

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
Commercial Division

No.: 500-11-060613-227

IN THE MATTER OF THE PLAN OF
ARRANGEMENT AND COMPROMISE OF:

RISING PHOENIX INTERNATIONAL INC.

- and -

10864285 CANADA INC.

- and -

11753436 CANADA INC.

- and -

CDSQ IMMOBILIER INC.

- and -

COLLÈGE DE L'ESTRIE INC.

- and -

**ÉCOLE D'ADMINISTRATION ET DE
SECRÉTARIAT DE LA RIVE SUD INC.**

- and -

9437-6845 QUÉBEC INC.

- and -

9437-6852 QUÉBEC INC.

Applicants

- and -

RICHTER INC.

Monitor

AMENDED INVENTORY OF EXHIBITS

Exhibit R-1: Transition Services Agreement (Under seal);

Exhibit R-2: Exposé des faits amendé (ISI) (Under seal);

Exhibit R-3 : Hypothec 26 882 226.

MONTREAL, April 13th, 2022

Kaufman

KAUFMAN LAWYERS LLP
Attorneys for the Applicants

N°: 500-11-060613-227

SUPERIOR COURT
(Commercial Division)
DISTRICT OF MONTREAL
PROVINCE OF QUÉBEC

RISING PHOENIX INTERNATIONAL INC. AND AL.
Debtors
-and-
RICHTER ADVISORY GROUP INC.
Monitor

AMENDED INVENTORY OF EXHIBITS

TRUE COPY

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(BK0574)

DEED OF HYPOTHEC

IN THE YEAR TWO THOUSAND TWENTY-ONE (2021), ON THE EIGHTH (8TH) DAY OF DECEMBER.

BEFORE Mtre **Kay-Sandra BOYER**, Notary, practicing in the City of Sherbrooke, District of Saint-François, Province of Québec.

APPEARED:

RISING PHOENIX INTERNATIONAL INC., a legal person duly constituted under the *Canada Business Corporations Act*, registered at the Registre des entreprises (Québec) under number 1172583222, having its head office at 2140, de la Montagne Street, 3rd Floor, Montreal, Québec, H3G 1Z7, herein represented by Caroline Bonneville, its president and sole director, duly authorized for the purposes hereof in virtue of a resolution of its sole director dated as of this day, a certified copy of which remains annexed to the original of these presents after having been acknowledged as true and signed for identification by the said representative in the presence of the undersigned notary;

(herein referred to as the “**Creditor**”)

AND:

11753436 CANADA INC., a legal person duly constituted under the *Canada Business Corporations Act*, registered at the Registre des entreprises (Québec) under number 1175031039, having its head office at 2140, de la Montagne Street, Montreal, Québec, H3G 1Z7, herein represented by Joseph Mastantuono, its President and sole director, duly authorized for the purposes hereof in virtue of a resolution of its sole director dated as of this day, a certified copy of which remains annexed to the original of these presents after having been acknowledged as true and signed for identification by the said representative in the presence of the undersigned notary;

(herein referred to as the “**Grantor**”)

WHO HAVE DECLARED AND AGREED AS FOLLOWS:

1. DECLARATIONS

The Grantor hereby acknowledges to be indebted, at the date hereof, towards the Creditor.

The Creditor hereby acknowledges that it is or may be indebted for an amount up to one million six hundred thirty-four thousand five hundred forty-two dollars (\$1,634,542) (the “**Debt**”) to third parties being student candidates that have applied to study at Les Consultants 3 L M Inc. (operating under the name *Institut supérieur d’informatique ISI*) (“**ISI**”) as follows:

- a) One hundred seven (107) student candidates who received education services from ISI and have presented a request to obtain a refund of fees collected by the Creditor as per its Agreement with ISI (subject to a refund policy) for a total of one million one hundred fifty-four thousand six hundred seventy-seven dollars (\$1,154,677); and
- b) Thirty-three (33) student candidates who (i) have deposited with the Creditor an amount totaling four hundred seventy-nine thousand eight hundred sixty-five dollars (\$479 865), (ii) are currently waiting for a decision on their immigration visa and (iii) may become active students of ISI or require a refund that may be subject to a refund policy.

2. PRINCIPAL HYPOTHEC

To secure the obligations described in Section 3 hereinafter, the Grantor hypothecates the following immovable property for the principal amount of **one million six hundred and thirty-five thousand dollars (\$1,635,000)**, and interest at the rate of twenty-five percent (25%) per annum from the date hereof:

DESCRIPTION

An immovable property known and designated as lot number **ONE MILLION SIX HUNDRED TWENTY-ONE THOUSAND TWO HUNDRED SEVENTY-FOUR (1 621 274)** of the Cadastre of Québec, Registration Division of Hull.

The property is bearing civic number 115, Champlain Street, Gatineau, province of Québec, J8X 3R1.

(herein referred to as the “**Immovable**”)

The Grantor also hypothecates the following property for the principal amount (and interest) indicated in this Section 2 hereinabove:

- a) all present and future rents and revenues of the Immovable;
- b) all present and future movable property which is now or hereafter physically attached or joined to the Immovable;
- c) the indemnities payable under all insurance policies covering the Immovable.

The Immovable and the other property mentioned hereinabove are collectively called the “**Hypothecated Property**”.

3. OBLIGATIONS SECURED

This hypothec is granted to secure the obligations of the Creditor in respect to the Debt and also all the obligations of the Grantor toward the Creditor.

4. REPRESENTATIONS OF THE GRANTOR

The Grantor represents and warrants the following:

- a) The Grantor owns the Immovable and the Hypothecated Property is free and clear of all real rights, hypothecs, security or collateral in favour of third parties other than the following:
 - A hypothec in favor of *Firm Capital Mortgage Fund Inc.*, a copy of which was registered at the land registry office of the Registration Division of Hull, on April 15, 2021, under number 26 216 044 which will continue to affect the Immovable.
- b) The rents and revenues of the Immovable have not been assigned to any third party.
- c) More than six (6) months have elapsed since the Immovable underwent any construction, reconstruction or renovation, except as disclosed to the Creditor in writing, where applicable.
- d) All the property taxes (municipal and school taxes) due as the date hereof have been paid.
- e) The Immovable is duly insured against usual risks, damages and responsibility.

5. COVENANTS OF THE GRANTOR/DEBTOR

The Grantor shall deliver to the Creditor, on demand, a copy of all leases relating to the Immovable and shall furnish any and all information regarding the rents of the Immovable.

The Grantor shall pay, when due, all duties, taxes and charges relating to the Hypothecated Property, as well as any debt which could rank prior to the hypothec constituted hereby and will furnish to the Creditor, on demand, evidence that the payments stipulated in this paragraph have been made. If required by the Creditor, the Grantor undertakes to pay to the Creditor, at the frequency it stipulates, a provision for the payment of property taxes, and this provision is hypothecated with delivery and control in the hands of the Creditor for the amount provided for in Section 2, and for further securing the Debtor's obligations under Section 3 of this Deed of Hypothec and under this Section 5.

The Grantor shall insure the Hypothecated Property and keep it constantly insured for its full insurable value against loss or damage by theft, fire and all other perils against which a diligent administrator would insure the Hypothecated Property. The Grantor shall also obtain insurance covering loss of revenue resulting from loss of or damage to the Hypothecated Property and covering machinery breakdowns, as applicable. The Creditor is hereby designated as the beneficiary of the indemnities payable under such policies. The Grantor shall cause such designation to be inscribed in the policies, which must also contain the customary protection clauses for hypothecary creditors in the form approved by the Insurance Bureau of Canada. The Grantor shall provide the Creditor with a copy of each policy and, at least thirty (30) days prior to the expiration or cancellation of a policy, with evidence of the renewal or replacement thereof.

The Grantor shall do all things and sign all documents necessary for the hypothec constituted hereunder to have full effect and be perfected and constantly enforceable against third parties.

The Grantor shall adequately protect and maintain the Hypothecated Property and exercise its activities in such a manner as to preserve the value thereof. The Grantor shall fully comply with all laws and regulations applicable to the operation of its enterprise and to the Hypothecated Property, including environmental laws and regulations.

The Grantor shall keep all books, records and accounts that a diligent administrator would keep with respect to the Hypothecated

Property and shall permit the Creditor to examine said books, records and accounts and obtain copies of same.

The Grantor shall keep the Hypothecated Property free and clear of all real rights, hypothecs, mortgages and security interest, save and except those to which the Creditor has consented in writing. The Grantor shall not assign the rents or revenues of the Immovable, in whole or in part, and shall not give any release in advance of more than one (1) month's rent.

The Grantor shall not dispose of the Hypothecated Property or lease same on terms inferior to market conditions, without the prior written consent of the Creditor. The Grantor shall remain liable for the payment of the obligations secured hereunder, and this Deed of Hypothec shall remain in full force and effect notwithstanding any disposal.

The Debtor and the Grantor being corporations, no changes to them effective control are allowed, and they shall not amalgamate with another person nor commence dissolution or winding-up proceedings, without the written consent of the Creditor.

The Grantor shall neither change the use, destination or nature of the Hypothecated Property nor allow any construction or renovation work to be performed on the immovable without the prior written consent of the Creditor.

The Grantor and the Debtor shall furnish to the Creditor all information reasonably required by it to allow the Creditor to verify if the Grantor or the Debtor is in compliance with the covenants contained herein. The Grantor shall inform the Creditor of any fact or event which could adversely affect the value of the Hypothecated Property or the financial condition of the Grantor.

The Grantor shall pay, on demand, the amount of any loss suffered by the Creditor because of a prepayment of all or part of the principal of the obligations secured hereunder, regardless of the cause of such prepayment (including if the repayment was made following an event of default). The amount of such loss shall form part of the obligations secured.

The Grantor shall pay all costs related hereto and to any legal opinion the Creditor may require with respect to the validity and rank of the hypothec constituted hereunder.

The Grantor shall furnish to the Creditor, on demand, a certificate of location of recent date addressed to the Creditor.

The Grantor shall reimburse the Creditor for all costs and expenses incurred by the Creditor to exercise its rights or to fulfil the covenants of the Grantor or Debtor, with interest at the annual prime rate of the Creditor in effect from time to time, plus 3%. The annual prime rate of the Creditor is the annual rate it announces as its reference rate for determining the interest rate on loans made in Canadian dollars by the Creditor in Canada.

6. RIGHTS OF THE CREDITOR

The Creditor may, from time to time and at the Grantor's expense, inspect the Hypothecated Property or have it appraised. The Grantor shall permit the Creditor to have access to the Hypothecated Property for such purpose.

The Creditor may, without being bound to do so, fulfil any or all of the covenants made by the Grantor or the Debtor hereunder or under any document evidencing the obligations secured herein.

The Grantor may collect all rents and revenues of the Immovable until the Creditor withdraws its authorization for the Grantor to do so. Upon such withdrawal, the Creditor may collect such rents and revenues and shall be entitled to a reasonable commission which it may deduct from any amounts collected.

If the Creditor has possession of the Hypothecated Property, it shall have no obligation to maintain the use for which such property is normally intended, to make it productive or to continue its use or operation.

The Grantor and the Debtor constitute and appoint the Creditor their irrevocable mandatary or attorney, with power of substitution, in order to perform any act and to sign any document necessary or useful for the exercise of the rights conferred on the Creditor hereunder.

The rights conferred on the Creditor under this Section 5 may be exercised by the Creditor irrespective of whether the Grantor or the Debtor is or is not in default hereunder.

7. DEFAULTS AND REMEDIES

The Grantor and the Debtor shall be in default in each and every one of the following events:

- a) If any or all of the obligations secured hereunder are not discharged when due;

- b) If any of the representations made in Section 3 is untrue;
- c) If the Grantor or the Debtor fails to fulfil any of its covenants hereunder;
- d) If the Grantor or the Debtor is in default under any other contract or agreement between it and the Creditor or under any other hypothec or security interest encumbering the Hypothecated Property;
- e) If the Grantor or the Debtor ceases to carry on its activities and/or to operate the immovable or its business, or becomes insolvent or Creditrupt; or
- f) If any or all of the Hypothecated Property is seized or is subject to a taking of possession by a creditor, a receiver or any other person performing similar duties.

Upon the Grantor's or the Debtor's default, the Creditor may terminate any obligation it may have to grant credit or make advances to the Debtor and declare the obligations secured hereunder to be exigible if not yet due and payable. The Creditor may also exercise all legally available remedies, including realizing on its hypothec and enforcing the hypothecary rights provided in the *Civil Code of Québec*.

Upon the Grantor's or the Debtor's, the Creditor may use and manage the Hypothecated Property at the Debtor's expense with full authority to grant new leases or renew existing leases upon such terms and conditions as the Creditor may deem appropriate. The Creditor may also make accommodations or transact with the debtors of the rents and revenues of the immovable and may grant releases and discharges.

8. ADDITIONAL HYPOTHEC

To secure the payment of interest not already secured by the hypothec created in Section 2 and to further secure the discharge of the obligations hereunder, the Grantor hypothecates the Immovable and all other property described in Section 2 for an additional amount equal to twenty percent (20%) of the principal amount of the hypothec set forth in Section 2.

9. GENERAL PROVISIONS

The hypothec created hereunder is in addition to and not in substitution for any other hypothec or security interest held by the Creditor.

In each case provided in Section 6, the Debtor and the Grantor shall be in default by the mere lapse of time, without the necessity of any notice or demand.

Any sum collected by the Creditor in the exercise of its rights may be held by the Creditor as Hypothecated Property or may be applied to the payment of the obligations secured hereby, whether or not due. The Creditor shall have discretion as to how any such collected sum shall be applied.

The Creditor shall not be bound to exercise its rights hereunder and shall not be liable for the non-exercise of such rights. The Grantor undertakes to do all things in its power to ensure that the lessees of the Immovable regularly pay their rent, and the Creditor shall have no obligation to inform the Grantor of any payment irregularity of which it is aware.

The exercise by the Creditor of its rights shall not preclude the Creditor from exercising any other rights. All the rights of the Creditor are cumulative and not alternative. The failure of or forbearance by the Creditor to exercise any of its rights hereunder shall not constitute a waiver of the subsequent exercise of such right. The Creditor may exercise its rights hereunder without being required to exercise any other remedies against the Grantor or any other person liable for the payment of the obligations secured hereunder or to realize on any other security or collateral securing such obligations.

The Creditor shall only be required to exercise reasonable care in the exercise of its rights and the performance of its obligations. Moreover, the Creditor shall only be liable for its intentional or gross fault.

The Creditor may delegate the exercise of its rights or the performance of its obligations hereunder to another person. In such event, the Creditor may furnish that person with any information it may have concerning the Debtor, the Grantor or the Hypothecated Property.

This Deed of Hypothec shall be binding upon the Grantor and enure to the benefit of the Creditor and any successor thereof by way of amalgamation or otherwise.

10. INTERPRETATION

This Deed of Hypothec and the obligations it secures are governed and construed in accordance with the laws in force in the Province of Quebec and any litigation, misunderstanding or problem regarding the interpretation or execution of this Deed of Hypothec must be brought before the courts of the Province of Quebec, and the parties attorn to the exclusive jurisdiction of the courts of the Province of Quebec to hear any litigation, misunderstanding or problem regarding the interpretation or execution of this Deed of Hypothec.

11. ELECTION OF DOMICILE

The parties elect domicile at their head office's address.

12. SPECIAL DECLARATIONS

Considering that each of the Grantor and the Debtor is a corporation, the following provisions apply:

- a) Each of the Debtor and the Grantor declares being a Canadian corporation that is a resident in Canada within the meaning of the *Income Tax Act* and the *Taxation Act* and that it has no intention of modifying such status. It is a corporation operated and controlled primarily in Canada; it is a valid corporation that is in good standing and there are no provisions in its constating documents or by-laws or in any unanimous shareholder agreement that restricts, limits or regulates in any way whatsoever its powers to hypothecate or otherwise encumber with a charge the above Hypothecated Property, through the directors' representative(s) acting herein, Hypothecated Property with further formalities other than those already fulfilled.
- b) The Grantor also hereby declares and certifies that there are no provisions in its constating documents, by-laws or any unanimous shareholder agreement that restricts, limits or regulates in any way whatsoever its powers to create security by way of a hypothec, pledge or otherwise on all or part of its current or future assets to secure its obligations hereunder, without any further formalities other than those already fulfilled by the representative(s) of the directors acting herein.

WHEREOF ACT done and passed in Sherbrooke, under the number four hundred thirty-two (432) of the minutes of the undersigned Notary.

N°: 500-11-060613-227

SUPERIOR COURT
(Commercial Division)
DISTRICT OF MONTREAL
PROVINCE OF QUÉBEC

RISING PHOENIX INTERNATIONAL INC. AND AL.
Debtors
-and-
RICHTER ADVISORY GROUP INC.
Monitor

EXHIBIT R-3

TRUE COPY

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