including all of its present and future machinery, fixtures, plant, tools, furniture, books, records, documents, vehicles of any nature, kind or description, and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating to the foregoing;
 - (b) all present and future inventory of 965 Alberta, including all of its present and future raw materials, materials used or consumed in its business, work-in-progress, finished goods, goods used for packing and goods acquired or held for sale or lease or that have been leased or furnished or that are to be furnished under contracts of rental or service, and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing;
 - (c) all present and future intangibles of 965 Alberta, including all of its present and future accounts and other amounts receivable, book debts, goodwill, intellectual property and choses in action of every nature and kind;
 - (d) all present and future documents of title, chattel paper, instruments and money of 965 Alberta;
 - (e) all present and future investment collateral;
 - (f) all present and future real property, personal property, assets, and undertaking of 965 Alberta of any nature or kind, including all real property, personal property, assets and undertaking at any time owned, leased or licenced by 965 Alberta or in which 965 Alberta at any time has any right or interest or to which 965 Alberta is or may at any time become entitled; and
 - (g) all proceeds arising from the property, assets and undertaking of 965 Alberta referred to in the foregoing paragraphs, including insurance proceeds and any other payment representing indemnity or compensation for loss of or damage thereto.

2. The security that is to be enforced is the following:
 - (a) a general security agreement dated December 15, 2020, from 965 Alberta to the Agent.
3. The total amount of indebtedness secured by the security is:
 - (a) in respect of the Credit Agreement, the amount of \$9,424,365.42, inclusive of principal and interest up to and including September 1, 2022, but excluding legal fees and other amounts incurred or accruing pursuant to the Credit Agreement from and after the date of default.
4. The Agent will not have the right to enforce the security until after the expiry of the ten-day period after this notice is sent unless 965 Alberta consents to an earlier enforcement.

[The remainder of this page is intentionally left blank. Signature page follows.]

Dated at Toronto this 1st day of September, 2022.

**CORTLAND CREDIT LENDING
CORPORATION, as Agent**

By: 
Name: Sean Rogister
Title: CEO

I have authority to bind the corporation.

ACKNOWLEDGEMENT AND CONSENT

TO: Cortland Credit Lending Corporation (the “**Agent**”), as collateral and administrative agent

AND TO: Dentons Canada LLP, lawyers for the Agent

RE: Indebtedness pursuant to a credit agreement dated December 15, 2020, as amended by amending agreement no. 1 dated December 16, 2016, amending agreement no. 2 dated April 30, 2021, and amending agreement no. 3 dated December 23, 2021, among (i) 965591 Alberta Ltd. (“**965 Alberta**”), as borrower, (ii) Genesis Integration Inc., among others, as guarantors and (iii) the Agent, as collateral and administrative agent for the lenders in respect of such credit agreement

General security agreement dated December 15, 2020, from 965 Alberta to the Agent

965 Alberta acknowledges its indebtedness to the Agent in the amount set out in its Notice of Intention to Enforce Security dated September 1, 2022 (the “**Indebtedness**”), and hereby irrevocably waives all requirements of notice of demand and time for payment of the Indebtedness, including pursuant to subsection 244(2) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (“**BIA**”).

965 Alberta acknowledges that the Indebtedness are in the amount of \$9,424,365.42 as at August 29, 2022 and acknowledges that interest has accrued and continues to accrue on that amount calculated at the applicable rates. 965 Alberta hereby acknowledges its inability to make payment of the amount of the Indebtedness.

965 Alberta hereby acknowledges that the Notice has been sent to and received by it and consents to the immediate enforcement of the security granted by 965 Alberta to the Agent. 965 Alberta hereby consents to the immediate appointment by Court Order of KSV Restructuring Inc. as receiver over the current and future assets, undertakings and properties of 965 Alberta pursuant to subsections 47(1) and 243(1) of the BIA, subsection 13(2) of the *Judicature Act*, RSA 2000, c J-2, and subsection 65(7) of the *Personal Property Security Act*, RSA 2000, c P-7.

965 Alberta further acknowledges and confirms that it has had the opportunity to seek the advice and recommendations of its professional advisors including legal counsel in connection with the execution of this Acknowledgement and Consent and in connection with the enforcement by the Agent of its security over the assets of 965 Alberta as described herein and is executing this Acknowledgement and Consent in favour of the Agent freely, voluntarily and without duress.

[Remainder of page left intentionally blank; signature page follows]

DATED: September ____, 2022.

965591 ALBERTA LTD.

By: _____

Name: _____

Title: _____

I have authority to bind the corporation.

September 1, 2022

File No.: 552470-104

Sent Via Registered Mail and E-Mail**Genesis Integration Inc.**11428 142 St NW
Edmonton, Alberta T5M 1V1

Attention: Kelly McCarthy

Dear Sir:

Re: Indebtedness pursuant to a credit agreement dated December 15, 2020, as amended by amending agreement no. 1 dated December 16, 2016, amending agreement no. 2 dated April 30, 2021, and amending agreement no. 3 dated December 23, 2021, among (i) 965591 Alberta Ltd. (“965 Alberta”), as borrower, (ii) Genesis Integration Inc. (“Genesis”, and together with 965 Alberta, the “Debtors”), among others, as guarantors and (iii) Cortland Credit Lending Corporation (the “Agent”), as collateral and administrative agent for the lenders under such credit agreement (the “Lenders”)

(collectively, the “Credit Agreement”)

We are counsel for the Agent in connection with the Credit Agreement.

We refer to:

1. the Credit Agreement;
2. an unlimited guarantee dated December 15, 2020, from Genesis to the Agent (the “**Guarantee**”); and
3. a general security agreement dated December 15, 2020, from Genesis to the Agent (the “**GSA**”).

As at September 1, 2022, the amount of \$9,424,365.42 is owing by Genesis to the Agent pursuant to the Credit Agreement and the Guarantee, which amount (i) includes principal and interest up to and including September 1, 2022, but (ii) excludes legal fees and other amounts incurred or accruing pursuant to the Credit Agreement and the Guarantee from and after the date of default (collectively, the “**Outstanding Indebtedness**”).

Pursuant to the Guarantee, Genesis has guaranteed the payment by 965 Alberta of all claims, debts, liabilities and other obligations, present or future, direct or indirect, absolute or contingent, at any time

[Rattagan Macchiavello Arocena](#) ► [Jiménez de Aréchaga, Viana & Brause](#) ► [Lee International](#) ► [Kensington Swan](#) ► [Bingham Greenebaum](#) ► [Cohen & Grigsby](#) ► [Sayarh & Menjra](#) ► [Larrain Rencoret](#) ► [Hamilton Harrison & Mathews](#) ► [Mardemootoo Balgobin](#) ► [HPRP](#) ► [Zain & Co.](#) ► [Delany Law](#) ► [Dinner Martin](#) ► For more information on the firms that have come together to form Dentons, go to [dentons.com/legacyfirms](https://www.dentons.com/legacyfirms)

owing by 965 Alberta to the Agent or the Lenders or remaining unpaid by 965 Alberta to the Agent or the Lenders, which includes the Outstanding Indebtedness.

Certain Events of Default have occurred under section 9.1 of the Credit Agreement, which Events of Default are continuing and have not been cured, including but not limited to:

- certain defaults in the payment and performance of obligations under certain of the Debtors' contracts, including but not limited to, defaults under section 7.1 of the Credit Agreement;
- 965 Alberta's failure, since January 2022, to comply with the financial covenants under section 7.3 the Credit Agreement, including but not limited to, maintaining the specified Tangible Net Worth and Debt Service Coverage Ratios (as defined in the Credit Agreement); and
- 965 Alberta's failure, since July 2022, to comply with the reporting covenants under section 7.4 the Credit Agreement.

Accordingly, on behalf of the Agent, we hereby make formal demand on Genesis for payment of the Outstanding Indebtedness pursuant to the terms of the Guarantee. Payment is required to be made immediately. Interest continues to accrue on the Outstanding Indebtedness at the per diem rate of \$3,141.73 pursuant to the Credit Agreement and other agreements, as applicable.

If payment of the Outstanding Indebtedness is not received immediately, the Agent shall take whatever steps it considers necessary or appropriate to collect and recover the amounts owing, including, without limitation, seeking to appoint an interim receiver, receiver or receiver and/or manager of the current and future assets, undertakings and properties (collectively, the "**Property**") of the Debtors, in which case the Agent will also be seeking all costs incurred in so doing.

As you are aware, we, on behalf of the Agent, have also issued a similar Demand Letter and Notice of Intention to Enforce Security to 965 Alberta.

In accordance with the terms of the GSA, we enclose for service upon you a Notice of Intention to Enforce Security in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**"). If you are prepared to (i) waive the ten-day notice period pursuant to section 244(2) of the BIA and (ii) consent to the appointment of KSV Restructuring Inc. as receiver of the Property, please endorse the Acknowledgment and Consent enclosed with the Notice of Intention to Enforce Security and return a copy to the undersigned.

Please note that the Agent reserves its rights to proceed against Genesis prior to the time stipulated above in the event that it determines that its position is further jeopardized.

Very truly yours,

Dentons Canada LLP



John Salmas

Enclosures: (1) Notice of Intention to Enforce Security
(2) Acknowledgment and Consent

Cc: *Client*

Notice of Intention to Enforce a Security

(Rule 124)

To: Genesis Integration Inc. ("**Genesis**"), an insolvent corporation

Re: Indebtedness pursuant to a credit agreement dated December 15, 2020, as amended by amending agreement no. 1 dated December 16, 2016, amending agreement no. 2 dated April 30, 2021, and amending agreement no. 3 dated December 23, 2021, among (i) 965591 Alberta Ltd., as borrower, (ii) Genesis, among others, as guarantors and (iii) Cortland Credit Lending Corporation (the "**Agent**"), as collateral and administrative agent for the lenders under such agreement (the "**Lenders**")

(collectively, the "**Credit Agreement**")

Unlimited guarantee dated December 15, 2020, from Genesis to the Agent

(the "**Guarantee**")

Take notice that:


1. The Agent, as agent for the Lenders, a secured creditor, intends to enforce its security on Genesis' property described below:
 - (a) all present and future equipment of Genesis, including all of its present and future machinery, fixtures, plant, tools, furniture, books, records, documents, vehicles of any nature, kind or description, and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating to the foregoing;
 - (b) all present and future inventory of Genesis, including all of its present and future raw materials, materials used or consumed in its business, work-in-progress, finished goods, goods used for packing and goods acquired or held for sale or lease or that have been leased or furnished or that are to be furnished under contracts of rental or service, and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing;
 - (c) all present and future intangibles of Genesis, including all of its present and future accounts and other amounts receivable, book debts, goodwill, intellectual property and choses in action of every nature and kind;
 - (d) all present and future documents of title, chattel paper, instruments and money of Genesis;
 - (e) all present and future investment collateral;
 - (f) all present and future real property, personal property, assets, and undertaking of Genesis of any nature or kind, including all real property, personal property, assets and undertaking at any time owned, leased or licenced by Genesis or in which Genesis at any time has any right or interest or to which Genesis is or may at any time become entitled; and
 - (g) all proceeds arising from the property, assets and undertaking of Genesis referred to in the foregoing paragraphs, including insurance proceeds and any other payment representing indemnity or compensation for loss of or damage thereto.

2. The security that is to be enforced is the following:
 - (a) a general security agreement dated December 15, 2020, from Genesis to the Agent.
3. The total amount of indebtedness secured by the security is:
 - (a) in respect of the Credit Agreement and the Guarantee, the amount of \$9,424,365.42, inclusive of principal and interest up to and including September 1, 2022, but excluding legal fees and other amounts incurred or accruing pursuant to the Credit Agreement and the Guarantee from and after the date of default.
4. The Agent will not have the right to enforce the security until after the expiry of the ten-day period after this notice is sent unless Genesis consents to an earlier enforcement.

[The remainder of this page is intentionally left blank. Signature page follows.]

Dated at Toronto this 1st day of September, 2022.

**CORTLAND CREDIT LENDING
CORPORATION, as Agent**

By: 
Name: Sean Register
Title: CEO

I have authority to bind the corporation.

ACKNOWLEDGEMENT AND CONSENT

TO: Cortland Credit Lending Corporation (the “**Agent**”), as collateral and administrative agent

AND TO: Dentons Canada LLP (“**Dentons**”), lawyers for the Agent

RE: Indebtedness pursuant to a credit agreement dated December 15, 2020, as amended by amending agreement no. 1 dated December 16, 2016, amending agreement no. 2 dated April 30, 2021, and amending agreement no. 3 dated December 23, 2021, among (i) 965591 Alberta Ltd., as borrower, (ii) Genesis Integration Inc. (“**Genesis**”), among others, as guarantors and (iii) the Agent, as collateral and administrative agent for the lenders in respect of such credit agreement

Unlimited guarantee dated December 15, 2020, from Genesis to the Agent

General security agreement dated December 15, 2020, from Genesis to the Agent

Genesis acknowledges its indebtedness to the Agent in the amount set out in its Notice of Intention to Enforce Security dated September 1, 2022 (the “**Indebtedness**”), and hereby irrevocably waives all requirements of notice of demand and time for payment of the Indebtedness, including pursuant to subsection 244(2) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (“**BIA**”).

Genesis acknowledges that the Indebtedness are in the amount of \$9,424,365.42 as at August 29, 2022 and acknowledges that interest has accrued and continues to accrue on that amount calculated at the applicable rates. Genesis hereby acknowledges its inability to make payment of the amount of the Indebtedness.

Genesis hereby acknowledges that the Notice has been sent to and received by it and consents to the immediate enforcement of the security granted by Genesis to the Agent. Genesis hereby consents to the immediate appointment by Court Order of KSV Restructuring Inc. as receiver over the current and future assets, undertakings and properties of Genesis pursuant to subsections 47(1) and 243(1) of the BIA, subsection 13(2) of the *Judicature Act*, RSA 2000, c J-2, and subsection 65(7) of the *Personal Property Security Act*, RSA 2000, c P-7.

Genesis further acknowledges and confirms that it has had the opportunity to seek the advice and recommendations of its professional advisors including legal counsel in connection with the execution of this Acknowledgement and Consent and in connection with the enforcement by the Agent of its security over the assets of Genesis as described herein and is executing this Acknowledgement and Consent in favour of the Agent freely, voluntarily and without duress.

[Remainder of page left intentionally blank; signature page follows]

DATED: September ____, 2022

GENESIS INTEGRATION INC.

By: _____

Name: _____

Title: _____

I have authority to bind the corporation.

This is Exhibit "K" referred to in the Affidavit
of Sean Register sworn before me this
1st day of September, 2022



Commissioner for Oaths in and for Ontario

ACKNOWLEDGEMENT AND CONSENT

TO: Cortland Credit Lending Corporation (the “**Agent**”), as collateral and administrative agent

AND TO: Dentons Canada LLP, lawyers for the Agent

RE: Indebtedness pursuant to a credit agreement dated December 15, 2020, as amended by amending agreement no. 1 dated December 16, 2016, amending agreement no. 2 dated April 30, 2021, and amending agreement no. 3 dated December 23, 2021, among (i) 965591 Alberta Ltd. (“**965 Alberta**”), as borrower, (ii) Genesis Integration Inc., among others, as guarantors and (iii) the Agent, as collateral and administrative agent for the lenders in respect of such credit agreement

General security agreement dated December 15, 2020, from 965 Alberta to the Agent

965 Alberta acknowledges its indebtedness to the Agent in the amount set out in its Notice of Intention to Enforce Security dated September 1, 2022 (the “**Indebtedness**”), and hereby irrevocably waives all requirements of notice of demand and time for payment of the Indebtedness, including pursuant to subsection 244(2) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (“**BIA**”).

965 Alberta acknowledges that the Indebtedness are in the amount of \$9,424,365.42 as at August 29, 2022 and acknowledges that interest has accrued and continues to accrue on that amount calculated at the applicable rates. 965 Alberta hereby acknowledges its inability to make payment of the amount of the Indebtedness.


965 Alberta hereby acknowledges that the Notice has been sent to and received by it and consents to the immediate enforcement of the security granted by 965 Alberta to the Agent. 965 Alberta hereby consents to the immediate appointment by Court Order of KSV Restructuring Inc. as receiver over the current and future assets, undertakings and properties of 965 Alberta pursuant to subsections 47(1) and 243(1) of the BIA, subsection 13(2) of the *Judicature Act*, RSA 2000, c J-2, and subsection 65(7) of the *Personal Property Security Act*, RSA 2000, c P-7.

965 Alberta further acknowledges and confirms that it has had the opportunity to seek the advice and recommendations of its professional advisors including legal counsel in connection with the execution of this Acknowledgement and Consent and in connection with the enforcement by the Agent of its security over the assets of 965 Alberta as described herein and is executing this Acknowledgement and Consent in favour of the Agent freely, voluntarily and without duress.

[Remainder of page left intentionally blank; signature page follows]

DATED: September 1st, 2022.

965591 ALBERTA LTD.

By: 
Name: PATRICK K MCCARTHY
Title: PRESIDENT

I have authority to bind the corporation.

ACKNOWLEDGEMENT AND CONSENT

TO: Cortland Credit Lending Corporation (the “**Agent**”), as collateral and administrative agent

AND TO: Dentons Canada LLP (“**Dentons**”), lawyers for the Agent

RE: Indebtedness pursuant to a credit agreement dated December 15, 2020, as amended by amending agreement no. 1 dated December 16, 2016, amending agreement no. 2 dated April 30, 2021, and amending agreement no. 3 dated December 23, 2021, among (i) 965591 Alberta Ltd., as borrower, (ii) Genesis Integration Inc. (“**Genesis**”), among others, as guarantors and (iii) the Agent, as collateral and administrative agent for the lenders in respect of such credit agreement

Unlimited guarantee dated December 15, 2020, from Genesis to the Agent

General security agreement dated December 15, 2020, from Genesis to the Agent

Genesis acknowledges its indebtedness to the Agent in the amount set out in its Notice of Intention to Enforce Security dated September 1, 2022 (the “**Indebtedness**”), and hereby irrevocably waives all requirements of notice of demand and time for payment of the Indebtedness, including pursuant to subsection 244(2) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (“**BIA**”).

Genesis acknowledges that the Indebtedness are in the amount of \$9,424,365.42 as at August 29, 2022 and acknowledges that interest has accrued and continues to accrue on that amount calculated at the applicable rates. Genesis hereby acknowledges its inability to make payment of the amount of the Indebtedness.


Genesis hereby acknowledges that the Notice has been sent to and received by it and consents to the immediate enforcement of the security granted by Genesis to the Agent. Genesis hereby consents to the immediate appointment by Court Order of KSV Restructuring Inc. as receiver over the current and future assets, undertakings and properties of Genesis pursuant to subsections 47(1) and 243(1) of the BIA, subsection 13(2) of the *Judicature Act*, RSA 2000, c J-2, and subsection 65(7) of the *Personal Property Security Act*, RSA 2000, c P-7.

Genesis further acknowledges and confirms that it has had the opportunity to seek the advice and recommendations of its professional advisors including legal counsel in connection with the execution of this Acknowledgement and Consent and in connection with the enforcement by the Agent of its security over the assets of Genesis as described herein and is executing this Acknowledgement and Consent in favour of the Agent freely, voluntarily and without duress.

[Remainder of page left intentionally blank; signature page follows]

DATED: September 1st, 2022

GENESIS INTEGRATION INC.

By: 
Name: Patrick K. McCarroll
Title: PRESIDENT

I have authority to bind the corporation.

This is Exhibit "L" referred to in the Affidavit
of Sean Register sworn before me this
1st day of September, 2022



Commissioner for Oaths in and for Ontario

COURT FILE NUMBER 2201 -
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT CORTLAND CREDIT LENDING CORPORATION
RESPONDENTS GENESIS INTEGRATION INC., and 965591 ALBERTA LTD.
DOCUMENT **CONSENT TO ACT**

CLERK'S STAMP

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
DENTONS CANADA LLP
Bankers Court
15th Floor, 850 - 2nd Street S.W.
Calgary, Alberta T2P 0R8

Attention: John Salmas / Mark Freake / John Regush

Telephone: 416-863-4737 / 403-268-7086 / 416-863-4456

Email: john.salmas@dentons.com / mark.freake@dentons.com / john.regush@dentons.com

KSV Restructuring Inc., a licensed insolvency trustee, hereby consents to be appointed as receiver of the respondents, Genesis Integration Inc. and 965591 Alberta Ltd.

DATED at the City of Toronto, in the Province of Ontario, this 30th day of August, 2022

KSV Restructuring Inc.



Per: _____
Name: David Sieradzki
Title: Managing Director