

**DELOITTE RESTRUCTURING INC., solely in its capacity as the Court-
appointed receiver of Arc Productions Ltd. and the other parties listed at
Schedule 1 hereto and not in its personal or corporate capacity**

AND

JAM FILLED ENTERTAINMENT (TORONTO) INC.

**AMENDED AND RESTATED
ASSET PURCHASE AGREEMENT**

AUGUST 16, 2016

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THIS ASSET PURCHASE AGREEMENT dated as of the 16th day of August, 2016.

AMONG:

DELOITTE RESTRUCTURING INC. ("**Deloitte**"), solely in its capacity as the Court-appointed receiver of Arc Productions Ltd., a corporation organized and existing under the laws of Ontario and its Affiliates listed hereto at Schedule 1 (together, the "**Arc Group**"), and not in its personal or corporate capacity (the "**Receiver**")

- and -

JAM FILLED ENTERTAINMENT (TORONTO) INC., a company existing under the laws of Ontario (the "**Purchaser**")

WHEREAS:

- A. Deloitte was appointed as Receiver, without security, of all of the assets, undertakings and properties of the Arc Group (including, for greater certainty, the Purchased Assets (as defined herein)) acquired for, or used in relation to the business carried on by the Arc Group, including all proceeds thereof (collectively, the "**Property**") pursuant to an order (as such order may be amended or restated from time to time, the "**Receivership Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated August 10, 2016, bearing Court File No. CV-16-11472-00CL (as attached at Schedule 2 the "**Receivership Proceedings**");
- B. The Receivership Order, among other things, authorizes the Receiver to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and to negotiate such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- C. The Purchaser delivered a binding letter of intent to the Receiver on August 9, 2016 for all or substantially all of the assets of the Arc Group (the "**LOI**") which was signed back by the Receiver on August 9, 2016;
- D. The parties hereto entered into an Asset Purchase Agreement dated August 16, 2016 (the "**Initial Agreement**"), providing for the sale by the Receiver and the purchase by the Purchaser of certain assets of the Arc Group;
- E. The parties hereto wish to amend and restate the Initial Agreement in its entirety upon the terms of this agreement; and
- F. The Purchaser wishes to acquire from the Receiver all of the Purchased Assets upon and subject to the terms and conditions of this Agreement.

NOW THEREFORE this Agreement witnesses that in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration,

the receipt and sufficiency of which are hereby acknowledged by each Party (as defined herein) to the other, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

Whenever used in this Agreement the following words and terms shall have the meanings set out below:

In this Agreement:

“**Additional Payment**” has the meaning ascribed thereto in Section 3.3(2);

“**Additional Projects**” has the meaning ascribed thereto in Section 3.3(2);

“**Affiliate**” has the meaning ascribed thereto under NI 45-106 of the *Securities Act* (Ontario);

“**Agreement**” means this amended and restated asset purchase agreement, including all schedules, and all supplements, amendments or restatements, as permitted, and references to “**Article**”, “**Section**” or “**Schedule**” mean the specified Article or Section of, or Schedule to, this Agreement;

“**Applicable Law**” means, in respect of any Person, property, transaction or event, any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order that applies in whole or in part to such Person, property, transaction or event;

“**Approval and Vesting Order**” means one or more orders approving the transactions described herein and vesting title to the Purchased Assets in the Purchaser or its assignees free and clear of all Liens, on terms and conditions satisfactory to the Purchaser, acting reasonably;

“**Arc Studio Assets**” means the assets proprietary to the Arc Group that are used to develop the Projects;

“**Arc Tax Credits**” means any Tax Credits received or receivable by the Arc Group or the Receiver on behalf of the Arc Group in respect of any and all projects for which the Arc Group provided production services up to August 9, 2016;

“**Arc Technology**” means the proprietary research and development, tools, methodology, software and trade secrets proprietary to the Arc Group, whether owned or licensed, that are used to develop the Projects, including the software agreement between Shotgun Software Inc. and Arc Productions Ltd. dated June 26, 2013;

“**Assets**” means all property and assets of the Arc Group of every nature and kind and wheresoever situate;

“**Assigned Contracts**” has the meaning ascribed thereto in Section 3.1(e);

“**Assigned Projects**” has the meaning ascribed thereto in Section 3.1(e);

“**Books and Records**” means all of the books, records, books of account, supplier and customer lists, business information, research and development information, business analyses and plans, and records, and all other documents, files, records, correspondence, electronic information (including emails and web page content), and other data and information, financial or otherwise related to the Business within the control or possession of the Arc Group at the Closing Date, and including all data and information stored by the Arc Group electronically, digitally or on computer related media in respect of the Business, which can be transferred in accordance with Applicable Law;

“**Business Day**” means any day which is not a Saturday, a Sunday or any day on which Canadian chartered banks are closed for business in Toronto, Ontario;

“**Business**” means the business of the Arc Group, being the business of providing animation and computer graphics services to the film and television industry;

“**Claim**” means any claim, action, demand, cause of action, suit, complaint, proceeding, arbitration, judgment, settlement, award, assessment, re-assessment, order, investigation, enquiry or hearing made or threatened;

“**Closing Date**” means the Business Day immediately following the date that the conditions to Closing set forth in Article 7 (excluding conditions that, by their terms, cannot be satisfied until the Closing) have been satisfied (or waived by the Party entitled to waive such condition) or at such other place, on such other date and at such other time as may be agreed upon in writing between the Receiver and the Purchaser, provided that in no event shall the Closing Date be later than 11:59 p.m. (Toronto time) on August 23, 2016;

“**Closing**” means the completion of the Transaction in accordance with the terms and subject to the conditions of this Agreement on the Closing Date at the Effective Time;

“**Consent**” means any approval, authorization, consent, order, license, permission, permit (including any environmental permit), qualification, exemption or waiver by any Person;

“**Contracts**” means any agreement, contract, licence, undertaking, engagement or commitment of any nature, written or oral in respect of the Business or Assets;

“**Counterparty**” has the meaning ascribed thereto in Section 3.6;

“**Counterparty Costs**” has the meaning ascribed thereto in Section 3.6;

“**Court**” has the meaning ascribed thereto in the Recitals;

“**Deposit**” means the [REDACTED] non-refundable deposit paid by the Purchaser to the Receiver on August 9, 2016 with the execution of the LOI;

“**Effective Time**” means 5 p.m. (Toronto time) on the Closing Date;

“**Excise Tax Act**” means the *Excise Tax Act* (Canada);

“**Governmental Authority**” means (i) any governmental or public department, central bank, court, commission, board, bureau, agency, commissioner, minister, governor-in-council, cabinet, tribunal or instrumentality whether international, multinational, national, federal, provincial, state, municipal, local or other; (ii) any subdivision or authority of any of the above; and (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above;

“**Hold Period**” has the meaning ascribed thereto in Section 3.6;

“**Income Tax Act**” means, collectively, the *Income Tax Act* (Canada), the Income Tax Application Rules (Canada) and the Income Tax Regulations, in each case as amended to the date hereof;

“**Initial Agreement**” has the meaning ascribed to it in the recitals;

“**Landlord**” means the landlord of the real property located at 364 Richmond Street West, Toronto, Ontario;

“**Lien**” means any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise, including construction liens), easement, title retention agreement or arrangement, conditional sale, deemed or statutory trust, restrictive covenant or other encumbrance of any nature which, in substance, secures payment or performance of an obligation;

“**LOI**” shall have the meaning attributed to it in the recitals;

“**Parties**” means, collectively, the Purchaser and the Receiver, and “**Party**” means any one of them;

“**Person**” means individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities;

“**Projects**” means the list of projects currently under production by the Arc Group at Schedule 3 and for greater certainty, a Project includes all work product related to such Project, including all designs, software, technology, data, improvements, trade secrets, confidential information, know-how, methods, processes, technical data,

schematics, formulae and customer lists, models, and documentation relating to any of the foregoing, prepared or created by or on the behalf of Arc and that Arc owns, possesses or controls as at the date hereof, or that the Receiver possesses or controls as of the date hereof; and the animation services for [REDACTED]

[REDACTED] shall constitute a single Project for the purposes of Section 3.3(2) and the animation services for two x 22 minute Lego: Marvel Super Heroes specials provided by the Arc Group to Lego Systems A/C shall constitute a single Project for the purposes of Section 3.3(2);

“Property” has the meaning ascribed thereto in the Recitals;

“Purchase Price” has the meaning ascribed thereto in Section 3.2;

“Purchased Assets” has the meaning ascribed thereto in Section 3.1;

“Purchaser’s Solicitors” means the law firm of Stikeman Elliott LLP;

“Purchaser” has the meaning ascribed thereto in the Recitals;

“Receivables” means, subject to Section 3.3, the right, title and interest of the Arc Group in all accounts receivable, bills receivable, trade accounts and book debts related to the Business, together with any unpaid interest accrued on such items and any security or collateral for such items, including recoverable deposits, attributable to the period prior to close, and for greater certainty, Receivables shall not include the Arc Tax Credits.

“Receiver’s Solicitors” means the law firm of Goldman Sloan Nash Haber LLP;

“Receiver” has the meaning ascribed thereto in the Recitals;

“Receivership Order” has the meaning ascribed thereto in the Recitals;

“Receivership Proceedings” has the meaning ascribed thereto in the Recitals;

“Representative” means, in respect of a Party, each director, officer, employee, agent, Affiliate, manager, lender, solicitor, accountant, professional advisor, consultant, contractor and other representative of such Party or such Party’s Affiliates and shall include each director, officer, employee, agent, Affiliate, manager, lender, solicitor, accountant, professional advisor, consultant, contractor and other representative of such Affiliate;

“Rights” has the meaning ascribed thereto in Section 3.6;

“Tax Credits” means any funds, tax credits, labour rebates, or subsidies received or receivable from any government tax credit programs in respect of any and all of the Projects;

“Tax Legislation” means, collectively, the Income Tax Act and all federal, provincial, territorial, municipal, foreign, or other statutes imposing a Tax, including all treaties, conventions, rules, regulations, orders, and decrees of any jurisdiction;

“Tax” or **“Taxes”** means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority under any applicable Tax Legislation, including Canadian federal, provincial, territorial, municipal and local, foreign or other income, capital, goods and services, sales, registration and recording, harmonized sales, excise, value added, business or transfer taxes and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of transfer of the Purchased Assets, including any interest, penalties and fines associated therewith;

“Termination Date” means [REDACTED] and

“Transaction” means the purchase by the Purchaser and sale by the Receiver of all of the Receiver’s and the Arc Groups’ right, title and interest, if any, in and to the Purchased Assets contemplated by this Agreement.

Section 1.2 Currency

All references in this Agreement to monetary amounts, unless indicated to the contrary, are to the currency of Canada.

Section 1.3 Governing Law

This Agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario. Each Party hereto irrevocably submits to the non-exclusive jurisdiction of the Court supervising the Receivership Proceedings with respect to any matter arising hereunder or relating hereto.

Section 1.4 Singular, Plural and Gender

Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.

Section 1.5 Certain Words

In this Agreement, the words **“including”** and **“includes”** means **“including (or includes) without limitation”**, and **“third party”** means any Person who is not a Party.

Section 1.6 Headings and Table of Contents

The headings and any table of contents contained in this Agreement, including the separation of this Agreement into articles, sections, subsections, paragraphs and clauses, are for convenience of reference only, and shall not affect the meaning or interpretation.

Section 1.7 Statutory References

All references to any statute is to that statute or regulation as now enacted or as may from time to time be amended, re-enacted or replaced and includes all regulations made thereunder, unless something in the subject matter or context is inconsistent therewith or unless expressly provided otherwise in this Agreement.

Section 1.8 Actions to be Performed on a Business Day

Whenever this Agreement provides for or contemplates that a covenant or obligation is to be performed, or a condition is to be satisfied or waived on a day which is not a Business Day, such covenant or obligation shall be required to be performed, and such condition shall be required to be satisfied or waived on the next Business Day following such day.

ARTICLE 2 AMENDED AND RESTATED

Section 2.1 Amended and Restated Agreement

This Agreement amends and restates the Initial Agreement in its entirety.

ARTICLE 3 PURCHASE AND SALE

Section 3.1 Purchased Assets

On the Closing Date and subject to the terms and conditions of this Agreement (which conditions, for greater certainty, include the issuance of the Approval and Vesting Order), the Receiver hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase from the Receiver, the undertaking and certain of the property and assets of every kind and description and wheresoever situate, of the Arc Group, which for certainty does not include the Excluded Assets (collectively, the "**Purchased Assets**"), being:

- (a) All machinery, equipment, technology and communications hardware and infrastructure, furniture, furnishings and accessories, parts and supplies of all kinds including office supplies, including Arc Studio Assets, including, without limitation, those set out in Schedule 3.1(a);
- (b) All trucks, cars and other vehicles, including, without limitation, those set out in Schedule 3.1(b) ;
- (c) All inventories and Receivables, including, without limitation, those set out in Schedule 3.1(c);
- (d) All prepaid expenses, including, without limitation, those set out in Schedule 3.1(d);

- (e) (i) All rights under those Contracts, including leases of personal property, set out in Schedule 3.1(e); (ii) all rights related to the Projects set out in Schedule 3.1(e) or which the Purchaser advises the Receiver in writing no later than the Effective Time that it intends to acquire (the “**Assigned Projects**”); and (iii) all rights related to any other Contract, including a lease of personal property, which the Purchaser advises the Receiver in writing no later than the Effective Time that it intends to acquire ((i) to (iii) collectively, the “**Assigned Contracts**”). In all cases, subject to Section 3.6, the transfer by the Receiver to the Purchaser of any claim, right or benefit arising under or resulting from such Assigned Contracts shall be subject to obtaining all necessary approvals, consents and waivers;
- (f) All authorizations, to the extent transferable, including, without limitation, those set out in Schedule 3.1(f);
- (g) The real estate lease rights to 364 Richmond Street West, Toronto, Ontario, as amended by agreement between the Landlord and the Purchaser, as more particularly set out in Schedule 3.1(g);
- (h) All intellectual property rights, including Arc Technology and owned software, including, without limitation, those set out in Schedule 3.1(h);
- (i) All social media accounts, including, without limitation, those set out in Schedule 3.1(i);
- (j) All Books and Records, except those related to excluded assets or taxes, including, without limitation, those set out in Schedule 3.1(j);
- (k) All Claims, including, without limitation, those set out in Schedule 3.1(k); and
- (l) Goodwill, including the right to use the names of each of the members of the Arc Group.

Section 3.2 Purchase Price

The consideration payable by the Purchaser to the Receiver for the Purchased Assets is [REDACTED] (the “**Purchase Price**”). The Purchase Price shall be paid and satisfied on Closing by providing a wire transfer payment in the amount of the Purchase Price less the Deposit. For greater certainty, the Purchaser allocates no part of the Purchase Price to any personal property or real property leases.

Section 3.3 Excluded Assets.

- (1) The Purchased Assets shall not include any of the following assets (collectively, the “**Excluded Assets**”):

- (a) Existing rights to Arc Tax Credits. Specifically, Purchaser shall not have the right to collect, receive or be compensated in respect of any Arc Tax Credits received or receivable by the Arc Group in respect of any and all projects which the Arc Group provided production services for the period up to and including August 9, 2016; in the this regard, effective upon Closing, the Purchaser grants to Receiver (and any designee or agent of Receiver) a fully paid up irrevocable, non-exclusive license in perpetuity to use any Arc Group entity's name under which such entity conducts business solely for the purpose making such filings, analysis, and the like relating to any Tax Credit filings;
 - (b) Any real property leases which are not Purchased Assets, including the real estate lease at 134 Peter Street, Toronto, Ontario;
 - (c) Corporate minute books and shares of any member of the Arc Group;
 - (d) Projects listed on Schedule 4 hereto and any of the Projects listed on Schedule 3 which are not Assigned Projects;
 - (e) Any Contracts which are not Assigned Contracts; and
 - (f) Any other Assets of the Arc Group the Purchaser disclaims at or after Closing.
- (2) If, at any time before 5:00 p.m. on the date that is [REDACTED] following the Closing Date, the Purchaser or an Affiliate of the Purchaser enters into a Contract or other arrangement to provide services that are substantially the same as the services that would have been provided pursuant to any of the Projects that are Excluded Assets pursuant to Section 3.3(1)(d) (each an "Additional Project"), and the total number of Assigned Projects and Additional Projects is greater than [REDACTED] Projects, the Purchaser will pay to the Receiver [REDACTED] for such Additional Project (each such payment, an "Additional Payment"). The Additional Payment shall be paid and satisfied ten (10) business days following the date the agreement governing the applicable Additional Project is entered into by providing a wire transfer payment in the amount of the Additional Payment. Notwithstanding the foregoing, the Purchaser shall not be obligated to pay any Additional Payments (or any part thereof) that, when added to the Purchase Price and any other prior Additional Payments, would exceed [REDACTED]

Section 3.4 Assumed Liabilities.

Subject to Closing, the Purchaser agrees to discharge, perform and fulfil the following obligations and liabilities of the Arc Group with respect to the Business and the Purchased Assets as and from the Closing Date (collectively, the "Assumed Liabilities"):

- (a) all obligations and liabilities of the Arc Group relating to the Purchased Assets (other than the Assigned Contracts) arising in respect of the period after the Effective Time;

- (b) all obligations and liabilities under the Assigned Contracts, to the extent assigned to the Purchaser, arising in respect of the period after the Closing Date and not related to any default existing at, prior to or as a consequence of Closing; and
- (c) all other obligations and liabilities expressly assumed under this Agreement.

Section 3.5 Excluded Liabilities

The Purchaser shall not assume and shall have no obligation to discharge, perform or fulfil any and all Excluded Liabilities. “**Excluded Liabilities**” means any and all liabilities and obligations of the Receiver or with respect to the Business or the Purchased Assets, whether known, unknown, direct, indirect, absolute, contingent or otherwise or arising out of facts, circumstances or events, in existence on or prior to the Closing Date, other than the Assumed Liabilities, including:

- (a) all liabilities incurred, accruing or due prior to the Closing Date (or thereafter as a result of any default existing at, prior to or as a consequence of Closing) under the Assigned Contracts;
- (b) any obligations or liabilities in respect of the Arc Tax Credits;
- (c) all liabilities and obligations under any Contract to which the Receiver or a member of the Arc Group is or was a party other than the Assigned Contracts;
- (d) all debt; and
- (e) all obligations and liabilities of the Receiver relating to the Excluded Assets.

Section 3.6 Non-Transferable and Non-Assignable Contracts.

- (1) To the extent that any of the Purchased Assets to be transferred to the Purchaser on the Closing, or any claim, right or benefit arising under or resulting from such Assigned Contracts (collectively, the “**Rights**”), which for greater certainty shall not include any liens or encumbrances that are extinguished or vested out pursuant to the Approval and Vesting Order, is not capable of being transferred or assigned without the approval, consent or waiver of any counterparty to the applicable Assigned Contract (a “**Counterparty**”), or if the transfer of a Right would constitute a breach of any obligation under, or a violation of, any applicable law unless the approval, consent or waiver of such Counterparty is obtained, then, except as expressly otherwise provided in this Agreement and without limiting the rights and remedies of the Purchaser contained elsewhere in this Agreement, this Agreement shall not constitute an agreement to transfer such Rights unless and until the earlier of (i) the date on which such approvals, consents or waivers have been obtained, (ii) the date on which all such Rights are transferred to the Purchaser, or (iii) the Purchaser waives its interest in transferring such Rights (the “**Hold Period**”), provided that the Purchaser shall pay to the Counterparties all costs, expenses and

other payments incurred or accruing pursuant to the Rights after the Closing and until the expiration of the Hold Period (the "Counterparty Costs"). During the Hold Period the Receiver shall hold such Rights in trust for the Purchaser without further duty or obligation to otherwise preserve or protect the Rights. The Hold Period will automatically expire [REDACTED]

[REDACTED] and the Purchaser shall forfeit any right, interest or entitlement to Rights that have not been validly transferred to the Purchaser prior to or as at the expiration of the Hold Period, and the Purchaser shall not be liable for any costs, expenses or payments incurred or accruing following the expiry of the Hold Period in respect of any such Rights. For greater certainty, the Purchaser shall not assume and shall have no obligation to discharge, perform or fulfil any liabilities and obligations incurred, accruing or due prior to the Closing Date (or thereafter as a result of any default existing at or prior to Closing) under the Assigned Contracts including the Assigned Contracts to which the Rights relate.

- (2) The Purchaser shall, on the [REDACTED] Business Day of the Hold Period, pay to the Receiver the Counterparty Costs incurred by the Receiver for the initial [REDACTED] of the Hold Period. Thereafter, the Purchaser shall pay to the Receiver the Counterparty Costs, weekly in advance based on the Receiver's commercially reasonable estimate of the Counterparty Costs for that week, which shall be paid by the Receiver to the Counterparties forthwith, for the duration of the Hold Period but not thereafter. At any time during the Hold Period at the Receiver's Discretion or upon Purchaser's request, and at the end of the Hold Period, the Receiver will provide an accounting of the total amount paid to Counterparties and the total amount paid by the Purchaser, and the parties shall settle their accounts as between each other within 10 Business Days. For the avoidance of uncertainty, the Receiver cannot warrant that a Counterparty(ies) may not be successful in seeking a lifting of the stay of proceedings during the Hold Period in order to effect a termination of a contract. The Receiver will advise the Purchaser immediately upon receiving notice of any such motion to lift the stay, and provided the Receiver considers it in the best interests of the estate to do so, will oppose the lifting of the stay.
- (3) The Purchaser agrees to indemnify and hold harmless the Receiver for all Counterparty Costs not paid by as contemplated above incurred or accruing pursuant to the Rights during the Hold Period.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations of the Receiver

The Receiver represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) The Receiver has been appointed by the Court as receiver of the Property pursuant to the Receivership Order, a copy of which is appended as Schedule 2 hereto;
- (b) Subject to the issuance of the Approval and Vesting Order, the Receiver has all necessary power and authority to enter into this Agreement and to carry out its obligations under this Agreement. This Agreement has been duly executed and delivered by the Receiver and constitutes a legal, valid and binding obligation of the Receiver enforceable against it in accordance with its terms, subject to any limitations imposed by Applicable Law;
- (c) To the knowledge of the Receiver, there is no action, suit, proceeding or Claim against the Arc Group or the Receiver that is pending or, to the Receiver's knowledge, threatened against the Arc Group or the Receiver in any court or by or before any Governmental Authority that would be reasonably expected to adversely affect the Receiver's ability to perform its obligations under this Agreement on a timely basis; and
- (d) None of the Receiver or, to the knowledge of the Receiver, the Arc Group, is a non-resident of Canada within the meaning of section 116 of the Income Tax Act.

Section 4.2 Representations of the Purchaser

The Purchaser represents and warrants to the Receiver as follows and acknowledges that the Receiver is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) The Purchaser is a corporation duly formed and validly subsisting under the laws of the jurisdiction of its formation and has the requisite power and authority to carry on its business as now conducted by it and to own its properties and assets, and is qualified to carry on business under the Applicable Laws of the jurisdictions where it carries on a material portion of its business;
- (b) The Purchaser has taken all necessary action to authorize the entering into and performance by it of this Agreement and completion of the Transaction, and the execution, delivery and performance by the Purchaser of this Agreement does not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition), result in a breach or a violation of, or conflict with, any of the terms or provisions of its constating documents or by-laws or any contracts or instruments to which it is a party or pursuant to which any of its assets or property may be affected, and will not result in the violation of any Applicable Law;
- (c) There is no action, suit, proceeding or Claim against the Purchaser that is pending or, to the Purchaser's knowledge, threatened against the Purchaser in any court or by or before any Governmental Authority that would

adversely affect the Purchaser's ability to perform its obligations under this Agreement on a timely basis; and

- (d) This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity.

Section 4.3 Limitations

With the exception of the Receiver's representations and warranties in Section 4.1 and the Purchaser's representations and warranties in Section 4.2, neither the Receiver nor the Purchaser or their Representatives have made or shall be deemed to have made any other representation or warranty, express or implied, at law or in equity, in respect of the Receiver, the Purchaser or the sale or purchase of the Purchased Assets pursuant to this Agreement.

ARTICLE 5 COVENANTS

Section 5.1 Pre-Closing Cooperation

- (a) Prior to the Closing, upon the terms and subject to the conditions of this Agreement, each of the Parties shall use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, and cooperate with each other in order to do, all things necessary, proper or advisable under Applicable Law to consummate the Transaction as soon as practicable;
- (b) Prior to the Closing, the Receiver shall promptly make available to the Purchaser, as the Purchaser may require, copies of all title documents, abstracts of title, deeds, leases, surveys, plans of survey, certificates, building plans, Contracts, agreements, studies, sketches, and reports, and such other materials and documents that the Receiver has in its possession pertaining to the Business and the Assets, for the purpose of allowing the Purchaser to investigate at its own expense the title of the Arc Group to the Purchased Assets, the condition, merchantability, extent, quality, quantity, fitness for purpose and all other aspects of the Assets; and
- (c) Each of the Receiver and the Purchaser shall promptly notify each other of the occurrence, to such Party's knowledge, of any event or condition, or the existence, to such Party's knowledge, of any fact, that would reasonably be expected to result in any of the conditions set forth in Section 7.1, Section 7.2, or Section 7.3 not being satisfied by the Termination Date.

Section 5.2 Acquisition on "As Is, Where Is" Basis

The Purchaser hereby acknowledges and agrees as follows:

- (a) The Purchased Assets are being purchased on an "as is, where is" basis as they exist at the Effective Time.
- (b) It is relying upon its own investigations and inspections in entering into this Agreement and has satisfied itself with respect to such investigations.
- (c) There is no representation, warranty or condition, express or implied, statutory or otherwise, or any kind as to the assets, including without limitation, that the present or intended use of the assets is or will be lawfully permitted, the condition, state of repair, title, outstanding liens or charges, description, fitness for purpose, merchantability, quantity, condition, defect, value and/or quality itself.

Section 5.3 Post-Closing Covenants

- (1) The Receiver hereby acknowledges, agrees and covenants that, following Closing, it will use its commercially reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, and cooperate with the Purchaser in order to do, all things necessary, proper or advisable under Applicable Law to assist the Purchaser in applying for and securing for the account of the Purchaser any Tax Credits in respect of any and all Assigned Projects, including providing or obtaining Accreditation Certificates or equivalent and providing same to Purchaser. For greater certainty, the Purchaser shall have no interest in the Arc Tax Credits or Tax Credits for Projects other than Assigned Projects, and the Receiver acknowledges and agrees that Purchaser shall be entitled to and have a beneficial interest in and to the Tax Credits in respect of the Assigned Projects for production services provided after August 9, 2016.
- (2) The Receiver and the Purchaser hereby agree that in respect of any Assigned Project (other than the [REDACTED] Project) for which filing fees remain owing to a Governmental Authority in respect of anticipated Tax Credits, some of which shall be Arc Tax Credits and some of which shall be Tax Credits the Purchaser will be entitled to following Closing, such filing fees and any direct costs incurred by the Receiver for the purpose of filing and recovering such Tax Credits for the benefit of the Purchaser shall be borne proportionately between the Receiver and the Purchaser based on the parties' respective share of the total Tax Credits estimated in respect of the Assigned Project.

**ARTICLE 6
APPROVAL AND VESTING ORDER**

Section 6.1 Approval and Vesting Order

- (a) As soon as reasonably practicable and in any case by August 15, 2016, the Receiver shall serve and file a motion, which motion shall seek, among other things, approval of this Agreement, approval of the transaction contemplated in this Agreement and the issuance of the Approval and Vesting Order;
- (b) The Receiver shall file a sealed copy of this Agreement and will seek a sealing order over this Agreement;
- (c) The Receiver shall use its commercially reasonable efforts to have the Court issue the Approval and Vesting Order;
- (d) If leave to appeal is sought, an appeal is taken or a stay pending appeal is requested with respect to the Approval and Vesting Order, the Receiver shall promptly notify the Purchaser of such leave to appeal, appeal or stay request and shall promptly provide to the Purchaser a copy of the related notice(s) or order(s) and written notice of any motion or application filed in connection with any leave to appeal or appeal from such orders; and
- (e) The Receiver shall use commercially reasonable efforts to diligently prosecute the dismissal of any motion for any such leave to appeal, appeal, or stay request.

**ARTICLE 7
CONDITIONS**

Section 7.1 Conditions for the Benefit of the Purchaser

The obligations of the Purchaser to complete the Transaction shall be subject to the satisfaction of, or compliance with, at or before the Effective Time, each of the following conditions precedent:

- (a) Sufficient acceptance of offers of employment or engagement of former employees of the Arc Group, to the Purchaser's satisfaction, shall be obtained;
- (b) All required consents, approvals and/or agreements with third parties shall be obtained, on terms satisfactory to the Purchaser acting reasonably, including necessary consents, approvals, assignments or agreements in respect of (i) any equipment leases; (ii) software agreements; and (iii) ██████████
██████████
- (c) All representations and warranties of the Receiver contained in this Agreement shall be true and correct as at the Effective Time with the same force and effect as if made at and as of such time;

- (d) The Receiver shall have complied with and performed in all material respects all of its covenants and obligations contained in this Agreement required to be performed by it prior to or by the Effective Time, including those obligations set out in Section 6.1 hereof;
- (e) The Receiver shall have delivered or caused to be delivered to the Purchaser all items referred to in Section 8.2;
- (f) Notwithstanding Section 11.15, no determination shall have been made by the Court or any other Governmental Authority, in connection with the Receivership Proceedings or otherwise, that any provisions of this Agreement are partially or completely invalid or unenforceable; and
- (g) Reaching agreement with the Landlord as contemplated in the LOI.

The foregoing conditions are for the exclusive benefit of the Purchaser and non-satisfaction or non-performance of any such condition may only be waived by the Purchaser, in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have. Any such waiver is only binding on the Purchaser if it is made in writing.

Section 7.2 Conditions for the Benefit of the Receiver

The obligations of the Receiver to complete the Transaction shall be subject to the satisfaction of, or compliance with, at or before the Effective Time, each of the following conditions precedent:

- (a) All representations and warranties of the Purchaser contained in this Agreement shall be true and correct as at the Effective Time with the same force and effect as if made at and as of such time;
- (b) The Purchaser shall have complied with and performed in all material respects all of its covenants and obligations contained in this Agreement to be performed by it before or by the Effective Time;
- (c) The Purchaser shall have delivered, or caused to be delivered to the Receiver all items referred to in Section 8.3; and
- (d) If the Purchaser assigns any of its rights or obligations arising under this Agreement in accordance with Section 11.6, the Purchaser and such assignee shall have executed and delivered to the Receiver an assignment and assumption agreement (pursuant to which the Purchaser shall remain jointly and severally liable) satisfactory to the Receiver, acting reasonably.

The foregoing conditions are for the exclusive benefit of the Receiver and non-satisfaction or non-performance of any such condition may only be waived by the Receiver, in its sole discretion, in whole or in part, at any time and from time to time without

prejudice to any other rights which the Receiver may have. Any such waiver is only binding on the Receiver if it is made in writing.

Section 7.3 Mutual Conditions

The obligations of the Parties to complete the Transaction shall be subject to the satisfaction of, or compliance with, at or before the Effective Time, each of the following conditions precedent:

- (a) The Approval and Vesting Order shall have been issued and entered by the Court and no order shall have been issued which restrains or prohibits the completion of the Transaction;
- (b) There shall be no order issued by any Governmental Authority delaying, restricting or preventing, and no pending or threatened Claim, judicial or administrative proceeding, or investigation against any Party by any Person, for the purpose of enjoining, delaying, restricting or preventing the consummation of this Transaction, or otherwise claiming that this Agreement or the consummation of the Transaction is improper or would give rise to proceedings under any Applicable Law.

The foregoing conditions are for the benefit of both Parties and non-satisfaction or non-performance of any such condition may only be waived by no less than both of them, in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which they each may have. Any such waiver is only binding on a Party if it is made in writing, however no Party shall be able to delay or prevent Closing due to non-satisfaction of these mutual conditions due to a breach of this Agreement by that Party.

ARTICLE 8 CLOSING

Section 8.1 Date, Time and Place of Closing

Closing shall take place at the Effective Time on the Closing Date at the offices of the Purchaser's Solicitors, or such other time and location as the Parties may agree upon in writing. Any tender of documents or money hereunder may be made upon the Receiver or the Purchaser or upon the solicitors acting for the Party on whom tender is desired. All proceedings to be taken and all documents to be executed and delivered by all Parties at the Closing shall be deemed to have been taken and executed simultaneously and no proceedings shall be deemed to have been taken nor documents executed or delivered until all have been taken, executed and delivered. The Parties agree that if the Purchaser has assigned only part of its rights and obligations in accordance with Section 11.6, at the Purchaser's election, the Effective Time in respect of the Purchaser and the Effective Time in respect of the permitted assignee shall take place 5 minutes apart, in the order as determined by the Purchaser in its sole and absolute discretion.

Section 8.2 Deliveries on Closing by the Receiver

At the Effective Time, the Receiver shall deliver, or cause to be delivered to the Purchaser:

- (a) A true and complete copy of the Approval and Vesting Order, as issued by the Court;
- (b) The Receiver's Certificate (as defined in the Approval and Vesting Order) executed by the Receiver;
- (c) A bring-down certificate executed by the Receiver, in a form satisfactory to the Purchaser, acting reasonably, certifying that all of the representations and warranties of the Receiver hereunder remain true and correct as of the Effective Time; and
- (d) Such other documents as may be reasonably requested by the Purchaser's Solicitors to effect or evidence Closing and the transfer of the Purchased Assets.

Section 8.3 Deliveries on Closing by the Purchaser

At the Effective Time, the Purchaser shall deliver, or cause to be delivered, to the Receiver:

- (a) A written notice of: (i) the Projects that the Purchaser will acquire pursuant to this Agreement in addition to the Projects listed in Schedule 2.1(e), if any; (ii) the Contracts that the Purchaser will acquire in addition to the Contracts listed in Schedule 2.1(e), if any; and (iii) the Contracts and other Assets that the Purchaser disclaims pursuant to Section 3.3(1)(f) and which, for greater certainty, shall constitute Excluded Assets.
- (b) The payment required by Section 3.2 against a receipt executed by the Receiver;
- (c) A bring-down certificate executed by the Purchaser, in a form satisfactory to the Receiver, acting reasonably, certifying that all of the representations and warranties of the Purchaser hereunder remain true and correct as of the Effective Time; and
- (d) Such other documents as may be reasonably requested by the Receiver's Solicitors to effect or evidence Closing and the transfer of the Purchased Assets.

Section 8.4 Post-Closing Deliveries by the Purchaser

No later than 5:00 p.m. (Toronto time) on the date that is [REDACTED] following the Closing Date, the Purchaser shall deliver, or cause to be delivered, to the Receiver one or more written notices identifying which of the Rights held in trust by the

Receiver pursuant to Section 3.6 shall be transferred to the Purchaser and which of the Rights held in trust by the Receiver pursuant to Section 3.6 the Purchaser is waiving and forfeiting its interest in.

ARTICLE 9 TERMINATION

Section 9.1 Termination

This Agreement may be terminated at any time prior to the Closing:

- (a) Subject to any required Court approval, by mutual written consent of the Receiver and the Purchaser;
- (b) Automatically and without any action or notice by either the Receiver or the Purchaser, immediately upon the issuance of a final and non-appealable order, decree, or ruling or any other action by a Governmental Authority to restrain, enjoin or otherwise prohibit the Transaction;
- (c) By either the Receiver or the Purchaser if the Closing has not occurred on or before 11:59 p.m. (Toronto time) on the Termination Date other than in the circumstances described in Section 8.1(d) and Section 8.1(e);
- (d) By the Receiver, if there has been a material violation or breach by the Purchaser of any agreement, covenant, representation or warranty of the Purchaser in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 7.2 by 11:59 p.m. (Toronto time) on the Termination Date, and such violation or breach has not been waived by the Receiver or cured by 11:59 p.m. (Toronto time) on the Termination Date, unless the Receiver is in material breach of its obligations under this Agreement, or if any condition in Section 7.2 or Section 7.3 has not been satisfied;
- (e) By the Purchaser, if there has been a material violation or breach by the Receiver of any agreement, covenant, representation or warranty of the Receiver in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 7.1 by 11:59 p.m. (Toronto time) on the Termination Date, and such violation or breach has not been waived by the Purchaser or cured by 11:59 p.m. (Toronto time) on the Termination Date, unless the Purchaser is in material breach of its obligations under this Agreement, or if any condition in Section 7.1 or Section 7.3 has not been satisfied; or
- (f) By either Party, if the conditions set forth in Section 7.3 have not been satisfied by 11:59 p.m. (Toronto time) on the Termination Date, provided that in any event the Receiver may retain the Deposit as liquidated damages.

ARTICLE 10 TAX MATTERS

Section 10.1 HST Election

The Receiver and the Purchaser shall jointly elect under section 167(1) of the ETA to have subsection 167(1.1) apply to the sale of the Purchased Assets to the Purchaser such that no HST shall be payable in respect of such sale. The Receiver and the Purchaser shall take all necessary actions in order to complete and file such valid joint election on or before the date on which the Purchaser must submit its HST return for the reporting period in which the Closing occurs. Provided that notwithstanding the foregoing, the Parties hereto hereby acknowledge and agree that any HST applicable to the sale of the Purchased Assets shall be in addition to the Purchase Price. On or before the Closing Date, the Purchaser or its permitted assignee or designee as the beneficial owner(s) of the Purchased Assets shall deliver to the Receiver a statutory declaration of a senior officer of the Purchaser or such beneficial owner(s), attaching thereto evidence of said party's HST registration number from the relevant Authority, and whereby such officer certifies that such party's HST registration number remains in full force and effect and that such party will be the legal and/or beneficial owner of the Purchased Assets. The Purchaser and any beneficial owner(s) of the Purchased Assets shall further indemnify and save harmless the Receiver from any and all HST, penalties, costs, interest or other amounts which may be payable by or assessed against the Receiver under the ETA as a result of or in connection with such parties' failure to remit any HST applicable in this transaction to the applicable Authorities.

Section 10.2 Section 22 Election.

The Purchaser and Receiver shall execute jointly an election in prescribed form under Section 22 of the Tax Legislation in respect of the Receivables and shall each file such election with their respective tax returns for their respective taxation years that include the Closing Date. The Receiver shall not be liable for any income tax that may be payable as a result of this election. Provided that nothing herein shall require the Purchaser or the Receiver to file any income tax returns that it is not otherwise required to file.

ARTICLE 11 MISCELLANEOUS

Section 11.1 Disclosure of Agreement

Each of the Parties agree that this Agreement shall be filed in the Receivership Proceedings with such redactions as are directed by the Purchaser, acting reasonably.

Section 11.2 Liability of the Parties

The Purchaser acknowledges and agrees that in all matters pertaining to this Agreement, including in its execution, Deloitte is acting solely in its capacity as Receiver of the Arc Group and, as such, its liability under this Agreement, if any, will be in its capacity as Receiver, and Deloitte and its Representatives shall have no personal or corporate liability

of any kind, whether in contract, in tort or otherwise and in no circumstance will the Receiver be liable for any consequential damages including loss of profit.

Section 11.3 Obligations to Survive

- (a) The obligations and covenants of the Parties set out in the following sections and articles of this Agreement shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties thereafter: Section 3.1, Section 3.3(2), Section 3.4, Section 3.5, Section 3.6, Section 4.3, Section 5.2, Section 5.3, Section 6.1, Section 8.4, Section 11.2, Section 11.4, Section 11.5 and Section 11.7; and
- (b) The obligations and covenants of the Parties set out in the following sections and articles of this Agreement shall survive termination of this Agreement: Section 11.2, Section 11.4, Section 11.13 and Section 11.14.

Section 11.4 Damages

Under no circumstance shall any of the Parties or their Representatives be liable for any special, punitive, exemplary, consequential or indirect damages (including loss of profits) that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the transactions contemplated herein.

Section 11.5 Further Assurances

Each of the Parties hereto from and after the date hereof shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement. The Receiver's obligations under this Section shall terminate on its discharge as Receiver.

Section 11.6 Assignment by Purchaser

The Purchaser shall be permitted to assign this Agreement or any of its rights or obligations under this Agreement to an Affiliate, provided that: (a) notice of such assignment is provided to the Receiver, (b) such assignee agrees to be bound by the terms of this Agreement, and (c) such assignment shall not release the Purchaser jointly or severally from any obligation or liability for performance of the Purchaser's obligations under this Agreement, including Closing, subject to the terms and conditions provided for in this Agreement.

Section 11.7 Change Names

As soon as reasonably practicable on or following the Closing Date (and in any event within 5 Business Days of the Closing Date), the Receiver shall cause each member of the Arc Group to discontinue use of its name and any variation thereof, except where legally required to advise that its name has been changed or to refer to the historical fact that the

Arc Group. To the extent necessary as determined by the Purchaser, acting in a commercially reasonable manner, the Approval and Vesting Order shall authorize and direct the appropriate Governmental Authority to accept such articles of amendment notwithstanding the insolvency of the Arc Group.

Section 11.8 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to its subject matter, and supersedes any and all prior negotiations, understandings and agreements between the Parties. This Agreement may not be amended or modified in any respect except by written instrument signed by the Parties. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and the Purchaser shall acquire all of the Receiver's and the Arc Group's right, title and interest, if any, in and to the Purchased Assets on an "as is, where is" basis. Any cost estimates, projections or other predictions contained or referred to in any other material that has been provided to the Purchaser or any of its Representatives are not and shall not be deemed to be representations or warranties of the Receiver or any of its Representatives. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver constitute a waiver or continuing waiver unless otherwise expressly provided in writing duly executed by the Party to be bound thereby.

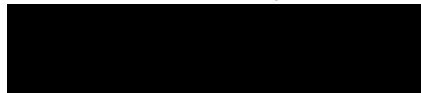
Section 11.9 Time of the Essence

Time shall be of the essence of this Agreement.

Section 11.10 Notices

Any notice, demand or other communication required or permitted to be given to any Party hereunder shall be given in writing and addressed as follows:

- (a) In the case of the Receiver:
Deloitte Restructuring Inc.
Bay Adelaide East
22 Adelaide Street West Suite 200
Toronto, ON M5H 0A9
Attention: Paul Casey



And with a copy to the Receiver's Solicitors:

Goldman Sloan Nash & Haber LLP
480 University Avenue Suite 1600
Toronto, ON M5G 1V2

Attention: Mario Forte
Fax: 416-597-3370
Email: forte@gsnh.com

- (b) In the case of the Purchaser:
Jam Filled Entertainment (Toronto) Inc.
595 Adelaide Street East
Toronto, ON M5A 1N8
Attention: Chief Executive Officer



And with a copy to the Purchaser's Solicitors:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, ON M5L 1B9

Attention: Simon Romano and Kathryn Esaw
Fax: 416-947-0866
Email: sromano@stikeman.com and kesaw@stikeman.com

Any such notice, if personally delivered (including courier delivery), shall be deemed to have been validly and effectively given and received on the Business Day of such delivery provided such notice is received before 4:00 p.m. (addressee's local time); and if such notice is received after 4:00 p.m. (addressee's local time) or if the notice is sent by facsimile or other electronic communication, such notice shall be deemed to have been validly and effectively given and received on the Business Day next following the day it was received.

Section 11.11 Solicitors and Agents and Tender

Any notice, approval, waiver, agreement, instrument, document or communication permitted, required or contemplated in this Agreement may be given or delivered and accepted or received by the Purchaser's Solicitors on behalf of the Purchaser and by the Receiver's Solicitors on behalf of the Receiver, and any tender of closing documents and the Purchase Price may be made upon the Receiver's Solicitors and the Purchaser's Solicitors, as the case may be.

Section 11.12 Successors and Assigns

This Agreement shall be binding upon, and enure to the benefit of, the Parties hereto and their respective successors and permitted assigns.

Section 11.13 No Brokers

It is understood and agreed that the Purchaser shall not be liable for any commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for the Receiver.

Section 11.14 Third Party Beneficiaries

Each Party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties hereto and their successors and permitted assigns, and no Person, other than the Parties hereto and their successors and their permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum, save and except in the event of any action, suit, proceeding, hearing or other forum as it pertains to matters of confidentiality and any particular Representative in connection therewith.

Section 11.15 Severability

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

Section 11.16 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or other electronic means of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

Section 11.17 No Strict Construction

The parties have participated jointly in the negotiation and drafting of this Agreement. In the event any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties, and no presumption or burden of proof shall arise favouring or disfavouring either Party by virtue of authorship of any provision of this Agreement.

[Remainder of Page Intentionally left blank. Signature Page Follows]

IN WITNESS WHEREOF this Agreement has been properly executed by the Parties hereto as of the date first above written.

DELOITTE RESTRUCTURING INC., solely in its capacity as the Court-appointed Receiver of **ARC PRODUCTIONS LTD.** et al, and not in its personal capacity or corporate capacity

Per: P. Casey
Name:
Title:

I have authority to bind the Receiver.

**JAM FILLED ENTERTAINMENT
(TORONTO) INC.**

Per: [Signature]
Name:
Title:

Per: _____
Name:
Title:

We have authority to bind the Purchaser.

List of Schedules

Schedule 1	Arc Productions Ltd. Affiliated Entities
Schedule 2	Receivership Order
Schedule 3.1(a)	- Tangible Assets
Schedule 3.1(b)	- Vehicles
Schedule 3.1(c)	- Inventories and Accounts Receivable
Schedule 3.1(d)	- Prepaid Expenses
Schedule 3.1(e)	- Contract Rights
Schedule 3.1(f)	- Authorizations
Schedule 3.1(g)	- Real Estate Lease Rights
Schedule 3.1(h)	- Intellectual Property Rights
Schedule 3.1(i)	- Social Media
Schedule 3.1(j)	- Books and Records
Schedule 3.1(k)	- Claims
Schedule 3	List of Projects
Schedule 4	List of Excluded Projects

Schedule 1
Arc Productions Ltd. Affiliated Entities

Arc Holdings Inc.

Arc Investments Ltd.

Dark Crystal Productions Inc.

Kick Productions Ltd.

In the Jungle Productions Ltd.

TF I Productions Inc.

BL II Productions Inc.

Arcadia Productions Ltd.

Eggs Ltd.

Princess Productions Inc.

Underzoo Productions Inc.

Hole in the Belly Productions Ltd.

Sir Simon Production Ltd.

Samurai Productions Ltd

**Schedule 2
Receivership Order**

[See attached]

Schedule 3.1(a)
Tangible Assets

Manufacturer	Hardware Model
Avocent	AutoView
HP	Procurve 8212zl
Avocent	AutoView
Barracuda	Spam/Virus Firewall 300
Barracuda	Spam/Virus Firewall 300
Bosch	Divar Security Recorder
Cisco	2921
Cisco	3750
Cisco	3845-MB
Cisco	4400 Wireless LAN Controller
Pala Alto	PA-3020
Brocade	200E
SGI	Altix xe250
Spectra Logic	T380
Hitachi	AMS Controller
Hitachi	AMS Storage Shelf
Hitachi	AMS Storage Shelf
Hitachi	AMS Storage Shelf
Netgear	16 Port Hub
Avere	FXT3850
Avere	FXT3850
Avid	Isis
Brocade	6505
Dell	Force10 S25
Quantum	StorNext M440
Quantum	StorNext M440
Quantum	StorNext Storage Controller
Quantum	StorNext Storage Tray
Quantum	StorNext Storage Tray
Quantum	StorNext Storage Tray
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Pillar	Axiom Brick
Pillar	Axiom Pilot
Pillar	Axiom Slammer
Avocent	KVM Switch
HP	DL160G6
HP	DL380G6
HP	DL380G6
HP	DL380G6
HP	DL380G6
HP	DL380G6
HP	DL380G7
HP	DL380G7
HP	DL380G7
HP	DL380G7
HP	StorageWorks Drive Tray
Aberdeen	S16F-G1840 Storage Array
Dell	PowerEdge R720
HP	Monitor & Keyboard on Shelf
IBM	xSeries 335
IBM	xSeries 336
IBM	xSeries 336
SGI	Altix xe250
SGI	Altix xe250
SGI	Altix xe250
SGI	Altix xe250
SGI	Altix xe250
SGI	Altix xe310
SuperMicro	Generic Server
SuperMicro	Generic Server

Schedule 3.1(b)
Vehicles

[Intentionally blank.]

Schedule 3.1(c)
Inventories and Accounts Receivable

[Intentionally blank.]

Schedule 3.1(d)
Prepaid Expenses

[Intentionally blank.]

Schedule 3.1(e) Contract Rights

Projects

1. [REDACTED] Animation services for the series [REDACTED] pursuant to the Production Services Agreement, dated August 11, 2014, between Arc Productions Ltd. [REDACTED].
2. [REDACTED] Animation services for the 8 part mini-series [REDACTED] pursuant to a Production Agreement, dated April 1, 2015, between Arc Productions Ltd. [REDACTED]
[REDACTED]

Equipment Lease Agreements and Software and Technology Licensing Agreements

1. Master Lease and Financing Agreement, dated July 9, 2015, between NFS Leasing Canada Ltd., Scalar Decisions Inc. and Arc Productions Inc.
2. Lease Agreement, dated August 19, 2015, between Arc Productions Ltd, NFS Leasing Canada Ltd. and Scalar Decisions Inc.
3. Lease Agreement, dated November 3, 2015, between Arc Productions Ltd, NFS Leasing Canada Ltd. and Scalar Decisions Inc.
4. Lease Agreement, dated January 26, 2016, between Arc Productions Ltd, NFS Leasing Canada Ltd. and Scalar Decisions Inc.
5. Lease Agreement, dated March 1, 2016, between Arc Productions Ltd, NFS Leasing Canada Ltd. and Scalar Decisions Inc.
6. Master Managed Services Agreement dated May 11, 2015 between Arc Productions Ltd. and Scalar Decisions Inc.
7. [Assignment of Purchase Order, this agreement is between Arc Productions Ltd; NFS Leasing Canada Ltd and Scalar Decisions Inc., it is dated January 26, 2016.
8. Master Lease and Financing Agreement dated March 30, 2011 between HP Financial Services and Starz Media, and all documents evidencing the assignment of the Master Lease and Financing Arrangement to Arc Productions Ltd., and all schedules thereto, including. We only want HP-8, HP-10, HP-12HP-13. We do not need the rest of the schedules
9. Autodesk License and Services Agreement between Autodesk and Arc Productions Ltd.
10. License Agreement dated June 26, 2013, between Shotgun Software and Arc Productions Ltd.

11. All agreements, including license and lease agreements, pertaining to the following software (to the extent not covered by the agreements set out above as items 1 to 17 under Equipment Lease Agreements and Software and Technology Licensing Agreements heading of this Schedule 2.1(e)):

Software	Licenses	Versions	Receiver
Harmony Premium	1	12	Toonboom
Maya	210	2015	Autodesk
Shotgun	250	6.xx	Autodesk
Arnold renderer	150		Autodesk
Mental Ray	550	??	Autodesk
Pipeline FX QUBE	350		Pipeline FX
Renderman Pro Server	21	667	Pixar
Renderman Studio	21	667	Pixar
Mari	16	2017	The Foundry
Nuke Interactive	48	2017	The Foundry
Nuke Interactive	38	2016	The Foundry
Nuke Interactive	48	2013-2015	The Foundry
Nuke Render	150	2017	The Foundry
Nuke Render	150	2016	The Foundry
Nuke Render	150	2013-2015	The Foundry
NukeX Assist	10	2017	The Foundry
NukeX Interactive	5	2017	The Foundry
NukeX Interactive	5	2016	The Foundry
NukeX Interactive	5	2013-2015	The Foundry
MODO 801	1	801	The Foundry
Houdini Batch	5	13	SideEffects Software
Houdini Local (floating)	12	13	SideEffects Software
Houdini Workstation - Node locked	2	13	SideEffects Software
Houdini Render	532	13	SideEffects Software
Goleam Crowd	3	5	Golaem
Goleam Crowd Layout	2	5	Golaem
sapphire OFX	3	4.2	GenArts
Fusion GUI	73	6	Black Magic Design
Fusion Render	700	6	Black Magic Design
RealFlow	5	1	Next Limit Technologies
Reel Smart Motion Blur -Fusion Full	12	4	RE: Vision Effects
Reel Smart Motion Blur -Fusion Render	40	4	RE: Vision Effects
Reel Smart Motion Blur -ofx full	10	5	RE: Vision Effects
Reel Smart Motion Blur -ofx render	50	2	RE: Vision Effects
Fume FX Fire plugin	3		After Works

Fume FX render	70		After Works
SpeedTree Modeler Cinema	1	7	Speed Tree
SpeedTree Modeler Studio	2	7	Speed Tree
Storyboard Pro	24	4.2	Toonboom
Topogun	1	302	Topogun
UV Layout	10	2	Headus
Vue Xstream Interactive	11	12-Oct	E-On
Vue Xstream License Server	1	2015	E-On
Vue Xstream Render	58	20-12	E-On
Vue Plant Factory	1		E-On
Carbon Scatter Pro			E-On
Neat Video Noise reduction Plug in	Site		Digital River
Zbrush	25	4R7	Pixologic
Substance Designer	40	Version: 5.4.0.17854	Allergorithmic
Substance Painter	49	Version: 1.7.3.1080	Allergorithmic
Substance Database	1		Allergorithmic
B2M2	40	Version: 2.1.2.12446	Allergorithmic
Netvault Tape backup software	1		Dell
MS Visual Studio (developers)	6		MS OVL
Symantec Anti virus -(desktop)	350		Symantec
Scratch - Playback Screening	2		Assimilate
Adobe Creative Cloud			
cineSync	2		Cospective
Avid Media Composer Support	14		Avid
MS Win Server 2012	1		Microsoft
Attunity Digital Transfer	1		RepliWeb

**Schedule 3.1(f)
Authorizations**

[Intentionally blank.]

Schedule 3.1(g)
Real Estate Lease Rights

1. The Net Office Lease between Arc Productions Ltd [REDACTED] for the property located at 364 Richmond Street West; Description: Part Lot 17-18 Plan 1B Toronto Designated as PARTS 2 & 3 66r25893; T/W Easement Over PART 5 ON Plan 66R22780 As in Lt93029; Together with an easement over parts 5 & 6 plan 66r25893 until such time as the said parts 5 & 6 have been dedicated for public lane purposes as in AT3083272; City of Toronto; Landlord: 1302207 Ontario Limited; Address of Landlord, 520 King Street West, Suite 300, Toronto Ontario M5V 1L7.

Schedule 3.1(h) Intellectual Property Rights

1. Arc Productions Ltd. Domain Name:
<http://arcproductions.com/>
2. Arc Productions Ltd. Facebook Page:
<https://www.facebook.com/Arc-Productions-219230164759377/>
3. Arc Productions Ltd. Twitter Page:
@arcproductions
4. Arc Productions Ltd. Instagram Page:
<https://www.instagram.com/explore/locations/217615343/>
5. Arc Productions Ltd. YouTube Channel:
<https://www.youtube.com/user/Ormiewantsacookie>
6. Arc Productions Ltd. Logo.



7. All names under which any Arc Group entity does business including, but not limited to: Dark Crystal Productions Inc.; Kick Productions Ltd; In the Jungle Productions Ltd; TF I Productions Inc.; BL II Productions Inc.; Arcadia Productions Ltd; Eggs Ltd; Princess Productions Inc.; Underzoo Productions Inc.; Hole in the Belly Productions Ltd; Sir Simon Production Ltd and Samurai Productions Ltd.

Schedule 3.1(i)
Social Media

1. Arc Productions Domain Name:
<http://arcproductions.com/>
2. Arc Productions Facebook Page:
<https://www.facebook.com/Arc-Productions-219230164759377/>
3. Arc Productions Twitter Page:
@arcproductions
4. Arc Productions Instagram Page:
<https://www.instagram.com/explore/locations/217615343/>
5. Arc Productions YouTube Channel:
<https://www.youtube.com/user/Ormiewantsacookie>

Schedule 3.1(j)
Books and Records

Specifically excluding such book and records necessary to permit Receiver to collect the Arc Tax Credits. Where it is impractical to exclude any such records, Purchaser will permit Receiver (or its agent or designee) unfettered and timely access to such books and records as may be necessary or required in the Receiver's sole discretion, acting reasonably to file and to prosecute claims for and collect Arc Tax Credits.

**Schedule 3.1(k)
Claims**

[Intentionally blank.]

