

**FCANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

No.: 500-11-060613-227

**SUPERIOR COURT
(Commercial Division)**

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

RISING PHOENIX INTERNATIONAL INC.

- and -

10864285 CANADA INC. doing business under
the trade name **M COLLEGE OF CANADA**

- 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

- and -

**THE LAND REGISTRAR FOR THE REGISTRY
OFFICE FOR THE REGISTRATION DIVISIONS
OF SHERBROOKE, CHAMBLY AND HULL**

-and-

THE REGISTRAR OF THE REGISTER OF
PERSONAL AND MOVABLE REAL RIGHTS

Impleaded Parties

APPLICATION FOR (i) THE ISSUANCE OF
AN APPROVAL AND VESTING ORDER (ii) THE APPROVAL OF A JUNIOR
INTERIM FINANCING AGREEMENT AND (iii)
A RE-AMENDED AND RESTATED INITIAL ORDER

(Sections 11, 11.2 and 36 of the *Companies' Creditors Arrangement Act*)

TO THE HONOURABLE DAVID R. COLLIER OF THE SUPERIOR COURT, SITTING
IN COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF MONTREAL,
THE APPLICANTS RESPECTFULLY SUBMIT THE FOLLOWING:

I. ORDER SOUGHT

1. By way of the present *Application for (i) the Issuance of an Approval and Vesting Order (ii) the Approval of a Junior Interim Financing Agreement and (iii) a Re-Amended and Restated Initial Order* (the "**Application**"), Rising Phoenix International Inc. ("**RPI**"), 10864285 Canada Inc. ("**M College**"), 11753436 Canada Inc. ("**11753436**"), CDSQ Immobilier Inc. ("**CDSQ**"), Collège de l'Estrie Inc. ("**CDE**"), École d'Administration et de Secrétariat de la Rive-Sud Inc. ("**CCSQ**"), 9437-6845 Québec Inc. ("**9437-6845**") and 9437-6852 Québec Inc. ("**9437-6852**") (collectively, the "**Applicants**" or the "**RPI Group**") seek the issuance of the following orders by this Court pursuant to the *Companies Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended, (the "**CCAA**"):
 - (a) an order (the "**Approval and Vesting Order**"), substantially in the form of the draft order communicated herewith as **Exhibit R-1**, *inter alia*, approving the sale transaction (the "**Transaction**") contemplated in the *Asset Purchase Agreement* (the "**APA**") entered into on March 9, 2022, by and between the RPI Group (the "**Sellers**") and **6815464 Canada Ltd. or its nominee** (the "**Purchaser**"), and vesting in the Purchaser all of the Sellers' rights, title and interest in all assets and properties owned or used by the Sellers as described in the APA, free and clear of any and all encumbrances; and
 - (b) an order (the "**Re-Amended and Restated Initial Order**"), substantially in the form of the draft order communicated herewith as **Exhibit R-2**, *inter alia*:
 - i. restating the terms of the Amended and Restated Initial Order (as defined hereinafter);
 - ii. approving the execution by the Applicants of the Junior Interim Term Sheet (the "**Junior Interim Financing Agreement**") entered into with the Purchaser on March 9, 2022, pursuant to which the

Purchaser, provided that it is selected as the successful bidder in the context of the SISP (as defined hereinafter), has agreed to advance to the Applicants a total amount of up to \$2.5 million (the "**Junior Interim Facility**") to fund the ongoing expenditures of the Applicants in the context of these CCAA proceedings (the "**CCAA Proceedings**") as permitted by the terms of the Re-Amended and Restated Initial Order and the Junior Interim Financing Agreement; and

- iii. ordering the establishment of a priority charge in favour of the Purchaser against the assets, property and undertakings of the Applicants in order to secure all of the Applicants' obligations under the Junior Interim Financing Agreement (the "**Junior Interim Lender Charge**"); and
- iv. sealing the confidential exhibits filed in support of this Application and the summary of offers appended to the Fifth Report of the Monitor (as such term is defined hereinafter).

II. PROCEDURAL BACKGROUND

2. On January 5, 2022, the Applicants filed an application pursuant to the *Companies Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended, (the "**CCAA**") entitled *Application for the Issuance of a First Day Initial Order and an Amended and Restated Initial Order* (the "**Initial Application**").
3. On January 6, 2022, the Superior Court of Quebec (Commercial Division) (the "**Court**") partially granted the Initial Application and rendered a First-Day Initial Order (the "**First Day Order**"), which, *inter alia*:
 - (a) declared that the Applicants are corporations to which the CCAA applies;
 - (b) stayed all proceedings and remedies taken or that might be taken in respect of the Applicants or any of their property, except as otherwise set forth in the First Day Order or as otherwise permitted by law, until January 14, 2022, in accordance with the CCAA (the "**Stay Period**");
 - (c) ordered the procedural consolidation of these CCAA Proceedings in respect of each of the Applicants, for administrative purposes only;
 - (d) appointed Richter Inc. (formerly Richter Advisory Group Inc., "**Richter**" or the "**Monitor**") as the Monitor of the Applicants in these CCAA Proceedings with certain extended powers;
 - (e) granted an Administration Charge and a Directors' Charge (as such terms are defined in the Initial Application); and
 - (f) sealed the confidential exhibits which were filed in support of the Initial Application.
4. On January 13, 2022, Firm Capital Mortgage Fund Inc. ("**Firm Capital**") filed a Contestation (the "**FC Contestation**") to the Applicants' request for the issuance

of an Amended and Restated Initial Order (as defined hereinafter) which was sought pursuant to the Initial Application.

5. On January 14, 2022, the Court agreed to postpone the hearing on the issuance of the Amended and Restated Initial Order to January 17, 2022 and rendered an order extending the Period to January 17, 2022.
6. Firm Capital did not proceed with the FC Contestation in view of the settlement that preceded the hearing on January 17, 2022. Firm Capital has since been providing financing to the Applicants on the terms and conditions set forth in the interim financing facility term sheet dated January 16, 2022 (the "**Interim Financing Term Sheet**").
7. On January 16, 2022, the Applicants filed an *Amended Application for the Issuance of a First Day Initial Order and an Amended and Restated Initial Order* (the "**Amended Initial Application**").
8. On January 17, 2022, the Court granted the Amended Initial Application and rendered an order (the "**Amended and Restated Initial Order**") which, *inter alia*:
 - (a) extended the Stay Period until February 28, 2022;
 - (b) confirmed the appointment of Richter as Monitor of the Applicants in these CCAA Proceedings;
 - (c) confirmed the Directors' Charge previously granted in the First Day Order, and granted the Senior Administration Charge and Junior Administration Charge, which replaced the Administration Charge previously granted in the First Day Order (as such terms are defined in the Amended Initial Application);
 - (d) approved the Interim Financing Term Sheet and authorized the Applicants to borrow thereunder the amounts required to fund their liquidity needs, as well as granted a related Interim Financing Charge (as defined in the Amended Initial Application); and
 - (e) confirmed the sealing of the confidential exhibits filed in support of the Amended Initial Application.
9. On February 9, 2022, Anish Sachdeva, Manjot Singh, Sukhrajpreet Singh, Sukhmanpreet Singh and Jaspreet Singh (the "**Proposed Student Representatives**") filed an *Application for the Issuance of a Student Representation Order* (the "**Representation Application**") seeking the appointment of McCarthy Tétrault LLP, as representative counsel in these CCAA Proceedings, to represent the interests of all persons who are creditors of the Applicants as a result of their status as a currently enrolled student at the Colleges (as defined hereinafter), pipeline student of the Colleges or in light of tuition fees paid to the Applicants (collectively, the "**Students**").
10. On February 15, 2022, the Court granted the Representation Application in part and issued an order (the "**Student Representation Order**") pursuant to which

McCarthy Tétrault LLP was appointed as representative counsel (the “**Students’ Representative Counsel**”) in these CCAA Proceedings.

11. On February 24, 2022, the Applicants filed an *Application for the Issuance of an Order Extending the Stay Period* (the “**February 24, 2022 Application**”) seeking the extension of the Stay Period until April 29, 2022.
12. On February 28, 2022, the Court granted the February 24, 2022 Application and issued an order (the “**Order Extending the Stay Period**”) pursuant to which the Stay Period was extended until April 29, 2022.
13. On March 1, 2022, Firm Capital advanced the second tranche of funding contemplated in the Interim Financing Term Sheet. This brought the total interim financing facility advanced by Firm Capital to the principal amount of \$1,750,000 plus Lender’s Costs (the “**Interim Financing Facility**”).

III. **THE SALE PROCESS**

A. **The SISP**

14. Following the commencement of the CCAA Proceedings, the Applicants, with the assistance of the Monitor and their legal counsel, and in consultation with Firm Capital, initiated an accelerated Sales and Investment Solicitation Process (the “**SISP**”).
15. In accordance with the SISP procedures, the SISP was launched on January 24 and the bids were received on February 11, 2022. During that time:
 - (a) the Monitor solicited more than 200 potential bidders by issuing a teaser which provided a summary of the SISP and of the assets and operations of the RPI Group;
 - (b) 25 interested parties signed non-disclosure agreements (NDAs) and were granted access to the Data Room;
 - (c) the Monitor posted a template asset purchase agreement and draft approval and vesting order in the Data Room to streamline the process and provide access to uniform terms and conditions that could be marked-up by potential bidders;
 - (d) the Monitor communicated with the Quebec Ministry of Education and Ministry of Higher Learning (the “**MEES**”) to prepare a frequently asked questions and answers document which was posted in the Data Room to inform bidders on the regulatory aspects of the transfer and renewal of the permits held by the Colleges;
 - (e) the Monitor and the Applicants worked with interested parties during the due diligence period (i.e. between January 24, 2022 and February 11, 2022) to enable them to perform the necessary due diligence. This included responding to numerous information requests, holding meetings with management, giving tours of the Colleges and engaging in communications with a substantial number of interested parties; and

- (f) on or before February 11, 2022, 6 parties out of the 25 interested parties which had signed NDAs submitted an offer.
16. As further described in the Fifth Report of the Monitor (the “**Fifth Report**”) which will be filed in advance of the hearing on this Application, the Monitor, in consultation with the Applicants and Firm Capital, as well as the Students’ Representative Counsel, reviewed the six (6) offers which had been received as part of the SISP on or before February 11, 2022.
17. As appears from the Fifth Report, several going concern offers were received for the Colleges, some of which included the real estate properties, while one offer targeted solely the real estate assets. The Monitor carefully considered the financial consideration which could be procured from combining offers on specific pools of assets, versus the acceptance of an *en-bloc* offer for the totality of the assets, as well as the non-financial considerations afforded by the various options.
18. The latter component included, in particular, the nature and extent to which each potential purchaser undertook to assume certain obligations and liabilities owing to the Students, as well as the closing risks associated with each option. As announced by the Monitor to the participants in the SISP, priority was given to the implementation of a transaction that would allow Students in Canada to resume their studies as soon as possible.
19. This review led the Monitor to engage in further discussions with a limited number of potential acquirers, including the Purchaser. As a result of these discussions, the Purchaser modified the terms set out in its initial offer, including a substantial increase to the cash consideration to be paid on closing, a substantial increase in the type of student-specific liabilities that it would be willing to assume on closing, and the provision of an interim financing facility which would allow funding to close the transaction and to resume the education of approximately 740 students currently in Canada.
20. Following careful consideration of the available options, the Applicants, in consultation with, and based on the recommendation of its counsel, the Monitor, the Monitor’s counsel and the Student Representatives Counsel, determined that it was in the Applicants’ and their stakeholders’ best interest not to hold an auction and declare the Purchaser the successful bidder.
21. On March 9, 2022, following discussions and negotiations, the Applicants, the Monitor and the Purchaser, agreed on the terms of the Transaction reflected in the APA, copy of which is communicated herewith, **under seal**, as **Exhibit R-3**.

B. The APA

22. The main terms and conditions of the APA are as follows:
- (a) the Transaction is for a sale of virtually all the assets of the RPI Group, including the permits of the Colleges, all of the real estate, furniture, fixtures and computer equipment and other operating assets;

- (b) the purchase price will enable the payment in full of the secured debt owing to Firm Capital, including the secured debt owing pursuant to the Interim Financing Facility, the Junior Interim Facility, the post-filing obligations of the RPI Group and will enable a distribution to unsecured creditors, although the exact percentage recovery will be dependent on multiple factors which cannot be fully quantified at this time, including the timing of the closing and the claims outstanding which will only be determined through a claims process which has yet to be initiated;
 - (c) the RPI Group, with funding provided by the Purchaser via the proposed new Junior Interim Facility (subject to its approval by this Court) will endeavor to continue and complete of all of the Sellers curriculum obligations to the remainder of the 516 Graduating Students (as such term is defined in the APA) who were expected to complete their educational program by the end of February 2022;
 - (d) Subject to Court approval, the Purchaser will provide additional interim financing (i.e. the Junior Interim Facility, as described hereinafter) which will rank after the secured debt and interim financing provided by Firm Capital and after the Senior Administration Charge to enable the continuation of operations and the recommencement of classes for approximately 740 Registered Students the vast majority of whom are in Canada attending the Colleges and CSSQ Sherbrooke;
 - (e) the Purchaser will offer the previously available curriculum courses that have been paid, or provide refunds, to approximately 308 Pipeline Students, which are currently in India; and
 - (f) the Purchaser will offer to approximately 502 Other Students (as such terms are defined in the APA) the previously available curriculum courses that have been paid prior to the CCAA filing date, subject to such students satisfying all other pre-requisite obligations, such as obtaining their study permits and meeting the other qualification conditions;
23. A condition to the closing of the Transaction is that the education permits granted by the MEES be transferred to the Purchaser. In order to ensure that this step can be achieved quickly following Court approval of the transaction, the following steps have been taken:
- (a) The Monitor and its counsel have been in constant communication with legal counsel for the MEES regarding the proposed Transaction and have already provided some preliminary information relating to the Purchaser and the proposed Transaction, in particular, the transfer of education permits;
 - (b) The Applicants have informed the Purchaser of the various information that the MEES will require in order to enable them to consider the request to transfer the education permits of the Colleges to the Purchaser in the shortest delay possible; and
 - (c) The Applicants are aware that the Purchaser has initiated its own communications with the MEES, such that certain information and

background relating to the Purchaser and its capacity to operate the Colleges should already be known.

24. Another condition to the closing of the Transaction is the execution of a Transition Agreement between the Purchaser and the Applicants, expected to include the involvement of Caroline Mastantuono, Christina Mastantuono and Joseph Mastantuono (collectively, "**Management**"), on terms and conditions that will allow a transition of the operations to the Purchaser. Management have confirmed that they are willing and able to cooperate with the Applicants and the Purchaser in that regard and the parties are presently negotiating the contents of this agreement.
25. The Transaction is expected to close as soon as possible once the MEES have approved the transfer of the permits to the Purchaser and the other conditions to closing have been satisfied or waived. The exact timing of this step remains unknown at present.

C. Additional Interim Financing

26. As part of its offer, subject to the issuance from this Court of the orders sought herein, the Purchaser has confirmed that it is prepared to provide the Applicants with additional interim financing (i.e. the Junior Interim Facility) on the terms of the Junior Interim Financing Agreement, copy of which is communicated herewith, under seal, as **Exhibit R-4**.
27. As part of the Junior Interim Facility, the Applicants will benefit from additional funding to the extent provided for and agreed upon, and in accordance with, the cash flow statement attached to the Junior Interim Financing Agreement as Schedule C (the "**Cash Flow Forecast**"), a copy of which will be appended to the Fifth Report, up to an aggregate maximum amount of \$2,500,000, bearing interest at the rate set out thereunder.
28. In addition, the Junior Interim Financing Agreement provides for a "Commitment Fee" payable to the Purchaser representing of 2% of the total of all funds advanced on the date of the advance of funds and the Junior Interim Facility will bear interest at the rate of 15% per annum as set forth under the Junior Interim Financing Agreement. These and other terms of the Junior Interim Financing Agreement are mostly consistent with the terms of the higher-ranking, existing interim financing provided by Firm Capital notwithstanding that the Purchaser is assuming considerably more credit risk on its new financing than is the case for Firm Capital (i.e., if the asset sale transaction were to fail to close for any reason).
29. The additional funds will allow the Applicants to pay for the salaries of teachers and staff required to operate the Colleges, as well as other fees and expenses incurred in connection with the continuation and resumption of operations at the Colleges, in accordance with the Cash Flow Forecast.
30. Furthermore, the Junior Interim Facility will allow for the Monitor, acting on behalf of the Applicants, to pay the professional fees and expenses, as well as other costs, and expenses incurred in connection with the CCAA Proceedings in accordance with the Cash Flow Forecast.

31. The Junior Interim Financing Agreement also provides that any amount owing in connection the Junior Interim Facility is to be secured by the Junior Interim Lender Charge over the Applicants property and undertakings, in the total principal amount of \$3,000,000. The ranking of the Junior Interim Lender Charge is contemplated to be as follows:
- (a) *first, the Senior Administration Charge;*
 - (b) *second, the FCC Security;*
 - (c) *third, the Interim Lender's Charge;*
 - (d) *fourth, the Junior Interim Lender's Charge;*
 - (e) *fifth, the Junior Administration Charge; and*
 - (f) *sixth, the Directors' Charge.*
32. Given the current financial situation of the RPI Group, including its cash position, the Junior Interim Facility is the most advantageous alternative for the Applicants to continue the present process and is being offered on terms that are fair, reasonable, adequate and consistent with the Interim Financing Facility.
33. Moreover, the Junior Interim Facility will allow the RPI Group to give comfort to its stakeholders that it has access to sufficient liquidities in order to meet its ongoing obligations during these CCAA Proceedings, to close the Transaction contemplated in the APA, and to allow the operation of the Colleges as a going concern pending closing of the Transaction.

IV. RELIEF SOUGHT

A. Approval of the APA and of the Transaction

34. The Applicants respectfully submit that the APA and the Transaction contemplated therein should be approved by this Court, namely for the following reasons:
- (a) the SISP process undertaken by the Applicants, in consultation with the Monitor and their respective counsel and with Firm Capital, has been transparent and all interested parties have been treated fairly in the context of the SISP;
 - (b) the SISP, albeit conducted on an accelerated timeline, was reasonable and appropriate in the circumstances, and reasonable efforts were put into place to obtain the best purchase price and to maximize the recovery of all stakeholders, including the Students;
 - (c) The Monitor has informed the Court of the steps contemplated and the milestones achieved during the SISP and informed all interested parties of same in a timely manner; and
 - (d) Firm Capital was duly consulted throughout the SISP and provided its collaboration.

35. The Students' Representative Counsel was also consulted in the context of the SISP and a number of conditions which are part of the APA have been integrated following the receipt of comments submitted by the Students' Representative Counsel.
36. In the present circumstances, the proposed Transaction represents the best available option to the RPI Group's stakeholders, and more particularly, the Students.
37. Since March 2020, the RPI Group has been undertaking significant efforts to find investors, Purchasers or strategic partners for its business and/or assets, to be able to operate the Colleges in the context of the Covid-19.
38. The proposed Transaction will preserve enterprise value for the benefit of a significant number of the RPI Group's stakeholders and ensure the going concern operations of the Colleges, so as allow to Students to resume their courses incessantly.
39. In these circumstances and considering the nature of the operations of the RPI Group, there is no doubt that the proposed Transaction is more beneficial to most of RPI Group's stakeholders than a liquidation, as it will also allow for a substantial number of employee and teachers to be retained in their current roles and in effect provides for payments to such continuing employees that would otherwise have claims in these CCAA proceedings.
40. As will appear from the Fifth Report, the consideration to be realized as a result of the implementation of the proposed Transaction is fair and reasonable, taking into account, *inter alia*, the market value of the real estate assets owned by the RPI Group.
41. For the foregoing reasons, the proposed Transaction represents the best offer received in the context of the SISP and it is therefore appropriate for this Court to render the Approval and Vesting Order substantially in the form of the draft order communicated herewith as Exhibit R-1.
42. A blackline comparison of the proposed form of draft Approval and Vesting Order, as against the Barreau de Montreal 2014 template form of such order, is communicated herewith as Exhibit R-1A.

B. Approval of the Junior Interim Facility and Junior Interim Lender Charge

43. The Junior Interim Facility is made available to the RPI Group as part of the Purchaser's offer which was submitted in the context of the SISP and will allow for the closing of the Transaction and achieve the optimal recovery and best overall outcome for all the stakeholders, while permitting the Colleges to graduate the 516 Students who have mostly now completed their studies and to recommence the classes of the 740 students in Canada, whose studies have been on pause since the end of November 2021.
44. Absent the approval of the Junior Interim Facility and the related Junior Interim Lender Charge, given its current financial situation, including its cash position, the

RPI Group will not have sufficient resources and liquidities to meet its ongoing obligations as part of these CCAA Proceedings and ultimately, to close the Transaction.

45. In addition to the foregoing reasons, the Junior Interim Financing and Junior Interim Lender's Charge fulfil all required criteria for this Court's approval because:
- (a) The proposed financing is sufficient to address the cash needs of the Applicants in managing their business and affairs through to the end of the period required in order to close the proposed asset sale (which would then yield net proceeds needed to complete the balance of the matters required in these CCAA Proceedings in the period after closing);
 - (b) The Applicants' management of this matter to date during these CCAA Proceedings has garnered the confidence of their major creditors and the latter appear to continue to support management;
 - (c) The proposed financing enhances the prospects of optimizing the value of the assets of the Applicants, and maximizing the going concern enterprise value of their business, for the benefit of their creditors, including potentially via a plan of arrangement;
 - (d) In the current circumstances where additional liquidity is required, no creditor is materially prejudiced by a grant of the proposed interim financing charge.
46. In light of the foregoing, the Applicants respectfully submit that the present Application should be granted in accordance with its conclusions.

C. Sealing of Confidential Documents

47. The Applicants require that the following be kept under seal:
- (a) Exhibit R-3: Asset Purchase Agreement dated March 9, 2022;
 - (b) Exhibit R-4: Junior Interim Financing Agreement dated March 9, 2022; and
 - (c) Summary of offers received in the context of the SISF appended to the Fifth Report which will be filed by Monitor.
48. The Applicants submit that the above-mentioned documents should be kept strictly confidential and under seal, at least until the closing of the Transaction.
49. It is submitted that the sealing of these documents is justified and necessary. If ever a closing does not occur, and the Applicants are forced to re-market their assets, including to parties who have already submitted offers, disclosure of the APA and other offers can have a prejudicial impact on any subsequent sale process.
50. Considering the foregoing, the Applicants respectfully submit that the present Application should be granted in accordance with its conclusions.

WHEREFORE, MAY THIS COURT:

GRANT this *Application for (i) the Issuance of an Approval and Vesting Order (ii) the Approval of a Junior Interim Financing Agreement and (iii) a Re-Amended and Restated Initial Order* (the "**Application**").

ISSUE orders substantially in the form of the draft orders respectively communicated as **Exhibits R-1 and R-2**;

WITHOUT COSTS, save and except in case of contestation.

MONTRÉAL, March 10, 2022



KAUFMAN LAWYERS LLP

Att. Me Martin P. Jutras
800 Boulevard René-Lévesque O.
Bureau 2220
Montréal (Québec) H3B 1X9

Attorneys for the Applicants

SWORN STATEMENT

I, the undersigned, **Caroline Bonneville (Mastantuono)**, having my principal place of business at 2140 rue de la Montagne, 3rd Floor, in the city of Montreal, Province of Quebec, solemnly declare the following:

1. I am the president of Rising Phoenix International Inc.;
2. All the facts alleged in the *Application for (i) the Issuance of an Approval and Vesting Order (ii) the Approval of a Junior Interim Financing Agreement and (iii) a Re-Amended and Restated Initial Order* are, to the best of my knowledge, true.

AND I HAVE SIGNED



Caroline Bonneville

**Solemnly declared before me at Montreal,
on the 10th day of March 2022**

Kathryn Niven (106,202)

Commissioner of Oaths for the Province of Quebec

SWORN STATEMENT

I, the undersigned, **Joseph Mastantuono**, having my principal place of business at 2140 rue de la Montagne, 3rd Floor, in the city of Montreal, Province of Quebec, solemnly declare the following:

1. I am the president of 10864285 CANADA INC., 11753436 CANADA INC., CDSQ IMMOBILIER INC., COLLÈGE DE L'ESTRIE INC., ÉCOLE D'ADMINISTRATION ET DE SECRÉTARIAT DE LA RIVE SUD INC., 9437-6845 QUÉBEC INC. and 9437-6852 QUÉBEC INC.
2. All the facts alleged in the *Application for (i) the Issuance of an Approval and Vesting Order (ii) the Approval of a Junior Interim Financing Agreement and (iii) a Re-Amended and Restated Initial Order* are, to the best of my knowledge, true.

AND I HAVE SIGNED



Joseph Mastantuono

**Solemnly declared before me at Montreal,
on the 10th day of March 2022**

Kathryn Niven (106,202)

Commissioner of Oaths for the Province of Quebec

NEW NOTICE OF PRESENTATION

TO: the Service List

TAKE NOTICE that the *Application for (i) the Issuance of an Approval and Vesting Order (ii) the Approval of a Junior Interim Financing Agreement and (iii) a Re-Amended and Restated Initial Order* will be presented for adjudication before the honourable Justice R. Collier of the Superior Court of Quebec, Commercial Division, at the Montréal Courthouse located at 1 Notre-Dame Street East, on March 14, 2022, at 2:00 PM, in room 15.10.

The Teams link, to participate in the virtual hearing, is available on the site <http://www.tribunaux.qc.ca>

DO GOVERN YOURSELVES ACCORDINGLY.

MONTREAL, March 10, 2022



KAUFMAN LAWYERS LLP
Attorneys for the Applicants

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

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9437-6852 QUÉBEC INC.

Applicants

- and -

RICHTER INC.

Monitor

<p>LIST OF EXHIBITS</p>

Exhibit R-1: Draft copy of the Approval and Vesting Order

Exhibit R-1A: Blackline comparison of the proposed form of draft Approval and Vesting Order, as against the Barreau de Montreal 2014 template;

- Exhibit R-2:** Draft copy of the Re-Amended and Restated Initial Order
- Exhibit R-2A:** Blackline comparison of the proposed Re-Amended and Restated Initial Order, as against the Amended and Restated Initial Order;
- Exhibit R-3:** Asset Purchase Agreement dated March 9, 2022
(under seal)
- Exhibit R-4:** Junior Interim Financing Agreement dated March 9, 2022
(under seal)

MONTREAL, March 10, 2022

Kaufman Lawyers

KAUFMAN LAWYERS LLP
Attorneys for the Applicants

SUPERIOR COURT
(Commercial Division)

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL
No. 500-11-060613-227
DATE: March 14, 2022**

PRESIDING : THE HONOURABLE DAVID R. COLLIER, J.S.C.

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

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and
9437-6852 QUÉBEC INC.
and
9437-6845 QUÉBEC INC.**

Applicants/Debtors
and

RICHTER INC.

Monitor
and

6815464 CANADA LTD.

and

**THE LAND REGISTRAR OF THE LAND REGISTRY OFFICE FOR THE REGISTRATION
DIVISIONS OF SHERBROOKE, CHAMBLY AND HULL**

and

**THE REGISTRAR OF THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS
Mis-en-Cause**

APPROVAL AND VESTING ORDER

- [1] **ON READING** the Applicants' *Application for (i) the Issuance of an Approval and Vesting Order (ii) the Approval of a Junior Interim Financing Agreement and (iii) a Re-Amended and Restated Initial Order* pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-36 (as amended the "**CCAA**"), the exhibits and the affidavit filed in support thereof (the "**Application**"), the affidavit and the exhibits in support thereof, as well as the Report of the Monitor dated March 10, 2022 (the "**Report**");
- [2] **SEEING** the service of the Application;
- [3] **SEEING** the submissions of counsel present at the hearing on the Application;
- [4] **SEEING** that it is appropriate to issue an order approving the transaction(s) (the "**Transaction**") contemplated by the agreement entitled *Asset Purchase Agreement* (the "**Purchase Agreement**") by and between Rising Phoenix International Inc. ("**RPI**"), 10864285 Canada Inc. ("**M College**"), Ecole d'Administration et de Secrétariat de la Rive-Sud Inc. ("**CCSQ**"), Collège de l'Estrie Inc. ("**CDE**"), CDSQ Immobilier Inc., 9437-6852 Québec Inc., 9437-6845 Québec Inc. and 11753436 Canada Inc. (together, the "**Vendors**"), as vendors, and 6815464 Canada Ltd. (the "**Purchaser**"), as purchaser, copy of which was filed as **Exhibit R-3** to the Applicant, and vesting in the Purchaser the assets described in **Schedule "A"** hereof (the "**Purchased Assets**"). For greater certainty, the excluded assets described in **Schedule "B"** hereof (the "**Excluded Assets**") are not subject to or affected in any way whatsoever by this Order.

WHEREFORE THE COURT:

- [5] **GRANTS** the Application;

SERVICE

- [6] **ORDERS** that any prior delay for the presentation of this Application is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.
- [7] **PERMITS** service of this Order at any time and place and by any means whatsoever.

SALE APPROVAL

- [8] **ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution and delivery of the Purchase Agreement by the Vendors, and the Vendors performance of the obligations thereunder, are hereby authorized and approved, with such authorization for any non-material alterations, changes, amendments, deletions

or additions thereto as may be required for Closing of the Transaction, and as agreed by the Vendors and the Purchaser, but only with the consent of the Monitor.

EXECUTION OF DOCUMENTATION

- [9] **AUTHORIZES** the Vendors, the Monitor if applicable, and the Purchaser to perform all acts, sign all documents and take any necessary action to execute any agreement, contract, deed, provision, transaction or undertaking stipulated in the Purchase Agreement (Exhibit R-3) and any other ancillary document which may be required or is deemed useful by the Vendors and Purchaser to give full and complete effect thereto.

AUTHORIZATION

- [10] **ORDERS** and **DECLARES** that this Order shall constitute the only authorization required by the Vendors to proceed with the Closing of the Transaction and that no shareholder or regulatory approval, if applicable, shall be required in connection therewith.

VESTING OF PURCHASED ASSETS

- [11] **ORDERS** and **DECLARES** that upon the issuance of a Monitor's certificate substantially in the form appended as **Schedule "C"** hereto (the "**Certificate**"), all rights, title and interest in and to the Purchased Assets shall vest absolutely and exclusively in and with the Purchaser, free and clear of and from any and all claims, liabilities (direct, indirect, absolute or contingent), obligations, prior claims, right of retention, charges, hypothecs, deemed trusts, judgments, writs of seizure or execution, notices of sale, contractual rights relating to the Property, encumbrances, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Encumbrances**"), including without limiting the generality of the foregoing all Encumbrances created by order of this Court and all charges, or security evidenced by registration, publication or filing pursuant to the *Civil Code of Québec* in movable / immovable property, excluding however, the permitted encumbrances and restrictive covenants listed on **Schedule "D"** hereto (the "**Permitted Encumbrances**") and, for greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Purchased Assets, other than the Permitted Encumbrances, be cancelled and discharged as against the Purchased Assets, in each case effective as of the applicable time and date of the Certificate.
- [12] **ORDERS** and **DECLARES** that upon the issuance of the Certificate, the rights and obligations of the Vendor under the Agreements listed on **Schedule "E"** hereto (the "**Assigned Agreements**" called "Assigned Contracts" in the Purchase Agreement) are assigned to the Purchaser without contravention of any applicable Provincial regulatory impediments or requirements as may otherwise be applicable, and further **ORDERS** that all Assumed Liabilities of the Debtor in relation to the Assigned Agreements as provided for in s.2.4 of the Purchase Agreement, but specifically excluding obligations arising between January 6, 2022 and the date of the issuance of the Certificate – other than those arising by reason only of the insolvency of the Debtor, the commencement of proceedings under the CCAA or the failure to perform

non-monetary obligations - shall be satisfied in accordance with the terms and conditions of the Purchase Agreement by the parties thereto.

- [13] **ORDERS and DIRECTS** the Monitor to serve a copy of this Order to every party to the Assigned Agreements.
- [14] **ORDERS and DIRECTS** the Monitor to file with the Court a copy of the Certificate, forthwith after issuance thereof.

CANCELLATION OF SECURITY REGISTRATIONS

- [15] **ORDERS** the Land Registrar of the Land Registry Office for the Registration Divisions of **Sherbrooke, Chambly and Hull**, upon presentation of the Certificate in the form appended as **Schedule "C"** and a certified copy of this Order accompanied by the required application for registration and upon payment of the prescribed fees, to publish this Order and (i) to make an entry on the Quebec Land Register showing the Purchaser as the owner of the immovable property described in **Schedule "A"** hereto (the "**Owned Real Property**") and (ii) to cancel and strike any and all Encumbrances on the Owned Real Property (other than Permitted Encumbrances), including, without limitation, those registrations published at the said Land Registry Office and listed in **Schedule "F"** hereof, in order to allow the transfer to the Purchaser of the Owned Real Property free and clear of such registrations.
- [16] **ORDERS** the Quebec Personal and Movable Real Rights Registrar, upon presentation of the required form with a true copy of this Order and the Certificate, to cancel and strike the registrations published at the Quebec Personal and Movable Real Rights Registry in respect of the Purchased Assets, including, without limitation, those registrations listed in **Schedule "G"** hereof, in order to allow the transfer to the Purchaser of the Purchased Assets free and clear of such registrations. For greater certainty, the following registrations shall **not** be cancelled, discharged or in any way affected by this Order:
- N/a

NET PROCEEDS

- [17] **ORDERS** that the net proceeds from the sale of the Purchased Assets (the "**Net Proceeds**") shall be remitted to the Monitor and shall be distributed in accordance with applicable legislation.
- [18] **ORDERS** that for the purposes of determining the nature and priority of the Encumbrances, the Net Proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that upon payment of the Purchase Price (as defined in the Purchase Agreement) by the Purchaser, all Encumbrances except for the Permitted Encumbrances shall attach to the Net Proceeds with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

- [19] **ORDERS** that concurrently with the issuance of the Certificate, the Monitor shall pay to Firm Capital Mortgage Fund Inc. ("**Firm Capital**") from the Net Proceeds the amount of indebtedness due to Firm Capital secured by the FCC Security and the Interim Lender's Charge in accordance with payout statements to be issued by Firm Capital at least ten (10) days prior to the closing of the Transaction, subject only to a security review in respect of the FCC Security to be conducted forthwith by the Monitor.

PROTECTION OF PERSONAL INFORMATION

- [20] **ORDERS** that, pursuant to sub-section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or any similar provision of any applicable provincial legislation, the Monitor is authorized and permitted to disclose and transfer to the Purchaser all personal information relating to any students in any way related to the Colleges or any human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule "6.6(a)" to the Purchase Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor;

VALIDITY OF THE TRANSACTION

- [21] **ORDERS** that notwithstanding:

- (i) the pendency of these proceedings;
- (ii) any petition for a receiving order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* ("**BIA**") and any order issued pursuant to any such petition; or
- (iii) the provisions of any federal or provincial legislation;

the vesting of the Purchased Assets contemplated in this Order, as well as the execution of the Purchase Agreement pursuant to this Order, are to be binding on any trustee in bankruptcy or receiver that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Vendor, the Purchaser or the Monitor.

LIMITATION OF LIABILITY

- [22] **DECLARES** that, subject to other orders of this Court, nothing herein contained shall require the Monitor to occupy or to take control, or to otherwise manage all or any part of the Purchased Assets. The Monitor shall not, as a result of this Order, be deemed to be in possession of any of the Purchased Assets within the meaning of environmental legislation, the whole pursuant to the terms of the CCAA,

[23] **DECLARES** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court. The entities related to the Monitor or belonging to the same group as the Monitor shall benefit from the protection arising under the present paragraph.

GENERAL

[24] **ORDERS** that the Purchaser or the Monitor shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.

[25] **ORDERS** that the Purchase Agreement be kept confidential and under seal until the earlier of a) the closing of the Transaction; or b) further order of this Court.

[26] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.

[27] **DECLARES** that the Monitor shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement the Order and, without limitation to the foregoing, an order under Chapter 15 of the U.S. Bankruptcy Code, for which the Monitor shall be the foreign representative of the Debtor. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Monitor as may be deemed necessary or appropriate for that purpose.

[28] **REQUESTS** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order.

[29] **ORDERS** the provisional execution of the present Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.

THE WHOLE WITHOUT COSTS.

THE HONOURABLE DAVID R. COLLIER, J.S.C.

SCHEDULE "A"

DESCRIPTION OF PURCHASED ASSETS

The purchased assets shall include all of Sellers' right, title and interest in all assets and properties owned by Sellers in connection with the Business, including without limitation the following (other than the Excluded Assets) (together, the "**Purchased Assets**"):

- a) the Owned Real Property described as follows:
 - 1. Lot number 1 030 881 of the Cadastre of Quebec, Registration Division of Sherbrooke, and the immovable bearing civic address 29-37 Rue Wellington North, Sherbrooke, Quebec.
 - 2. Lot number 1 621 274 of the Cadastre of Quebec, Registration Division of Hull, and the immovable bearing civic address 115 Rue Champlain, Hull, Quebec.
 - 3. Lot number 3 222 006 of the Cadastre of Quebec, Registration Division of Chambly, and the immovable bearing civic address 174 Sainte-Foy Blvd., Longueuil, Quebec.
 - 4. Lot number 3 224 001 of the Cadastre of Quebec, Registration Division of Chambly, and the immovable bearing civic address 910 Boul. Curé Poirier W., Longueuil, Quebec.

Together with all tangible property, apparatus, equipment, furniture, fixtures, and other items of personal property which are utilized in connection with the Business and located thereat (together, the "**PP&E**");

- b) all Accounts Receivable attributable solely to the Business excluding all Intercompany Accounts Receivable ("**Acquired AR**");
- c) all Assigned Contracts and, with respect to M College, the Third Party Lease;
- d) all claims, causes of action and other legal rights and remedies of Sellers, whether or not known as of the Closing Date, relating to or in connection with the Business, the Sellers' ownership of the Assets or necessary to preserve for the benefit of Buyer full rights to the Assets, but excluding causes of action and other legal rights and remedies of Sellers (i) against Buyer with respect to the transactions contemplated by this Agreement or (ii) relating exclusively to the Excluded Assets;
- e) all Records attributable solely to the Business;
- f) all Permits held by Sellers attributable solely to the Business to the extent that either (i) the same are assignable by Sellers without consent of or fee payable to any third party or (ii) all required consents are actually obtained and any required fee is actually paid by Buyer;

- g) all goodwill in or otherwise associated with the Business and all other intangible personal property used in or attributable to the ownership and/or operation of the Business; and
- h) all rights of Sellers relating to deposits and prepaid expenses, claims for refunds and rights of offset in respect thereof that are not Excluded Assets.

SCHEDULE "B"

DESCRIPTION OF EXCLUDED ASSETS

The Assets being conveyed to Buyer shall not include any of the property, rights or interests as set forth below (the "**Excluded Assets**"):

1. All recruiting agreements entered into by the Sellers and/or RPI.

Notwithstanding the foregoing, nothing herein will be deemed to constitute an agreement to sell, transfer, assign or convey the Excluded Assets to Buyer, and Sellers will retain all right, title and interest to, in and under the Excluded Assets. The term "Excluded Assets" means all assets of the Sellers other than the Purchased Assets, including but not limited to:

- a) any amounts (including the Purchase Price) paid or payable to the Sellers pursuant to this Agreement;
- b) any shares of capital stock or other equity interest of the Sellers or any securities convertible into, exchangeable or exercisable for shares of capital stock or other equity interest of the Sellers;
- c) all minute books, stock ledgers, corporate seals and stock certificates of the Sellers;
- d) all Excluded Records;
- e) all Excluded Contracts, including all rights thereunder;
- f) all Tax assets (including any refunds or prepayments) of Sellers or any of its Affiliates;
- g) all rights, claims or causes of action by or in the right of the Sellers against any current or former director or officer of the Sellers;
- h) all rights to any action, suit or claim of any nature available to or being pursued by Sellers, whether arising by way of counterclaim or otherwise;
- i) any rights, claims or causes of action of the Sellers under this Agreement, any other transaction document or confidentiality agreement entered into in connection herewith;
- j) (i) any solicitor-client privilege and solicitor work-product protection of the Sellers or associated with the Business as a result of legal counsel representing the Sellers or the Business, including in connection with the transactions contemplated by this Agreement; (ii) all documents subject to the attorney-client privilege and work-product protection described in the foregoing clause (i); and (iii) all documents maintained by the Sellers relating to the drafting, negotiation, execution, delivery and performance of this Agreement, any other transaction document or any agreements with any other bidder in connection with any sale process previously conducted by or in which the Sellers were previously involved, including the sale process leading to the entry into this Agreement;

- k) all bank accounts, safety deposit boxes, lock boxes and securities accounts of the Sellers and the contents thereof;
- l) all cash and cash equivalents;
- m) all insurance policies of Sellers and all rights to applicable claims and proceeds thereunder;
- n) all outside of the ordinary course of business deposits made or required to be made by the Sellers to suppliers or other any other third party after the Filing Date as a result of the filing of the CCAA Proceeding;
- o) all Intercompany Accounts Receivable; and
- p) for greater certainty, the Excluded Assets shall include without limitation, personal information of the employees, shareholders and directors of the RPI Group that is unrelated to the Business to the extent determined by the Monitor, as well as emails and copies of emails pertaining to outstanding litigation.

SCHEDULE "C"
DRAFT CERTIFICATE OF THE MONITOR

CANADA

**PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL**

SUPERIOR COURT
Commercial Division

File: No: 500-11-060613-227

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

9437-6852 QUÉBEC INC.

and

9437-6845 QUÉBEC INC.

Applicants

and

RICHTER ADVISORY GROUP INC.

Monitor

CERTIFICATE OF THE MONITOR

RECITALS:

WHEREAS on January 6, 2022, the Superior Court of Quebec (the "**Court**") issued an initial order (as respectively extended, amended and restated on January 14 and 17, 2022, the

"Initial Order") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-36 (as amended, the "CCAA") in respect of the Applicants;

WHEREAS pursuant to the terms of the Initial Order, Richter Advisory Group Inc. (the "Monitor") was appointed as Monitor of the Applicants;

WHEREAS on March 14, 2022, the Court issued an Order (the "Vesting Order") thereby, *inter alia*, authorizing and approving the execution by the Petitioner of an agreement entitled *Asset Purchase Agreement* (the "Purchase Agreement") by and between Rising Phoenix International Inc. ("RPI"), 10864285 Canada Inc. ("M College"), Ecole d'Administration et de Secrétariat de la Rive-Sud Inc. ("CCSQ"), Collège de l'Estrie Inc. ("CDE"), CDSQ Immobilier Inc., 9437-6852 Québec Inc., 9437-6845 Québec Inc. and 11753436 Canada Inc. (together, the "Vendors"), and 6815464 Canada Ltd. as purchaser (the "Purchaser"), copy of which was filed in the Court record, and into all the transactions contemplated therein (the "Transaction") with such alterations, changes, amendments, deletions or additions thereto, as may be agreed to with the consent of the Monitor; and

WHEREAS the Vesting Order contemplates the issuance of this Certificate of the Monitor once the (a) the Purchase Agreement has been executed and delivered; and (b) the Purchase Price (as defined in the Purchase Agreement) has been paid by the Purchaser; and (c) and all the conditions to the closing of the Transaction have been satisfied or waived by the parties thereto.

THE MONITOR CERTIFIES THE FOLLOWING:

- (a) the Purchase Agreement has been executed and delivered;
- (b) the Purchase Price (as defined in the Purchase Agreement) payable upon the closing of the Transaction and all applicable taxes have been paid to the Monitor, on behalf of the Vendors; and
- (c) it has been advised by the Vendors and the Purchaser that all conditions to the closing of the Transaction have been satisfied or waived by the parties thereto.

This Certificate was issued by the Monitor at ____ [TIME] on _____ [DATE].

Richter Advisory Group Inc. in its capacity as Monitor, and not in its personal capacity.

Name: _____

Title: _____

SCHEDULE "D"

PERMITTED ENCUMBRANCES

“Permitted Encumbrances” shall mean (i) any liens for Taxes not yet due and payable; (ii) mechanics’ carriers, workmen’s, repairmen’s or other similar liens arising or incurred in the ordinary course of business or amounts that are not delinquent and which are not, individually or in the aggregate, material to the Business or the Assets; (iii) with respect to real property, easements, rights of way, zoning ordinances and other similar encumbrances which are not individually or in the aggregate, material to the Business or the Assets; and (iv) purchase-money-security interests arising under leases with third parties entered into in the ordinary course of business.

SCHEDULE "E"
ASSIGNED AGREEMENTS

1. The immovable property lease for the premises located at 8550 and 8570 Newman Blvd, LaSalle, Montreal, leased by M College (the "**Third Party Lease**").
2. All educational contracts between any of the Colleges and the Students, to the extent they are assignable.
3. Pearson Products Agreement made as of July 20, 2020 between M College and Pearson Canada, Inc. (the "**Pearson Products Agreement**").
4. Service Agreement dated September 9, 2020 between École de Secrétariat Notre-Dame-des-Neiges (1985), dba CCSQ-Sherbrooke ("**CCSQ-Sherbrooke**") and CDE Collège, subject to the Buyer being provided additional details as requested in Schedule 7.2(e), to the Buyer's satisfaction.
5. Lease dated June 1, 2012 between CCSQ-Sherbrooke, as lessee and CDE, as lessor, subject to the Buyer being provided additional details as requested in Schedule 7.2(e), to the Buyer's satisfaction.
6. The Omnivox agreement(s), subject to the Buyer being provided additional details as requested in Schedule 7.2(e), to the Buyer's satisfaction.
7. Equipment (Toshiba Estudio copier) lease agreement between CDE, as lessee, and Crédit-Bail RCAP inc., as lessor.
8. Equipment (Toshiba Estudio copier) lease agreement between CCSQ, as lessee, and RCAP Leasing Inc., as lessor.
9. Any standard utilities and maintenance agreements (for certainty, excluding any employment agreements) relating to the Colleges to maintain operations in the normal course of business such as Internet, snow removal and hydro, to the extent such agreements are assignable.
10. Any other Contracts that the Buyer consents to assume from the Sellers in writing on or prior to the Closing.

SCHEDULE "F"
REGISTRATIONS PUBLISHED AT THE LAND REGISTRY OFFICE TO BE CANCELED
AND STRUCK

DIVISION OF SHERBROOKE

1. Immovable Hypothec registered on April 15, 2021 at the Land Registry Office for the Registration Division of Sherbrooke under number 26 216 044
2. Immovable Hypothec registered on June 2, 2020 at the Land Registry Office for the Registration Division of Sherbrooke under number 25 420 659
3. Cession of Rank registered on January 27, 2009 at the Land Registry Office for the Registration Division of Sherbrooke under number 15 917 789

DIVISION OF CHAMBLY

1. Immovable Hypothec registered on April 15, 2021 at the Land Registry Office for the Registration Division of Chambly under number 26 216 044
2. Immovable Hypothec registered on June 2, 2020 at the Land Registry Office for the Registration Division of Chambly under number 25 420 659
3. Immovable Hypothec registered on December 23, 2021 at the Land Registry Office for the Registration Division of Chambly under number 26 925 380
4. Cession of Rank registered on December 23, 2021 at the Land Registry Office for the Registration Division of Hull under number 26 925 380

DIVISION OF HULL

1. Immovable Hypothec registered on December 9, 2021 at the Land Registry Office for the Registration Division of Hull under number 26 882 226
2. Cession of Rank registered on March 1, 2021 at the Land Registry Office for the Registration Division of Hull under number 26 099 108

SCHEDULE "G"

REGISTRATIONS PUBLISHED AT QUEBEC PERSONAL AND MOVABLE REAL RIGHTS REGISTRY TO BE CANCELLED AND STRUCK

RISING PHOENIX INTERNATIONAL INC

1. Hypothèque conventionnelle sans dépossession published on 2018-12-16 under # 18-1346912-0001.

9437-6845 QUEBEC INC.

2. Assumption d'une hypothèque mobilière published at the Register of Personal and Movable Real Rights on April 27, 2021 under number 21-0433310-0001
3. Hypothèque conventionnelle avec dépossession published at the Register of Personal and Movable Real Rights on April 15, 2021 under number 21-0380178-0002
4. Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0003
5. Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0002
6. Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0001
7. Hypothèque conventionnelle sans dépossession published at the Register of Personal and Movable Real Rights on April 15, 2021 under number 21-0380178-0001

9437-6852 QUEBEC INC.

1. Assumption d'une hypothèque mobilière published at the Register of Personal and Movable Real Rights on April 27, 2021 under number 21-0433309-0001.
2. Hypothèque conventionnelle avec dépossession published at the Register of Personal and Movable Real Rights on April 15, 2021 under number 21-0380178-0002
3. Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0003
4. Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0002
5. Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0001
6. Hypothèque conventionnelle sans dépossession published at the Register of Personal and Movable Real Rights on April 15, 2021 under number 21-0380178-0001

10864285 CANADA INC.

1. Hypothèque conventionnelle sans dépossession published at the Register of Personal and Movable Real Rights on November 18, 2020 under number 20-1202741-0001
2. Hypothèque conventionnelle sans dépossession published at the Register of Personal and Movable Real Rights on May 2, 2019 under number 19-0449940-0001

11753436 CANADA INC.

1. Hypothèque conventionnelle avec dépossession published at the Register of Personal and Movable Real Rights on April 15, 2021 under number 21-0380178-0002
2. Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0003
3. Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0002
4. Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0001
5. Hypothèque conventionnelle sans dépossession published at the Register of Personal and Movable Real Rights on April 15, 2021 under number 21-0380178-0001

CDSQ IMMOBILIER INC.

1. Hypothèque conventionnelle avec dépossession published at the Register of Personal and Movable Real Rights on April 15, 2021 under number 21-0380178-0002
2. Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0003
3. Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0002
4. Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0001
5. Hypothèque conventionnelle sans dépossession published at the Register of Personal and Movable Real Rights on April 15, 2021 under number 21-0380178-0001

COLLEGE DE L'ESTRIE INC.

1. Hypothèque conventionnelle sans dépossession published at the Register of Personal and Movable Real Rights on June 6, 2020 under number 20-0477379-0002
2. Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0003

3. Assumption d'une hypothèque mobilière published at the Register of Personal and Movable Real Rights on April 27, 2021 under number 21-0433310-0001
4. Droits de propriété du credit-bailleur published at the Register of Personal and Movable Real Rights on September 26, 2016 under number 16-0941231-0006

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

1. Hypothèque conventionnelle sans dépossession published at the Register of Personal and Movable Real Rights on June 6, 2020 under number 20-0477379-0001
2. Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0002
3. Assumption d'une hypothèque mobilière published at the Register of Personal and Movable Real Rights on April 27, 2021 under number 21-0433309-0001
4. Droits de propriété du credit-bailleur published at the Register of Personal and Movable Real Rights on January 31, 2018 under number 18-0087780-0001

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL
No. 500-11-060613-227
DATE: March 14, 2022

PRESIDING : THE HONOURABLEDAVID R. COLLIER, J.S.C.

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

•
_____ Debtor

-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

9437-6852 QUÉBEC INC.

and

9437-6845 QUÉBEC INC.

_____ Applicants/Debtors

and

RICHTER INC.

_____ Monitor

and

6815464 CANADA LTD.

and

THE LAND REGISTRAR ~~FOR~~ THE LAND REGISTRY
OFFICE FOR THE REGISTRATION ~~DIVISION OF • (Québec)~~ DIVISIONS OF
SHERBROOKE, CHAMBLY AND HULL

THE LAND REGISTRAR FOR THE LAND REGISTRY OFFICE
OF ● (Rest of Canada) /
and

THE REGISTRAR OF THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS
(Québec)

Mis-en-Cause

-and-

●

— [Petitioner]¹

-and-

●

— [Receiver/Trustee/Monitor]

APPROVAL AND VESTING ORDER²⁻³

[1] **ON READING** the [Debtor/Petitioner/Receiver/Trustee/Monitor]'s Motion/Applicants' Application for (i) the Issuance of an Approval and Vesting Order (ii) the "Motion"; Approval of a Junior Interim Financing Agreement and (iii) a Re-Amended and Restated Initial Order pursuant to the Companies' Creditors Arrangement Act, R.S.C. 1985, C-36 (as amended the "CCAA"), the exhibits and the affidavit filed in support thereof (the "Application"), the affidavit and the exhibits in support thereof, as well as the Report of the [Receiver/Trustee/Monitor] dated ● March 10, 2022 (the "Report");

[2] **SEEING** the service of the Motion⁴Application;

¹ Under section 243(1) of the BIA, the sale of assets of an insolvent debtor by the receiver may be ordered at the request of the secured creditor. In such a case, the secured creditor would be the petitioner.

² A blacklined version must be included with the Motion

³ This Model Authorization and Vesting Order (the "Model Order") is an order authorizing an insolvent debtor under Court protection (whether under the *Bankruptcy and Insolvency Act* ("BIA") or the *Companies' Creditors Arrangement Act* ("CCAA")) or a receiver appointed under s. 243 of the BIA to enter into a transaction for the sale of its assets and vesting the purchased assets in the purchaser, free and clear of any liens, charges, hypothecs or other encumbrances.

⁴ The Motion should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should be prepared to provide proof of service to the Court. The practice in Quebec is to implead (as mis-en-cause) and serve the proceedings requesting the issuance of an authorization and vesting orders on the land registry named in the orders sought and on the Register of personal and movable real rights, as the case may be. The practice of impleading the registries concerned does not appear to be followed in Canadian provinces outside of Quebec, however, such that

- [3] **SEEING** the submissions of ~~{Debtor/Receiver/Trustee/Monitor}'s attorneys and the submissions of~~ ~~the~~ ~~counsel present at the hearing on the Application;~~
- [4] **SEEING** that it is appropriate to issue an order approving the transaction(s) (the "Transaction") contemplated by the agreement entitled ~~the~~ ~~Asset Purchase Agreement~~ (the "Purchase Agreement") by and between ~~{Debtor/Receiver/Trustee/Monitor}~~ (~~Rising Phoenix International Inc. ("RPI"), 10864285 Canada Inc. ("M College"), Ecole d'Administration et de Secrétariat de la Rive-Sud Inc. ("CCSQ"), Collège de l'Estrie Inc. ("CDE"), CDSQ Immobilier Inc., 9437-6852 Québec Inc., 9437-6845 Québec Inc. and 11753436 Canada Inc. (together, the "VendorVendors"), as vendorvendors, and 6815464 Canada Ltd. (the "Purchaser"), as purchaser, copy of which was filed as Exhibit R-3 to the ~~Motion~~ ~~Application~~, and vesting in the Purchaser the assets described in ~~the Purchase Agreement~~ ~~Schedule "A" hereof~~ (the "Purchased Assets"⁵)). For greater certainty, the excluded assets described in ~~Schedule "B" hereof~~ (the "Excluded Assets") are not subject to or affected in any way whatsoever by this Order.~~

WHEREFORE THE COURT:

- [5] **GRANTS** the ~~Motion~~ ~~Application~~;

SERVICE

- [6] **ORDERS** that any prior delay for the presentation of this ~~Motion~~ ~~Application~~ is hereby abridged and validated so that this ~~Motion~~ ~~Application~~ is properly returnable today and hereby dispenses with further service thereof.
- [7] **PERMITS** service of this Order at any time and place and by any means whatsoever.

SALE APPROVAL

- [8] **ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution ~~and delivery~~ of the Purchase Agreement by the ~~Vendor is~~ ~~Vendors, and the Vendors performance of the obligations thereunder, are~~ hereby authorized and approved, with such ~~authorization for any~~ non-material alterations, changes, amendments, deletions or additions thereto as may be ~~agreed to~~ ~~required for Closing of the Transaction, and as agreed by the Vendors and the Purchaser,~~ but only with the consent of the ~~{Receiver/Trustee/Monitor}~~.

EXECUTION OF DOCUMENTATION

- [9] **AUTHORIZES** the ~~{Vendor/Receiver/Trustee/Vendors, the Monitor}~~ ~~if applicable,~~ and the Purchaser to perform all acts, sign all documents and take any necessary action to execute any agreement, contract, deed, provision, transaction or undertaking

~~preliminary inquiries with the registries concerned are recommended before serving any proceedings on land or other registries outside of Quebec.~~

⁵ ~~To allow this Order to be free-standing (and not require reference to the Court record and/or the Purchase Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.~~

stipulated in the Purchase Agreement (Exhibit R-~~3~~3) and any other ancillary document which ~~could~~may be required or is deemed useful by the Vendors and Purchaser to give full and complete effect thereto.

AUTHORIZATION

[10] **ORDERS** and **DECLARES** that this Order shall constitute the only authorization required by the ~~Vendor~~Vendors to proceed with the Closing of the Transaction and that no shareholder or regulatory approval, if applicable, shall be required in connection therewith.

VESTING OF PURCHASED ASSETS ~~(choose A or B whether Purchased Assets are only located in Quebec (A) or also outside of Quebec (B))~~

[11] **A** ~~—~~ **ORDERS** and **DECLARES** that upon the issuance of a [Receiver/Trustee/Monitor]'s ~~Monitor's~~ certificate substantially in the form appended as **Schedule "AC"** hereto (the "**Certificate**"), all rights, title and interest in and to the Purchased Assets shall vest absolutely and exclusively in and with the Purchaser, free and clear of and from any and all claims, liabilities (direct, indirect, absolute or contingent), obligations, prior claims, right of retention, charges, hypothecs, deemed trusts, judgments, writs of seizure or execution, notices of sale, contractual rights relating to the Property, encumbrances, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Encumbrances**"⁶), including without limiting the generality of the foregoing all Encumbrances created by order of this Court and all charges, or security evidenced by registration, publication or filing pursuant to the *Civil Code of Québec* in movable / immovable property, excluding however, the permitted encumbrances and restrictive covenants listed on **Schedule "BD"** hereto (the "**Permitted Encumbrances**") and, for greater certainty, **ORDERS** that all of the Encumbrances affecting or relating to the Purchased Assets, other than the Permitted Encumbrances, be cancelled and discharged as against the Purchased Assets, in each case effective as of the applicable time and date of the Certificate.

~~[11] **B** ~~—~~ **ORDERS** and **DECLARES** that upon the issuance of a [Receiver/Trustee/Monitor]'s certificate substantially in the form appended as Schedule "A" hereto (the "**Certificate**"), all rights, title and interest in and to the Purchased Assets shall vest absolutely and exclusively in and with the Purchaser, free and clear of and from any and all claims, liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests (whether contractual, statutory or otherwise), liens, charges, hypothecs, mortgages, pledges, deemed trusts, assignments, judgments, executions, writs of seizure or execution, notices of sale, options, adverse claims, levies, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, or other claims or encumbrances, whether or not they have attached or been perfected, registered,~~

⁶ The "Encumbrances" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served.

~~published or filed and whether secured, unsecured or otherwise (collectively, the "Encumbrances"), including without limiting the generality of the foregoing all charges, security interests or charges evidenced by registration, publication or filing pursuant to the Civil Code of Québec, the [Province(s)] Personal Property Security Act, or any other applicable legislation providing for a security interest in personal or movable property, excluding however, the permitted encumbrances, easements and restrictive covenants listed on Schedule "B" hereto (the "Permitted Encumbrances") and, for greater certainty, ORDERS that all of the Encumbrances affecting or relating to the Purchased Assets, other than the Permitted Encumbrances, be expunged and discharged as against the Purchased Assets, in each case effective as of the applicable time and date of the Certificate.~~

[12] **ORDERS and DECLARES** that upon the issuance of the Certificate, the rights and obligations of the Vendor under the Agreements listed on **Schedule "CE"** hereto (the **"Assigned Agreements"**) ~~called "Assigned Contracts" in the Purchase Agreement~~ are assigned to the Purchaser ~~[without contravention of any applicable Provincial regulatory impediments or requirements as my otherwise be applicable, and further~~ **ORDERS** that all ~~monetary defaults~~ Assumed Liabilities of the Debtor in relation to the Assigned Agreements ~~as provided for in s.2.4 of the Purchase Agreement, but specifically excluding obligations arising between January 6, 2022 and the date of the issuance of the Certificate~~ – other than those arising by reason only of the insolvency of the Debtor, the commencement of proceedings under the ~~[BIA/CCAA]~~ or the failure to perform non-monetary obligations - shall be ~~remedied on or before ●~~, **satisfied in accordance with the terms and conditions of the Purchase Agreement by the parties thereto.**

~~[13] **DECLARES** that upon issuance of the Certificate, the Transaction shall be deemed to constitute and shall have the same effect as a sale under judicial authority as per the provisions of the Code of Civil Procedure and a forced sale as per the provisions of the Civil Code of Quebec. [This paragraph is only required when the sale is done by a Receiver]~~

~~[14]~~[13] **ORDERS and DIRECTS** the ~~[Vendor/Receiver/Trustee/Monitor]~~ to serve a copy of this Order to every party to the Assigned Agreements.

~~[15]~~[14] **ORDERS and DIRECTS** the ~~[Receiver/Trustee/Monitor]~~ to file with the Court a copy of the Certificate, forthwith after issuance thereof.

~~owner of the subject real property identified in Schedule "●" (the "Ontario Real Property") hereto in fee simple, and is hereby directed to delete and expunge from title to the ●● Real Property all of the Encumbrances, which for the sake of clarity do not include the Permitted Encumbrances listed on Schedule B;~~

~~(b) [NTD: For Land Registry System]: for the Registry Division of ● of a Vesting Order in the form prescribed by the Land Registration Reform Act (Ontario), including a law statement confirming that the Certificate has been filed, the Land Registrar is hereby directed to record such Vesting Order in respect of the subject real property identified in Schedule "●" (the "Ontario Real Property"), which for the sake of clarity do not include the Permitted Encumbrances listed on Schedule B;~~

[19] ~~[NTD: For Movable Assets]: ORDERS that upon the issuance of the Certificate, the Vendor shall be authorized to take all such steps as may be necessary to effect the discharge of all Encumbrances registered against the Purchased Assets, including filing such financing change statements in the Ontario Personal Property Registry ("OPPR") as may be necessary, from any registration filed against the Vendor in the OPRR, provided that the Vendor shall not be authorized to effect any discharge that would have the effect of releasing any collateral other than the Purchased Assets, and the Vendor shall be authorized to take any further steps by way of further application to this Court.~~

For British Columbia Property:

[20] ~~[NTD: For Immovable Assets]: ORDERS the British Columbia Registrar of Land Titles (the "BC Registrar"), upon the registration in the Land Title Office for the Land Title District of ● of a certified copy of this Order, together with a letter from [Receiver/Trustee/Monitor's counsel], solicitors for the [Receiver/Trustee/Monitor], authorizing registration of this Order,~~

~~(a) to enter the Purchaser as the owner of the lands, as identified in Schedule "●" hereto (the "BC Real Property"), together with all buildings and other structures, facilities and improvements located thereon and fixtures, systems, interests, licenses, rights, covenants, restrictive covenants, commons, ways, profits, privileges, rights, easements and appurtenances to the said hereditaments belonging, or with the same or any part thereof, held or enjoyed or appurtenant thereto, in fee simple in respect of the BC Real Property; and~~

~~(b) having considered the interest of third parties, to discharge, release, delete and expunge from title to the BC Real Property all of the registered Encumbrances except for those listed in Schedule "●".~~

[21] ~~[NTD: For Immovable Assets]: DECLARES that it has been proven to the satisfaction of this Court on investigation that the title of the Purchaser in and to the BC Real Property is a good, safe holding and marketable title and directs the BC Registrar to register indefeasible title in favour of the Purchaser as aforesaid.~~

[22] ~~[NTD: For Movable Assets]: ORDERS that upon the issuance of the Certificate, the Vendor shall be authorized to take all such steps as may be necessary to effect the discharge of all Encumbrances registered against the Purchased Assets, including~~

~~filing such financing change statements in the British Columbia Personal Property Security Registry (the "BC PPR") as may be necessary, from any registration filed against the Vendors in the BC PPR, provided that the Vendors shall not be authorized to effect any discharge that would have the effect of releasing any collateral other than the Purchased Assets, and the Vendors shall be authorized to take any further steps by way of further application to this Court.~~

For New Brunswick Property:

~~{23} [NTD: For Immovable Assets]: ORDERS that upon registration in the Land Registry Office for the Registry Division of ● of an Application for Vesting Order in the form prescribed by the Registry Act (New Brunswick) duly executed by the [Receiver/Trustee/Monitor], the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule "●" (the "NB Real Property") in fee simple, and is hereby directed to delete and expunge from title to the NB Real Property, all of the Encumbrances, other than the Permitted Encumbrances.~~

~~{24} [NTD: For Movable Assets]: ORDERS that upon the issuance of the Certificate, the Vendor shall be authorized to take all such steps as may be necessary to effect the discharge of all Encumbrances registered against the Purchased Assets, including filing such financing change statements in the New Brunswick Personal Property Registry (the "NBPPR") as may be necessary, from any registration filed against the Vendor in the NBPPR, provided that the Vendor shall not be authorized to effect any discharge that would have the effect of releasing any collateral other than the ● Assets, and the Vendor shall be authorized to take any further steps by way of further application to this Court.~~

- N/a

NET PROCEEDS

~~{25}[17] ORDERS that the net proceeds⁴⁹ from the sale of the Purchased Assets (the "Net Proceeds") shall be remitted to the [Receiver/Trustee/Monitor], and shall be distributed in accordance with applicable legislation.~~

~~{26}[18] ORDERS that for the purposes of determining the nature and priority of the Encumbrances, the Net Proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that upon payment of the Purchase Price (as defined in the Purchase Agreement) by the Purchaser, all Encumbrances except for the Permitted Encumbrances shall attach to the Net Proceeds with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and~~

⁴⁹ ~~The Motion and related draft order should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "Net Proceeds".~~

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remained in the possession or control of the person having that possession or control immediately prior to the sale.

[19] ORDERS that concurrently with the issuance of the Certificate, the Monitor shall pay to Firm Capital Mortgage Fund Inc. ("Firm Capital") from the Net Proceeds the amount of indebtedness due to Firm Capital secured by the FCC Security and the Interim Lender's Charge in accordance with payout statements to be issued by Firm Capital at least ten (10) days prior to the closing of the Transaction, subject only to a security review in respect of the FCC Security to be conducted forthwith by the Monitor.

PROTECTION OF PERSONAL INFORMATION

[27][20] ORDERS that, pursuant to sub-section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or any similar provision of any applicable provincial legislation, the ~~Receiver~~Monitor is authorized and permitted to disclose and transfer to the Purchaser all personal information relating to any students in any way related to the Colleges or any human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees listed on Schedule ~~"6.6(a)"~~ to the Purchase Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor;⁴⁴ ~~[NOTE: It is desirable to obtain specific evidence in order to convince the Tribunal of the necessity of this clause];~~

VALIDITY OF THE TRANSACTION

[28][21] ORDERS that notwithstanding:

- (i) the pendency of these proceedings;
- (ii) any petition for a receiving order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* ("**BIA**") and any order issued pursuant to any such petition; or
- (iii) the provisions of any federal or provincial legislation;

the vesting of the Purchased Assets contemplated in this Order, as well as the execution of the Purchase Agreement pursuant to this Order, are to be binding on any trustee in bankruptcy or receiver that may be appointed, and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Vendor, the Purchaser ~~for the Receiver/Trustee~~Monitor];

⁴⁴ ~~This paragraph may not be necessary depending on the nature of the Purchased Assets.~~

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LIMITATION OF LIABILITY

{29}[22] **DECLARES** that, subject to other orders of this Court, nothing herein contained shall require the {Receiver/Trustee/Monitor} to occupy or to take control, or to otherwise manage all or any part of the Purchased Assets. The {Receiver/Trustee/Monitor} shall not, as a result of this Order, be deemed to be in possession of any of the Purchased Assets within the meaning of environmental legislation, the whole pursuant to the terms of the {BIA, CCAA};

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{30}[23] **DECLARES** that no action lies against the {Receiver/Trustee/Monitor} by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court. The entities related to the {Receiver/Trustee/Monitor} or belonging to the same group as the Receiver/Monitor shall benefit from the protection arising under the present paragraph;

GENERAL

{31} ~~ORDERS AND DECLARES~~ that the Transaction is exempt from the application of the Bulk Sales Act (Ontario). ~~[NOTE: It is desirable to obtain specific evidence in order to convince the Tribunal of the necessity of this clause] [Ontario - Adapt for other common-law Provinces where applicable]~~

{32}[24] **ORDERS** that the Purchaser or the {Vendor/Receiver/Trustee/Monitor} shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.

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{33}[25] **ORDERS** that the Purchase Agreement be kept confidential and under seal until the earlier of a) the closing of the Transaction; or b) further order of this Court.

{34}[26] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada;

{35}[27] **DECLARES** that the {Vendor/Receiver/Trustee/Monitor} shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement the Order and, without limitation to the foregoing, an order under Chapter 15 of the U.S. Bankruptcy Code, for which the {Vendor/Receiver/Trustee/Monitor} shall be the foreign representative of the Debtor. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the {Vendor/Receiver/Trustee/Monitor} as may be deemed necessary or appropriate for that purpose;

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{36}[28] **REQUESTS** the aid and recognition of any court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order;

[37][29] _____ **ORDERS** the provisional execution of the present Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.

THE WHOLE ~~WITH~~ WITHOUT COSTS.

_____, J.S.C.

◆
Attorneys for ◆

THE HONOURABLE DAVID R. COLLIER, J.S.C.

SCHEDULE "A" "A"

DESCRIPTION OF PURCHASED ASSETS

The purchased assets shall include all of Sellers' right, title and interest in all assets and properties owned by Sellers in connection with the Business, including without limitation the following (other than the Excluded Assets) (together, the "Purchased Assets"):

a) the Owned Real Property described as follows:

1. Lot number 1 030 881 of the Cadastre of Quebec, Registration Division of Sherbrooke, and the immovable bearing civic address 29-37 Rue Wellington North, Sherbrooke, Quebec.
2. Lot number 1 621 274 of the Cadastre of Quebec, Registration Division of Hull, and the immovable bearing civic address 115 Rue Champlain, Hull, Quebec.
3. Lot number 3 222 006 of the Cadastre of Quebec, Registration Division of Chambly, and the immovable bearing civic address 174 Sainte-Foy Blvd., Longueuil, Quebec.
4. Lot number 3 224 001 of the Cadastre of Quebec, Registration Division of Chambly, and the immovable bearing civic address 910 Boul. Curé Poirier W., Longueuil, Quebec.

Together with all tangible property, apparatus, equipment, furniture, fixtures, and other items of personal property which are utilized in connection with the Business and located thereat (together, the "PP&E"):

b) all Accounts Receivable attributable solely to the Business excluding all Intercompany Accounts Receivable ("Acquired AR"):

c) all Assigned Contracts and, with respect to M College, the Third Party Lease:

d) all claims, causes of action and other legal rights and remedies of Sellers, whether or not known as of the Closing Date, relating to or in connection with the Business, the Sellers' ownership of the Assets or necessary to preserve for the benefit of Buyer full rights to the Assets, but excluding causes of action and other legal rights and remedies of Sellers (i) against Buyer with respect to the transactions contemplated by this Agreement or (ii) relating exclusively to the Excluded Assets:

e) all Records attributable solely to the Business:

f) all Permits held by Sellers attributable solely to the Business to the extent that either (i) the same are assignable by Sellers without consent of or fee payable to any third party or (ii) all required consents are actually obtained and any required fee is actually paid by Buyer:

g) all goodwill in or otherwise associated with the Business and all other intangible personal property used in or attributable to the ownership and/or operation of the Business; and

h) all rights of Sellers relating to deposits and prepaid expenses, claims for refunds and rights of offset in respect thereof that are not Excluded Assets.

SCHEDULE "B"
DESCRIPTION OF EXCLUDED ASSETS

The Assets being conveyed to Buyer shall not include any of the property, rights or interests as set forth below (the "Excluded Assets"):

1. All recruiting agreements entered into by the Sellers and/or RPI.

Notwithstanding the foregoing, nothing herein will be deemed to constitute an agreement to sell, transfer, assign or convey the Excluded Assets to Buyer, and Sellers will retain all right, title and interest to, in and under the Excluded Assets. The term "Excluded Assets" means all assets of the Sellers other than the Purchased Assets, including but not limited to:

- a) any amounts (including the Purchase Price) paid or payable to the Sellers pursuant to this Agreement;
- b) any shares of capital stock or other equity interest of the Sellers or any securities convertible into, exchangeable or exercisable for shares of capital stock or other equity interest of the Sellers;
- c) all minute books, stock ledgers, corporate seals and stock certificates of the Sellers;
- d) all Excluded Records;
- e) all Excluded Contracts, including all rights thereunder;
- f) all Tax assets (including any refunds or prepayments) of Sellers or any of its Affiliates;
- g) all rights, claims or causes of action by or in the right of the Sellers against any current or former director or officer of the Sellers;
- h) all rights to any action, suit or claim of any nature available to or being pursued by Sellers, whether arising by way of counterclaim or otherwise;
- i) any rights, claims or causes of action of the Sellers under this Agreement, any other transaction document or confidentiality agreement entered into in connection herewith;
- j) (i) any solicitor-client privilege and solicitor work-product protection of the Sellers or associated with the Business as a result of legal counsel representing the Sellers or the Business, including in connection with the transactions contemplated by this Agreement; (ii) all documents subject to the attorney-client privilege and work-product protection described in the foregoing clause (i); and (iii) all documents maintained by the Sellers relating to the drafting, negotiation, execution, delivery and performance of this Agreement, any other transaction document or any agreements with any other bidder in connection with any sale process previously conducted by or in which the Sellers were previously involved, including the sale process leading to the entry into this Agreement;

- k) all bank accounts, safety deposit boxes, lock boxes and securities accounts of the Sellers and the contents thereof;
- l) all cash and cash equivalents;
- m) all insurance policies of Sellers and all rights to applicable claims and proceeds thereunder;
- n) all outside of the ordinary course of business deposits made or required to be made by the Sellers to suppliers or other any other third party after the Filing Date as a result of the filing of the CCAA Proceeding;
- o) all Intercompany Accounts Receivable; and
- p) for greater certainty, the Excluded Assets shall include without limitation, personal information of the employees, shareholders and directors of the RPI Group that is unrelated to the Business to the extent determined by the Monitor, as well as emails and copies of emails pertaining to outstanding litigation.

SCHEDULE "C"

DRAFT CERTIFICATE OF THE [RECEIVER/TRUSTEE/MONITOR/MONITOR]

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
Commercial Division

File: No: 500-11-060613-227

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

◆

Debtor

-
RISING PHOENIX INTERNATIONAL INC.
and

◆

[Petitioner]

-
10864285 CANADA INC.
and

◆

[Receiver/Trustee/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
9437-6852 QUÉBEC INC.
and
9437-6845 QUÉBEC INC.

Applicants

and
RICHTER ADVISORY GROUP INC.

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Monitor]

CERTIFICATE OF THE [RECEIVER/TRUSTEE/MONITOR]

RECITALS:

WHEREAS on ~~January 6, 2022~~, the Superior Court of Quebec (the "**Court**") issued a ~~an~~ initial order (as respectively extended, amended and restated on January 14 and 17, 2022, the "~~Initial Order~~") pursuant to the ~~Companies' Creditors Arrangement Act, R.S.C. 1985, C-36 (as amended, the "Act/CCAA")~~ in respect of ~~(the "Petitioners"); [NTD: refer to BIA notice of intention/proposal if applicable]~~ Applicants;

WHEREAS pursuant to the terms of the ~~Initial Order/NOI~~, ~~Richter Advisory Group Inc.~~ (the "~~Receiver/Trustees/Monitor~~") was named ~~Receiver/Trustees/appointed as~~ Monitor] of the ~~Petitioner; and~~ Applicants;

WHEREAS on ~~March 14, 2022~~, the Court issued an Order (the "**Vesting Order**") thereby, *inter alia*, authorizing and approving the execution by the Petitioner of an agreement entitled ~~Agreement (the "Purchase Agreement") by and between~~, as vendor (the "**Vendor**") and ~~Asset Purchase Agreement (the "Purchase Agreement") by and between Rising Phoenix International Inc. ("RPI"), 10864285 Canada Inc. ("M College"), Ecole d'Administration et de Secrétariat de la Rive-Sud Inc. ("CCSQ"), Collège de l'Estrie Inc. ("CDE"), CDSQ Immobilier Inc., 9437-6852 Québec Inc., 9437-6845 Québec Inc. and 11753436 Canada Inc. (together, the "Vendors"), and 6815464 Canada Ltd.~~ as purchaser (the "**Purchaser**"), copy of which was filed in the Court record, and into all the transactions contemplated therein (the "**Transaction**") with such alterations, changes, amendments, deletions or additions thereto, as may be agreed to with the consent of the ~~Receiver/Trustees/Monitor~~; and

WHEREAS the Vesting Order contemplates the issuance of this Certificate of the ~~Receiver/Trustees/Monitor~~ once the (a) the Purchase Agreement has been executed and delivered; and (b) the Purchase Price (as defined in the Purchase Agreement) has been paid by the Purchaser; and (c) and all the conditions to the closing of the Transaction have been satisfied or waived by the parties thereto.

THE [RECEIVER/TRUSTEES/MONITOR] MONITOR CERTIFIES [THAT IT HAS BEEN ADVISED BY THE VENDOR AND THE PURCHASER AS TO] THE FOLLOWING:

- (a) the Purchase Agreement has been executed and delivered;
- (b) the Purchase Price (as defined in the Purchase Agreement) payable upon the closing of the Transaction and all applicable taxes have been paid to the Monitor, on behalf of the Vendors; and
- (c) it has been advised by the Vendors and the Purchaser that all conditions to the closing of the Transaction have been satisfied or waived by the parties thereto.

Mis en forme : Police :Non Gras

Mis en forme : Police :Non Gras

Mis en forme : Gauche, Espace Avant : 0 pt, Après : 0 pt, Éviter veuves et orphelines, Espacement automatique entre les caractères asiatiques et latins, Espacement automatique entre les caractères asiatiques et les chiffres, Taquets de tabulation : Pas à 2,14 cm + 8,89 cm + 16,51 cm

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Mis en forme : DeltaView Insertion, Anglais (États-Unis)

Mis en forme : DeltaView Insertion, Anglais (États-Unis)

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Mis en forme : Police :Gras

Mis en forme : DeltaView Insertion, Tout en majuscule

Mis en forme : DeltaView Insertion, Police :Gras

This Certificate was issued by the [Receiver/Trustees/Monitor] at ____ [TIME] on
_____ [DATE].

● Richter Advisory Group Inc. in its capacity as ● Monitor,
and not in its personal capacity.

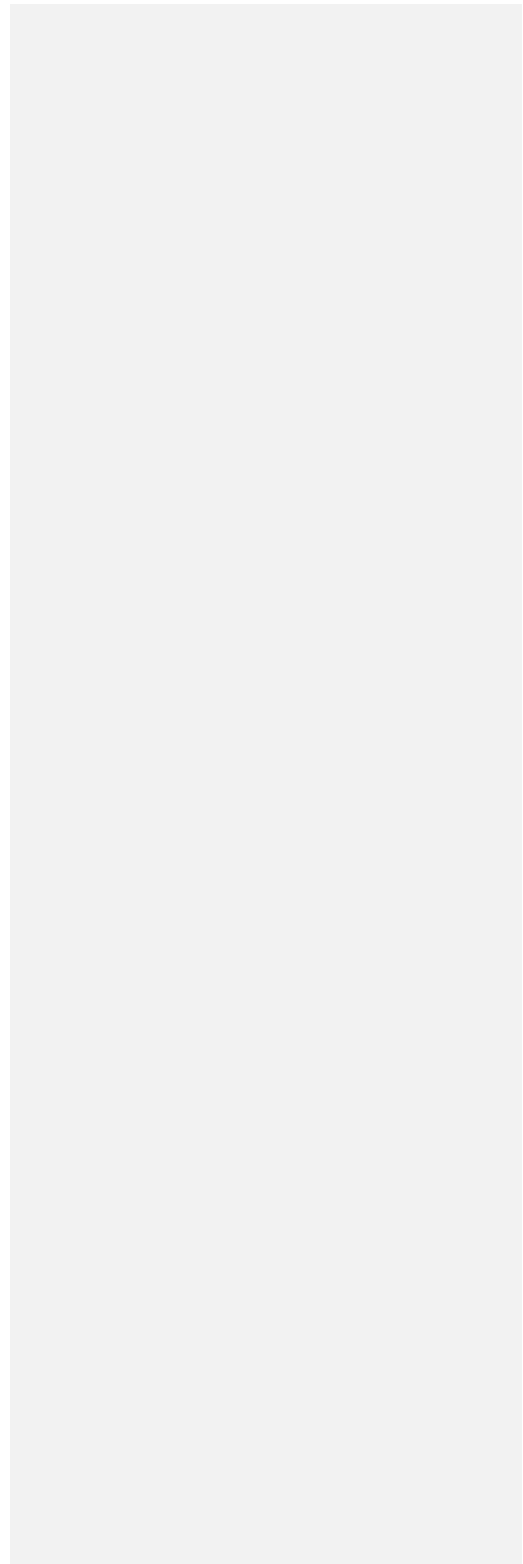
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Name: _____

Title: _____

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May 2014

SCHEDULE "BD"
PERMITTED ENCUMBRANCES

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May 2014,

SCHEDULE "C"

"Permitted Encumbrances" shall mean (i) any liens for Taxes not yet due and payable; (ii) mechanics' carriers, workmen's, repairmen's or other similar liens arising or incurred in the ordinary course of business or amounts that are not delinquent and which are not, individually or in the aggregate, material to the Business or the Assets; (iii) with respect to real property, easements, rights of way, zoning ordinances and other similar encumbrances which are not individually or in the aggregate, material to the Business or the Assets; and (iv) purchase-money-security interests arising under leases with third parties entered into in the ordinary course of business.

Mis en forme : Gauche

Mis en forme : Police :Non Gras, Anglais (Canada)

May 2014,

SCHEDULE "E"

ASSIGNED AGREEMENTS

1. The immovable property lease for the premises located at 8550 and 8570 Newman Blvd, LaSalle, Montreal, leased by M College (the "Third Party Lease").
2. All educational contracts between any of the Colleges and the Students, to the extent they are assignable.
3. Pearson Products Agreement made as of July 20, 2020 between M College and Pearson Canada, Inc. (the "Pearson Products Agreement").
4. Service Agreement dated September 9, 2020 between École de Secrétariat Notre-Dame-des-Neiges (1985), dba CCSQ-Sherbrooke ("CCSQ-Sherbrooke") and CDE Collège, subject to the Buyer being provided additional details as requested in Schedule 7.2(e), to the Buyer's satisfaction.
5. Lease dated June 1, 2012 between CCSQ-Sherbrooke, as lessee and CDE, as lessor, subject to the Buyer being provided additional details as requested in Schedule 7.2(e), to the Buyer's satisfaction.
6. The Omnivox agreement(s), subject to the Buyer being provided additional details as requested in Schedule 7.2(e), to the Buyer's satisfaction.
7. Equipment (Toshiba Estudio copier) lease agreement between CDE, as lessee, and Crédit-Bail RCAP inc., as lessor.
8. Equipment (Toshiba Estudio copier) lease agreement between CCSQ, as lessee, and RCAP Leasing Inc., as lessor.
9. Any standard utilities and maintenance agreements (for certainty, excluding any employment agreements) relating to the Colleges to maintain operations in the normal course of business such as Internet, snow removal and hydro, to the extent such agreements are assignable.
10. Any other Contracts that the Buyer consents to assume from the Sellers in writing on or prior to the Closing.

Mis en forme : Gauche

Mis en forme : Police :Non Gras, Anglais (Canada)

SCHEDULE "F"

**REGISTRATIONS PUBLISHED AT THE LAND REGISTRY OFFICE TO BE CANCELED
AND STRUCK**

DIVISION OF SHERBROOKE

1. Immovable Hypothec registered on April 15, 2021 at the Land Registry Office for the Registration Division of Sherbrooke under number 26 216 044
2. Immovable Hypothec registered on June 2, 2020 at the Land Registry Office for the Registration Division of Sherbrooke under number 25 420 659
3. Cession of Rank registered on January 27, 2009 at the Land Registry Office for the Registration Division of Sherbrooke under number 15 917 789

DIVISION OF CHAMBLY

1. Immovable Hypothec registered on April 15, 2021 at the Land Registry Office for the Registration Division of Chambly under number 26 216 044
2. Immovable Hypothec registered on June 2, 2020 at the Land Registry Office for the Registration Division of Chambly under number 25 420 659
3. Immovable Hypothec registered on December 23, 2021 at the Land Registry Office for the Registration Division of Chambly under number 26 925 380
4. Cession of Rank registered on December 23, 2021 at the Land Registry Office for the Registration Division of Hull under number 26 925 380

DIVISION OF HULL

1. Immovable Hypothec registered on December 9, 2021 at the Land Registry Office for the Registration Division of Hull under number 26 882 226
2. Cession of Rank registered on March 1, 2021 at the Land Registry Office for the Registration Division of Hull under number 26 099 108

May 2014

SCHEDULE "G"

**REGISTRATIONS PUBLISHED AT QUEBEC PERSONAL AND MOVABLE REAL RIGHTS
REGISTRY TO BE CANCELLED AND STRUCK**

RISING PHOENIX INTERNATIONAL INC

1. Hypothèque conventionnelle sans dépossession published on 2018-12-16 under # 18-1346912-0001.

9437-6845 QUEBEC INC.

2. Assumption d'une hypothèque mobilière published at the Register of Personal and Movable Real Rights on April 27, 2021 under number 21-0433310-0001
3. Hypothèque conventionnelle avec dépossession published at the Register of Personal and Movable Real Rights on April 15, 2021 under number 21-0380178-0002
4. Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0003
5. Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0002
6. Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0001
7. Hypothèque conventionnelle sans dépossession published at the Register of Personal and Movable Real Rights on April 15, 2021 under number 21-0380178-0001

9437-6852 QUEBEC INC.

1. Assumption d'une hypothèque mobilière published at the Register of Personal and Movable Real Rights on April 27, 2021 under number 21-0433309-0001.
2. Hypothèque conventionnelle avec dépossession published at the Register of Personal and Movable Real Rights on April 15, 2021 under number 21-0380178-0002
3. Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0003
4. Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0002
5. Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0001
6. Hypothèque conventionnelle sans dépossession published at the Register of Personal and Movable Real Rights on April 15, 2021 under number 21-0380178-0001

Mis en forme : Gauche

Mis en forme : Police :Non Gras, Anglais (Canada)

10864285 CANADA INC.

1. [Hypothèque conventionnelle sans dépossession published at the Register of Personal and Movable Real Rights on November 18, 2020 under number 20-1202741-0001](#)
2. [Hypothèque conventionnelle sans dépossession published at the Register of Personal and Movable Real Rights on May 2, 2019 under number 19-0449940-0001](#)

11753436 CANADA INC.

1. [Hypothèque conventionnelle avec dépossession published at the Register of Personal and Movable Real Rights on April 15, 2021 under number 21-0380178-0002](#)
2. [Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0003](#)
3. [Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0002](#)
4. [Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0001](#)
5. [Hypothèque conventionnelle sans dépossession published at the Register of Personal and Movable Real Rights on April 15, 2021 under number 21-0380178-0001](#)

CDSQ IMMOBILIER INC.

1. [Hypothèque conventionnelle avec dépossession published at the Register of Personal and Movable Real Rights on April 15, 2021 under number 21-0380178-0002](#)
2. [Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0003](#)
3. [Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0002](#)
4. [Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0001](#)
5. [Hypothèque conventionnelle sans dépossession published at the Register of Personal and Movable Real Rights on April 15, 2021 under number 21-0380178-0001](#)

COLLEGE DE L'ESTRIE INC.

1. [Hypothèque conventionnelle sans dépossession published at the Register of Personal and Movable Real Rights on June 6, 2020 under number 20-0477379-0002](#)

[2. Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0003](#)

[3. Assumption d'une hypothèque mobilière published at the Register of Personal and Movable Real Rights on April 27, 2021 under number 21-0433310-0001](#)

[4. Droits de propriété du credit-bailleur published at the Register of Personal and Movable Real Rights on September 26, 2016 under number 16-0941231-0006](#)

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

[1. Hypothèque conventionnelle sans dépossession published at the Register of Personal and Movable Real Rights on June 6, 2020 under number 20-0477379-0001](#)

[2. Cession de rang published at the Register of Personal and Movable Real Rights on April 28, 2021 under number 21-0439698-0002](#)

[3. Assumption d'une hypothèque mobilière published at the Register of Personal and Movable Real Rights on April 27, 2021 under number 21-0433309-0001](#)

[4. Droits de propriété du credit-bailleur published at the Register of Personal and Movable Real Rights on January 31, 2018 under number 18-0087780-0001](#)

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

No: **500-11-060613-227**

DATE: **March 14, 2022**

PRESIDING: THE HONOURABLE DAVID R. COLLIER, J.C.S.

**IN THE MATTER OF THE ARRANGEMENT OR 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

RE-AMENDED AND RESTATED INITIAL ORDER

ON READING the Applicants' *Application for (i) the Issuance of an Approval and Vesting Order (ii) the Approval of a Junior Interim Financing Agreement and (iii) a Re-Amended and Restated Initial Order* pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-36 (as amended the "**CCAA**"), the exhibits and the affidavit filed in support thereof (the "**Application**"), the Fifth Report of Richter Inc. ("**Richter**" or the "**Monitor**") dated March 10, 2022, and relying upon the submissions of counsel present at the hearing on the Application and being advised that the interested parties, including secured creditors who are likely to be affected by the charges created herein were given prior notice of the presentation of the Application;

GIVEN the First Day Initial Order rendered by this Court on January 6, 2022 (the "**First Day Order**"), ordering, *inter alia*, a stay of all proceedings and remedies taken or that might be taken in respect of the Applicants or any of their property, except as otherwise set for the in the First Day Initial Order or as otherwise permitted by law, until January 14, 2022 (as further defined in the First Day Order, the "**Stay Period**");

GIVEN the Order Extending the Stay of Period rendered by this Court on January 14, 2022, *inter alia*, extending the Stay Period until January 17, 2022;

GIVEN the Amended and Restated Initial Order rendered by this Court on January 17, 2022, *inter alia*, extending the Stay Period until February 28, 2022;

GIVEN the Order Extending the Stay of Period rendered by this Court on February 28, 2022, *inter alia*, extending the Stay Period until April 29, 2022;

GIVEN the provisions of the CCAA;

WHEREFORE, THE COURT:

1. **GRANTS** the Application.
2. **ISSUES** an order pursuant to the CCAA (the “**Order**”), divided under the following headings:
 - Service
 - Application of the CCAA and Procedural Consolidation
 - Effective Time
 - Plan of Arrangement
 - Stay of Proceedings against the Applicants and the Property
 - Stay of Proceedings against the Directors and Officers
 - Possession of Property and Operations
 - No Exercise of Rights or Remedies
 - No Interference with Rights
 - Continuation of Services
 - Non-Derogation of Rights
 - Interim Financing (DIP)
 - Directors’ and Officers’ Indemnification Charge
 - Restructuring
 - Powers of the Monitor
 - Priorities and General Provisions Relating to CCAA Charges
 - General

Service

3. **DECLARES** that sufficient prior notice of the presentation of the Application has been given by the Applicants to interested parties, including the secured creditors who are likely to be affected by the charges created herein.

Application of the CCAA and Procedural Consolidation

4. **DECLARES** that the Applicants are each a debtor company to which the CCAA applies.
5. **ORDERS** the consolidation of these CCAA proceedings in respect of the Applicants and **ORDERS** that such consolidation shall be for administrative purposes only and shall not effect a consolidation of the assets and property of each of the Applicants including, without limitation, for the purposes of any Plan (as defined below) that may be thereafter proposed.
6. **DECLARES** that, unless otherwise indicated, all amounts referenced herein are in Canadian dollars.

Effective Time

7. **DECLARES** that this Order and all of its provisions are effective as of 12:01 a.m. Montreal time, province of Quebec, on the date of this Order (the “**Effective Time**”).

Plan of Arrangement

8. **DECLARES** that the Applicants shall have the authority, if considered to be appropriate, to file with this Court and to submit to their creditors one or more plans of compromise or arrangement (collectively, the “**Plan**”) in accordance with the CCAA.

Stay of Proceedings against the Applicants and the Property

9. **ORDERS** that, until and including April 29, 2022, or such later date as the Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicants, or affecting the Applicants’ business operations and activities (the “**Business**”) or the Property (as defined below), including as provided in paragraph 13 hereof except with leave of this Court. Any and all Proceedings currently under way against or in respect of

the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court, the whole subject to subsection 11.1 CCAA.

10. **ORDER** that the rights of Her Majesty in right of Canada and Her Majesty in right of a Province are suspended in accordance with the terms and conditions of Subsection 11.09 CCAA.

Stay of Proceedings against the Directors and Officers

11. **ORDERS** that during the Stay Period and except as permitted under subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any former, present or future director or officer of the Applicants nor against any person deemed to be a director or an officer of the Applicants under subsection 11.03(3) CCAA (each, a “**Director**”, and collectively the “**Directors**”) in respect of any claim against such Director which arose prior to the Effective Time and which relates to any obligation of the Applicants where it is alleged that any of the Directors is under any law liable in such capacity for the payment of such obligation.
12. **DECLARES** that neither the Notice of Stay of Proceedings delivered by the Monitor on January 7, 2022 nor paragraphs 9 and 11 of this Order shall in any way stay or preclude Me Gordon Kugler, acting in his capacity as arbitrator, from making and delivering his arbitral decision on the merits (the “**Arbitral Decision**”) in the arbitration proceeding between Rising Phoenix International Inc., Caroline Mastantuono (Bonneville), Christina Mastantuono, Joseph Mastantuono and Les Consultants 3 L M Inc., operating under the name *Institut supérieur d’informatique*, which was taken under advisement by Me Kugler on December 17, 2021. For greater certainty, this declaration shall apply solely in respect of the making of the Arbitral Decision and not in respect of any subsequent homologation and/or enforcement proceedings in respect of the Arbitral Decision for which the parties reserve all of their rights without any admission whatsoever.

Possession of Property and Operations

13. **ORDERS** that the Applicants shall remain in possession and control of their present and future assets, rights, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (collectively the “**Property**”), the

whole in accordance with the terms and conditions of this Order, including, but not limited to, paragraphs 35, 40 and 41 hereof.

14. **ORDERS** that the Monitor, acting in consultation with and on behalf of the Applicants, shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:
 - (a) all outstanding and future wages, salaries, bonuses, commissions, employee contributions, benefits, vacation pay, termination and severance obligations, expenses and other amounts otherwise payable to present or former employees on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
 - (b) the fees and disbursements of any employees, independent contractors, consultants, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by the Applicants, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order and these proceedings, at their standard rates and charges.

15. **ORDERS** that, except as otherwise provided to the contrary herein, the Monitor, acting in consultation with and on behalf of the Applicants, shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the First Day Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
 - (a) all expenses and capital expenditures reasonably necessary for the presentation of the Property or the Business of the Applicants including, without limitation, payments on account of insurance (including directors and officers insurance);
 - (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

No Exercise of Rights or Remedies

16. **ORDERS** that during the Stay Period, and subject to, *inter alia*, subsection 11.1 CCAA, all rights and remedies of any individual, natural person, firm, corporation, partnership, limited liability company, trust, joint venture, association, organization, governmental body or agency, or any other entity (all of the foregoing, collectively being “Persons” and each being a “**Person**”) against or in respect of the Applicants, or affecting the Business, the Property or any part thereof, are hereby stayed and suspended except with leave of this Court.
17. **DECLARES** that, to the extent any rights, obligations, or prescription, time or limitation periods, including, without limitation, to file grievances, relating to the Applicants or any of the Property or the Business may expire (other than pursuant to the terms of any contracts, agreements or arrangements of any nature whatsoever), the term of such rights, obligations, or prescription, time or limitation periods shall hereby be deemed to be extended by a period equal to the Stay Period. Without limitation to the foregoing, in the event that the Applicants become bankrupt or a receiver as defined in subsection 243(2) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) is appointed in respect of the Applicants, the period between the date of the Order and the day on which the Stay Period ends shall not be calculated in respect of the Applicants in determining the 30 day periods referred to in Sections 81.1 and 81.2 of the BIA.

No Interference with Rights

18. **ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, resiliate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or with leave of this Court.

Continuation of Services

19. **ORDERS** that during the Stay Period and subject to paragraph 21 hereof and subsection 11.01 CCAA, all Persons having verbal or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, transportation, insurance, including but not limited to

the health and medical insurance program underwritten by Berkley Insurance Company and administered by JF Insurance Agency Group (the policy of which is filed as **Exhibit R-17** to the Application), utility or other goods or services made available to the Applicants, are hereby restrained until further order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses, domain names or other services, provided in each case that the normal prices or charges for all such goods or services received after the date of the First Day Order are paid by the Applicants, without having to provide any security deposit or any other security, in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and the Applicants, with the consent of the Monitor, or as may be ordered by this Court.

20. **ORDERS** that, notwithstanding anything else contained herein and subject to subsection 11.01 CCAA, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided to the Applicants on or after the date of the Order, nor shall any Person be under any obligation on or after the date of the Order to make further advance of money or otherwise extend any credit to the Applicants.

21. **ORDERS** that, without limiting the generality of the foregoing and subject to Section 21 of the CCAA, if applicable, cash or cash equivalents placed on deposit by the Applicants with any Person during the Stay Period, whether in an operating account or otherwise for itself or for another entity, shall not be applied by such Person in reduction or repayment of amounts owing to such Person as of the date of the Filing Date or due on or before the expiry of the Stay Period or in satisfaction of any interest or charges accruing in respect thereof; however, this provision shall not prevent any financial institution from: (i) reimbursing itself for the amount of any cheques drawn by the Applicants and properly honoured by such institution, or (ii) holding the amount of any cheques or other instruments deposited into the Applicants' account until those cheques or other

instruments have been honoured by the financial institution on which they have been drawn.

Non-Derogation of Rights

22. **ORDERS** that, notwithstanding the foregoing, any Person who provided any kind of letter of credit, guarantee or bond (the “**Issuing Party**”) at the request of the Applicants shall be required to continue honouring any and all such letters, guarantees and bonds, issued on or before the date of the Order, provided that all conditions under such letters, guarantees and bonds are met save and except for defaults resulting from this Order; however, the Issuing Party shall be entitled, where applicable, to retain the bills of lading or shipping or other documents relating thereto until paid.

Interim Financing (DIP)

23. **ORDERS** that the Applicants be and are hereby authorized to borrow from Firm Capital Mortgage Fund Inc. (the “**Interim Lender**”) such amounts from time to time as the Applicants may consider necessary or desirable, up to an aggregate principal amount not exceeding \$1,750,000 outstanding at any time, on the terms and conditions as set forth in the Interim Loan Commitment filed as Exhibit R-23A in support of the Application (the “**Interim Financing Agreement**”) and in the Interim Financing Documents (as defined hereinafter), to fund the ongoing expenditures of Applicants and to pay such other amounts as are permitted by the terms of the Order and the Interim Financing Documents (as defined hereinafter) (the “**Interim Facility**”).
24. **ORDERS** that the Applicants are hereby authorized to execute and deliver the Interim Financing Agreement and other security documents and ancillary documents as may be required by the Interim Lender in connection with the Interim Facility and the Interim Financing Agreement (collectively, the “**Interim Financing Documents**”), and the Applicants are hereby authorized to perform all of its obligations under the Interim Financing Agreement and the Interim Financing Documents.
25. **ORDERS** that Applicants shall pay to the Interim Lender, when due, all amounts owing (including principal, interest, fees and expenses, including without limitation, all fees and disbursements of counsel and all other reasonably required advisors to or agents of the Interim Lender on a full indemnity basis (the “**Interim Lender Expenses**”)) under the

Interim Financing Agreement and the Interim Financing Documents and shall perform all of their other obligations owed to the Interim Lender pursuant to the Interim Financing Agreement, the Interim Financing Documents and the Order.

26. **AUTHORIZES** and **ORDERS** the Monitor to cause the Applicants to pay to Gestion Levy Inc. the Break Fee and the Expense Reimbursement provided for at section 15 of the Commitment Letter filed in support of the Application as Exhibit R-23.
27. **DECLARES** that all of the Property of Applicants, including for greater certainty and without limitation the immovable property specifically identified at Schedule B of the Interim Financing Agreement, is hereby subject to a charge and security for an aggregate amount of \$2,200,000 (such charge and security is referred to herein as the “**Interim Lender Charge**”) in favour of the Interim Lender as security for all obligations of the Applicants to the Interim Lender with respect to the payment of the Interim Facility (including principal, interest and the Interim Lender Expenses) owing to the Interim Lender under or in connection with the Interim Financing Agreement and the Interim Financing Documents. Such Interim Lender Charge shall subsist without necessity of any publication, registration, recording, filing or perfection and shall have the priority established by paragraphs 49 and 50 of this Order.
28. **ORDERS** that the claims of the Interim Lender pursuant to the Interim Financing Documents shall not be compromised or arranged pursuant to the Plan or these proceedings and the Interim Lender, in that capacity, shall be treated as an unaffected creditor in these proceedings and in any Plan.
29. **ORDERS** that the Interim Lender may:
 - (a) notwithstanding any other provision of the Order, take such steps from time to time as it may deem necessary or appropriate to register, record or perfect the Interim Lender Charge and the Interim Financing Documents in all jurisdictions where it deems it is appropriate; and
 - (b) notwithstanding the terms of the paragraph to follow, refuse to make any advance to the Applicants if the Applicants fail to meet the provisions of the Interim Financing Agreement and the Interim Financing Documents.

30. **ORDERS** that the Interim Lender shall not take any enforcement steps with respect to its security or under the Interim Financing Agreement (or underlying credit agreements) or the Interim Lender Charge without providing at least 5 business days written notice (the "**Notice Period**") of a default thereunder to the Applicants, the Monitor and to creditors whose rights are registered or published at the appropriate registers or requesting a copy of such notice. Upon expiry of such Notice Period, the Interim Lender shall be entitled to take any and all steps under its security, the Interim Financing Agreement, the Interim Financing Documents, the Interim Lender Charge and otherwise permitted at law, but without having to send any additional demands under Section 244 of the BIA, the *Civil Code of Quebec* or any other similar legislation.
31. **ORDERS** that, subject to further order of this Court, no order shall be made varying, rescinding, or otherwise affecting paragraphs 23 to 29 of this Order unless either (a) notice of a motion for such order is served on the Interim Lender by the moving party within at least seven (7) days prior to the presentation thereof or (b) the Interim Lender applies for or consents to such order.
- 31A. **ORDERS** that the Applicants be and are hereby authorized to borrow from 6815464 Canada Ltd. (the "**Junior Interim Lender**") such amounts from time to time as the Applicants may consider necessary or desirable, up to an aggregate principal amount not exceeding \$2,500,000 outstanding at any time, on the terms and conditions as set forth in the Junior Interim Loan Commitment filed as **Exhibit R-** in support of the Application (the "**Junior Interim Financing Agreement**") and in the Junior Interim Financing Documents (as defined hereinafter), to fund the ongoing expenditures of Applicants and to pay such other amounts as are permitted by the terms of the Order and the Junior Interim Financing Documents (as defined hereinafter) (the "**Junior Interim Facility**").
- 31B. **ORDERS** that the Applicants are hereby authorized to execute and deliver the Junior Interim Financing Agreement and other security documents and ancillary documents as may be required by the Junior Interim Lender in connection with the Junior Interim Facility and the Junior Interim Financing Agreement (collectively, the "**Junior Interim Financing Documents**"), and the Applicants are hereby authorized to perform all of their obligations

under the Junior Interim Financing Agreement and the Junior Interim Financing Documents.

- 31C. **ORDERS** that Applicants shall pay to the Junior Interim Lender, when due, all amounts owing (including principal, interest, fees and expenses, including without limitation, all fees and disbursements of counsel and all other reasonably required advisors to or agents of the Junior Interim Lender on a full indemnity basis (the "**Junior Interim Lender Expenses**") under the Junior Interim Financing Agreement and the Junior Interim Financing Documents and shall perform all of their other obligations owed to the Junior Interim Lender pursuant to the Junior Interim Financing Agreement, the Junior Interim Financing Documents and the Order.
- 31D. **DECLARES** that all of the Property of Applicants, including for greater certainty and without limitation the immovable property specifically identified at [Schedule B of the Junior Interim Financing Agreement], is hereby subject to a charge and security for an aggregate principal amount of \$3,000,000 plus interest and fees (such charge and security is referred to herein as the "**Junior Interim Lender Charge**") in favour of the Junior Interim Lender as security for all obligations of the Applicants to the Junior Interim Lender with respect to the payment of the Junior Interim Facility (including principal, interest and the Junior Interim Lender Expenses) owing to the Junior Interim Lender under or in connection with the Junior Interim Financing Agreement and the Junior Interim Financing Documents. Such Junior Interim Lender Charge shall subsist without necessity of any publication, registration, recording, filing or perfection and shall have the priority established by paragraphs 49 and 50 of this Order.
- 31E. **ORDERS** that the claims of the Junior Interim Lender pursuant to the Junior Interim Financing Documents shall not be compromised or arranged pursuant to the Plan or these proceedings and the Junior Interim Lender, in that capacity, shall be treated as an unaffected creditor in these proceedings and in any Plan.
- 31F. **ORDERS** that the Junior Interim Lender may:
- (a) notwithstanding any other provision of the Order, take such steps from time to time as it may deem necessary or appropriate to register, record or perfect the Junior Interim Lender Charge and the Junior Interim Financing Documents in all jurisdictions where it deems it is appropriate; and

(b) notwithstanding the terms of the paragraph to follow, refuse to make any advance to the Applicants if the Applicants fail to meet the provisions of the Junior Interim Financing Agreement and the Junior Interim Financing Documents.

31G. **ORDERS** that the Junior Interim Lender shall not take any enforcement steps with respect to its security or under the Junior Interim Financing Agreement (or underlying credit agreements) or the Junior Interim Lender Charge without providing at least 5 business days written notice (the "**Junior Charge Notice Period**") of a default thereunder to the Applicants, the Monitor and to creditors whose rights are registered or published at the appropriate registers or requesting a copy of such notice. Upon expiry of such Junior Charge Notice Period, the Junior Interim Lender shall be entitled to take any and all steps under its security, the Junior Interim Financing Agreement, the Junior Interim Financing Documents, the Junior Interim Lender Charge and otherwise permitted at law, but without having to send any additional demands under Section 244 of the BIA, the Civil Code of Quebec or any other similar legislation.

31H. **ORDERS** that, subject to further order of this Court, no order shall be made varying, rescinding, or otherwise affecting paragraphs 31A to 31G of this Order unless either (a) notice of a motion for such order is served on the Interim Lender by the moving party within at least seven (7) days prior to the presentation thereof or (b) the Junior Interim Lender applies for or consents to such order.

Directors' and Officers' Indemnification Charge

32. **ORDERS** that the Applicants shall indemnify their Directors from all claims relating to any obligations or liabilities they may incur and which have accrued by reason of or in relation to their respective capacities as directors or officers of the Applicants after the Effective Time, except where such obligations or liabilities were incurred as a result of such Directors' gross negligence, wilful misconduct or gross or intentional fault as further detailed in Section 11.51 of the CCAA.

33. **ORDERS** that the Directors of the Applicants shall be entitled to the benefit of and are hereby granted a charge and security in the Property to the extent of the aggregate amount of \$75,000 (the "**Directors' Charge**"), as security for the indemnity provided in paragraph 32 of this Order as it relates to obligations and liabilities that the Directors may incur in

such capacity after the Effective Time. The Directors' Charge shall have the priority set out in paragraphs 49 and 50 of this Order.

34. **ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Directors shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts for which the Directors are entitled to be indemnified in accordance with paragraph 32 of this Order.

Restructuring

35. **DECLARES** that, to facilitate the orderly restructuring of their business and financial affairs (the "**Restructuring**") or the orderly liquidation of their Property (the "**Liquidation**") but subject to such requirements as are imposed by the CCAA or any order of this Court, the Applicants shall have the right, subject to approval of the Monitor or further order of the Court, to:
- (a) permanently or temporarily cease, downsize or shut down any of their operations or locations as they deem appropriate and make provision for the consequences thereof in the Plan;
 - (b) pursue all avenues to market, convey, transfer, assign or in any other manner dispose of the Business or Property, in whole or part, subject to further order of the Court and sections 11.3 and 36 CCAA, and under reserve of subparagraph (c);
 - (c) subject to prior written consent from the Interim Lender, convey, transfer, assign, lease, or in any other manner dispose of the Property, outside of the ordinary course of business (and outside of the liquidation process to be approved by this Court), in whole or in part, provided that the price in each case does not exceed \$100,000 or \$500,000 in the aggregate;
 - (d) terminate the employment of such of their employees or temporarily or permanently lay off such of their employees as they deem appropriate and, to the extent any amounts in lieu of notice, termination or severance pay or other amounts in respect thereof are not paid in the ordinary course, make provision, on

such terms as may be agreed upon between the Applicants and such employee, or failing such agreement, make provision to deal with, any consequences thereof in the Plan, as the Applicants may determine;

- (e) subject to the provisions of section 32 CCAA, disclaim or resiliate, any of their agreements, contracts or arrangements of any nature whatsoever, with such disclaimers or resiliation to be on such terms as may be agreed between the Applicants and the relevant party, or failing such agreement, to make provision for the consequences thereof in the Plan; and
 - (f) subject to section 11.3 CCAA, assign any rights and obligations of the Applicants.
36. **DECLARES** that, if a notice of disclaimer or resiliation is given to a landlord of the Applicants pursuant to section 32 of the CCAA and subsection 35(e) of this Order, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours by giving the Applicants and the Monitor 24 hours prior written notice and (b) at the effective time of the disclaimer or resiliation, the landlord shall be entitled to take possession of any such leased premises and re-lease any such leased premises to third parties on such terms as any such landlord may determine without waiver of, or prejudice to, any claims or rights of the landlord against the Applicants, provided nothing herein shall relieve such landlord of their obligation to mitigate any damages claimed in connection therewith.
37. **ORDERS** that the Applicants shall provide to any relevant landlord notice of the Applicants' intention to remove any fittings, fixtures, installations or leasehold improvements at least seven (7) days in advance. If the Applicants have already vacated the leased premises, they shall not be considered to be in occupation of such location pending the resolution of any dispute between the Applicants and the landlord.
38. **DECLARES** that, in order to facilitate the Restructuring or the Liquidation, the Applicants may, subject to the approval of the Monitor, or further order of the Court, settle claims of customers and suppliers that are in dispute.
39. **DECLARES** that, pursuant to sub-paragraph 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5, and the equivalent provisions

of the *Act Respecting the Protection of Personal Information in the Private Sector*, R.S.Q. c. P-39.1, the Applicants are permitted, in the course of these proceedings, to disclose personal information of identifiable individuals in their possession or control to stakeholders or prospective investors, financiers, buyers or strategic partners and to their advisors (individually, a “**Third Party**”), but only to the extent desirable or required to negotiate and complete the Restructuring or the preparation and implementation of the Plan or a transaction for that purpose, provided that the Persons to whom such personal information is disclosed enter into confidentiality agreements with the Applicants binding them to maintain and protect the privacy of such information and to limit the use of such information to the extent necessary to complete the transaction or Restructuring then under negotiation. Upon the completion of the use of personal information for the limited purpose set out herein, the personal information shall be returned to the Applicants or destroyed. In the event that a Third Party acquires personal information as part of the Restructuring or the preparation or implementation of the Plan or a transaction in furtherance thereof, such Third Party may continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Applicants.

Powers of the Monitor

40. **CONFIRMS** and **RATIFIES** the appointment of Richter in accordance with the First Day Order to monitor the business and financial affairs of the Applicants as an officer of this Court and that the Monitor, in addition to the prescribed powers and obligations, referred to in section 23 of the CCAA:
- (a) shall, without delay, (i) publish once a week for two (2) consecutive weeks in *Le Devoir* and in the *Montreal Gazette* (ii) within five (5) business days after the date of this First Day Order (A) post on the Monitor’s website (the “**Website**”) a notice containing the information prescribed under the CCAA, (B) make this Order publicly available in the manner prescribed under the CCAA, (C) send, in the prescribed manner, which in the case of any students, will be via email, a notice to all known creditors having a claim against the Applicants of more than \$1,000, advising them that the Order is publicly available, and (D) prepare a list showing the names and addresses of such creditors (with the exception of students) and the estimated amounts of their respective claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and

the regulations made thereunder, with the exception of any students, who will be listed in a distinct confidential annex to the creditors' list;

- (b) shall monitor and control the Applicants' receipts and disbursements;
- (c) shall assist the Applicants, to the extent required by the Applicants, in dealing with their creditors and other interested Persons during the Stay Period;
- (d) shall assist the Applicants, to the extent required by the Applicants, with the preparation of their cash flow projections and any other projections or reports and the development, negotiation and implementation of the Plan;
- (e) shall advise and assist the Applicants, to the extent required by the Applicants, to review the Applicants' business and assess opportunities for cost reduction, revenue enhancement and operating efficiencies;
- (f) shall assist the Applicants, to the extent required by the Applicants, with their negotiations with their creditors and other interested Persons and with the holding and administering of any meetings held to consider the Plan;
- (g) shall report to the Court on the state of the business and financial affairs of the Applicants or developments in these proceedings or any related proceedings within the time limits set forth in the CCAA and at such time as considered appropriate by the Monitor or as the Court may order;
- (h) may retain and employ such agents, advisors and other assistants as are reasonably necessary for the purpose of carrying out the terms of the Order, including, without limitation, one or more entities related to or affiliated with the Monitor;
- (i) may engage legal counsel to the extent the Monitor considers necessary in connection with the exercise of its powers or the discharge of its obligations in these proceedings and any related proceeding, under the Order or under the CCAA;
- (j) may engage, with the consent of the Applicants, an independent third party to assist with the sale of certain Property of the Applicants, including, without

limitation, engaging a real estate agency to market the real property owned by certain Applicants;

- (k) may act as a “foreign representative” of the Applicants or in any other similar capacity in any insolvency, bankruptcy or reorganisation proceedings outside of Canada;
- (l) may give any consent or approval as may be contemplated by the Order or the CCAA;
- (m) may perform such other duties as are required by the Order or the CCAA or by this Court from time to time;
- (n) may file a motion pursuant to section 243 of the BIA seeking its appointment as receiver to the Applicants (in such capacity, the “**Receiver**” and the proceedings thereunder, the “**Receivership Proceedings**”) for the sole purpose of allowing the employees of the Applicants to benefit from those payments provided under the *Wage Earner Protection Program Act* (S.C. 2005, c. 47, s. 1);

Unless expressly authorized to do so by this Court pursuant to this Order or otherwise, the Monitor shall not otherwise interfere with the business and financial affairs carried on by the Applicants, take possession of the Property nor manage any of the business and financial affairs of the Applicants.

41. The Monitor shall be authorized and empowered, but not required, to operate and control, on behalf of the Applicants, all of the Applicants’ existing accounts at any financial institution (each an “**Account**” and collectively the “**Accounts**”) in such manner as the Monitor, in its sole discretion, deems necessary or appropriate, including, without limitation, to:

- (a) exercise control over the funds credited to or deposited in the Accounts;
- (b) effect any disbursement from the Accounts permitted by the Initial Order or any other Order granted in these proceedings;
- (c) give instructions from time to time with respect to the Accounts and the funds credited to or deposited therein, including to transfer the funds credited to or

deposited in such Accounts to such other account or accounts as the Monitor may direct; and

- (d) add or remove persons have signing authority with respect to any Account or to direct the closing of any Account,

and the financial institutions maintaining such Accounts shall not be under any obligation whatsoever to inquire into the property, validity or legality of any transfer, payment, collection or other action taken in accordance with the instructions of the Monitor as to the use or application of funds transferred, paid, collected or otherwise dealt with in accordance with such instructions, and such financial institutions shall be authorized to act in accordance with and in reliance upon the instructions of the Monitor without any liability in respect thereof to any person.

- 42. **ORDERS** that the Applicants and their Directors, officers, employees and agents, accountants, auditors and all other Persons having notice of the Order shall forthwith provide the Monitor with unrestricted access to all of the Business and Property, including, without limitation, the premises, books, records, data, including data in electronic form, and all other documents of the Applicants in connection with the Monitor's duties and responsibilities hereunder.
- 43. **DECLARES** that the Monitor may provide creditors and other relevant stakeholders of the Applicants with information in response to requests made by them in writing addressed to the Monitor and copied to the Applicants' counsel. In the case of information that the Monitor has been advised by the Applicants is confidential, proprietary or competitive, the Monitor shall not provide such information to any Person without the consent of the Applicants unless otherwise directed by this Court, with the exception of the Interim Lender to whom the Monitor shall provide all information to which the Interim Lender has a right

pursuant to the Interim Financing Agreement without the need to obtain the consent of the Applicants or further order of the Court.

44. **DECLARES** that if the Monitor, in its capacity as Monitor, carries on the business of the Applicants or continues the employment of the Applicants' employees, the Monitor shall benefit from the provisions of section 11.8 of the CCAA.
45. **DECLARES** that no action or other proceedings shall be commenced against the Monitor relating to its appointment, its conduct as Monitor or the carrying out the provisions of any order of this Court, except with prior leave of this Court, on at least seven days' notice to the Monitor and its counsel. The entities related to or affiliated with the Monitor referred to in subparagraph 40(h) hereof shall also be entitled to the protection, benefits and privileges afforded to the Monitor pursuant to this paragraph.
46. **ORDERS** that the Monitor and each of its affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing its duties in connection with the sale of certain Property of the Applicants, except to the extent of such losses, claims, damages or liabilities resulting from gross negligence or willful misconduct of any such person or entity, as applicable, as determined by this Court.
47. **ORDERS** that the Applicants shall pay the reasonable fees and disbursements of the Monitor, the Monitor's legal counsel, the Applicants' legal counsel and other advisors, directly related to these proceedings, the Plan, the Restructuring or the Liquidation, whether incurred before or after the First Day Order, and shall provide each with a reasonable retainer in advance on account of such fees and disbursements, if so requested.
48. **DECLARES** that, as security for the professional fees and disbursements incurred both before and after the making of the First Day Order and directly related to these proceedings, the Plan, the Restructuring or the Liquidation:
 - the Monitor and the Monitor's legal counsel be entitled to the benefit of and are hereby granted a charge and security in the Property to the extent of the aggregate amount of \$150,000 (the "**Senior Administration Charge**"); and

- the Applicants' legal counsel be entitled to the benefit of and are hereby granted a charge and security in the Property to the extent of the aggregate amount of \$450,000 (the "**Junior Administration Charge**"), in which the beneficiaries of the Senior Administration Charge shall share, on a *pro rata* basis, to the extent of any residual fees and disbursements (if any).

The Senior Administration Charge and the Junior Administration Charge shall have the priority established by paragraphs 49 and 50 hereof.

Priorities and General Provisions Relating to CCAA Charges

49. **DECLARES** that the priorities of the existing security interests registered by Firm Capital Mortgage Fund Inc. on the Property of the Applicants (the "FCC Security"), as well as the Senior Administration Charge, the Junior Administration Charge, the Directors' Charge and the Interim Lender's Charge and the Junior Interim Lender's Charge (collectively, the "CCAA Charges"), as between them with respect to any Property to which they apply, shall be as follows (called the "Priority"):
- first, the Senior Administration Charge;
 - second, the FCC Security;
 - third, the Interim Lender's Charge;
 - fourth, the Junior Interim Lender's Charge;
 - fifth, the Junior Administration Charge; and
 - sixth, the Directors' Charge.
50. **DECLARES** that each of the CCAA Charges shall rank in priority to any and all other hypothecs, mortgages, liens, security interests, priorities, charges, trusts, deemed trusts, encumbrances or security, interest or claim of whatever nature or kind (collectively, the "Encumbrances") affecting the Property charged by such Encumbrances, save and except for the FCC Security, which shall rank in priority to the Interim Lender's Charge, the Junior

Interim Lender's Charge, the Junior Administration Charge, the Directors' Charge and such Encumbrances.

51. **ORDERS** that the Applicants shall not grant any Encumbrances, or seek or support the granting of any Encumbrances by the Court, in or against any Property that rank in priority to, or pari passu with, the Senior Administration Charge, the FCC Security, or the Interim Lender's Charge, or the Junior Interim Lender's Charge unless the Applicants obtain the prior written consent of the Monitor and of the Interim Lender and of the Junior Interim Lender and the prior approval of the Court.
52. **DECLARES** that each of the CCAA Charges shall attach, as of the Effective Time, to all present and future Property of the Applicants, notwithstanding any requirement for the consent of any party to any such charge or to comply with any condition precedent.
53. **DECLARES** that the CCAA Charges and the rights and remedies of the beneficiaries of such Charges, as applicable, shall be valid and enforceable and shall not otherwise be limited or impaired in any way by: (i) these proceedings and the declaration of insolvency made herein; (ii) any application for a receiving order or bankruptcy order filed pursuant to the BIA in respect of the Applicants or any receiving order or bankruptcy order made pursuant to any such application or any assignment in bankruptcy made or deemed to be made in respect of the Applicants; or (iii) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any agreement, lease, sub-lease, offer to lease or other arrangement which binds the Applicants (a "**Third Party Agreement**"), and notwithstanding any provision to the contrary in any Third Party Agreement:
 - (a) the creation of any of the CCAA Charges shall not create or be deemed to constitute a breach by the Applicants of any Third Party Agreement to which they are a party; and
 - (b) any of the beneficiaries of the CCAA Charges shall not have liability to any Person whatsoever as a result of any breach of any Third Party Agreement caused by or resulting from the creation of the CCAA Charges.
54. **DECLARES** that notwithstanding: (i) these proceedings and any declaration of insolvency made herein, (ii) any application for a receiving order or bankruptcy order filed pursuant

to the BIA in respect of the Applicants and any receiving order or bankruptcy order allowing such application or any assignment in bankruptcy made or deemed to be made in respect of the Applicants, and (iii) the provisions of any federal or provincial statute, the payments or disposition of Property made by the Applicants pursuant to the Order and the granting of the CCAA Charges, do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances, transfers at undervalue, or other challengeable or reviewable transactions or conduct meriting an oppression remedy under any applicable law.

55. **DECLARES** that the CCAA Charges shall be valid and enforceable as against all Property of the Applicants and against all Persons, including, without limitation, any trustee acting in bankruptcy proceedings, receiver, receiver and manager or interim receiver of the Applicants, for all purposes.

General

56. **ORDERS** that no Person shall commence, proceed with or enforce any Proceedings against any of the Directors, employees, legal counsel or financial advisors of the Applicants or of the Monitor in relation to the Business or Property of the Applicants, without first obtaining leave of this Court, upon five (5) days written notice to the Applicants' counsel and to all those referred to in this paragraph whom it is proposed be named in such Proceedings.
57. **DECLARES** that the Order and any proceeding or affidavit leading to the Order, shall not, in and of themselves, constitute a default or failure to comply by the Applicants under any statute, regulation, licence, permit, contract, permission, covenant, agreement, undertaking or other written document or requirement.
58. **DECLARES** that, except as otherwise specified herein, the Applicants and the Monitor are at liberty to serve any notice, proof of claim form, proxy, circular or other document in connection with these proceedings by forwarding copies by prepaid ordinary mail, courier, personal delivery or electronic transmission to Persons or other appropriate parties at their respective given addresses as last shown on the records of the Applicants and that any such service shall be deemed to be received on the date of delivery if by personal delivery

or electronic transmission, on the following business day if delivered by courier, or three business days after mailing if by ordinary mail.

59. **DECLARES** that the Applicants and any party to these proceedings may serve any court materials in these proceedings on all represented parties electronically, by emailing a PDF or other electronic copy of such materials to counsels' email addresses.
60. **DECLARES** that, unless otherwise provided herein, under the CCAA, or ordered by this Court, no document, order or other material need be served on any Person in respect of these proceedings, unless such Person has served a Notice of Appearance on the solicitors for the Applicants and the Monitor and has filed such notice with this Court, or appears on the service list prepared by the Monitor or its attorneys, save and except when an order is sought against a Person not previously involved in these proceedings.
61. **DECLARES** that the Applicants or the Monitor may, from time to time, apply to this Court for directions concerning the exercise of their respective powers, duties and rights hereunder or in respect of the proper execution of the Order on notice only to each other.
62. **DECLARES** that any interested Person may apply to this Court to vary or rescind the Order or seek other relief upon five (5) days notice to the Applicants, the Monitor and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order, such application or motion shall be filed during the Stay Period ordered by this Order, unless otherwise ordered by this Court.
63. **DECLARES** that this Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada.
64. **DECLARES** that the Monitor, with the prior consent of the Applicants, shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement the Order and any subsequent orders of this Court and, without limitation to the foregoing, an order under Chapter 15 of the *U.S. Bankruptcy Code*, for which the Monitor shall be the foreign representative of the Applicants. All courts and administrative bodies of all such jurisdictions are hereby

respectively requested to make such orders and to provide such assistance to the Monitor as may be deemed necessary or appropriate for that purpose.

65. **REQUESTS** the aid and recognition of any Court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order.
66. **ORDERS** that Exhibits 18, 19, 22 and 23 filed in support of the Amended Application and Exhibit "D" of the Monitor's Pre-Filing Report dated January 5, 2022, as amended on January 6, 2022, shall be kept under seal until further order from this Court and that, notwithstanding section 23(1)(a)(ii)(C) of the CCAA, the Monitor be dispensed from making the list of students who are creditors or potential creditors publicly available
67. **ORDERS** that Exhibits R-4 filed in support of the Application and Exhibit "A" of the Report shall be kept under seal until further order from this Court.
68. **ORDERS** the provisional execution of the Order notwithstanding any appeal.
69. **THE WHOLE** without costs.

Montreal, March 14, 2022

THE HONOURABLE DAVID R. COLLIER, J.C.S.

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

No: **500-11-060613-227**

DATE: ~~January~~ **March 14, 2022**

PRESIDING: THE HONOURABLE DAVID R. COLLIER, J.C.S.

**IN THE MATTER OF THE ARRANGEMENT OR 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 ADVISORY GROUP INC.

Monitor

RE-AMENDED AND RESTATED INITIAL ORDER

ON READING the ~~Amended Application of the Applicants entitled~~ Applicants' Application for (i) ~~the Issuance of a First Day Initial Approval and Vesting Order and an~~ (ii) ~~the Approval of a Junior Interim Financing Agreement and~~ (iii) ~~a Re-Amended and Restated Initial Order~~ pursuant to the Companies' Creditors Arrangement Act, R.S.C. 1985, C-36 (as amended the "**CCAA**" ~~and~~), the exhibits and the affidavit filed in support thereof (the "**Application**"), the ~~consent~~ Fifth Report of Richter Advisory Group Inc. ~~to act as monitor~~ ("**Richter**" or the "**Monitor**"), ~~the Pre-Filing Report of Richter in its capacity as proposed monitor, the Supplemental Report of the Monitor~~) dated ~~January 16~~ March 10, 2022, and relying upon the submissions of ~~counsel~~ counsel present at the hearing on the Application and being advised that the interested parties, including secured creditors who are likely to be affected by the charges created herein were given prior notice of the presentation of the Application;

GIVEN the First Day Initial Order rendered by this Court on January 6, 2022 (~~as extended on January 14, 2022, the "First Day Order"~~ the "**First Day Order**"), ordering, *inter alia*, a stay of all proceedings and remedies taken or that might be taken in respect of the Applicants or any of their property, except as otherwise set for the in the First Day Initial Order or as otherwise permitted by law, until January 14, 2022 (as further defined in the First Day Order, the "**Stay Period**");

GIVEN the Order Extending the Stay of Period rendered by this Court on January 14, 2022, *inter alia*, extending the Stay Period until January 17, 2022;

Mis en forme : Police :Non Gras

[GIVEN the Amended and Restated Initial Order rendered by this Court on January 17, 2022, *inter alia*, extending the Stay Period until February 28, 2022;](#)

[GIVEN the Order Extending the Stay of Period rendered by this Court on February 28, 2022, *inter alia*, extending the Stay Period until April 29, 2022;](#)

GIVEN the provisions of the CCAA;

WHEREFORE, THE COURT:

1. **GRANTS** the Application.
2. **ISSUES** an order pursuant to the CCAA (the "**Order**"), divided under the following headings:
 - Service
 - Application of the CCAA and Procedural Consolidation
 - Effective Time
 - Plan of Arrangement
 - Stay of Proceedings against the Applicants and the Property
 - Stay of Proceedings against the Directors and Officers
 - Possession of Property and Operations
 - No Exercise of Rights or Remedies
 - No Interference with Rights
 - Continuation of Services
 - Non-Derogation of Rights
 - Interim Financing (DIP)
 - Directors' and Officers' Indemnification Charge
 - Restructuring
 - Powers of the Monitor
 - Priorities and General Provisions Relating to CCAA Charges
 - General

Service

3. **DECLARES** that sufficient prior notice of the presentation of the Application has been given by the Applicants to interested parties, including the secured creditors who are likely to be affected by the charges created herein.

Application of the CCAA and Procedural Consolidation

4. **DECLARES** that the Applicants are each a debtor company to which the CCAA applies.
5. **ORDERS** the consolidation of these CCAA proceedings in respect of the Applicants and **ORDERS** that such consolidation shall be for administrative purposes only and shall not effect a consolidation of the assets and property of each of the Applicants including, without limitation, for the purposes of any Plan (as defined below) that may be thereafter proposed.
6. **DECLARES** that, unless otherwise indicated, all amounts referenced herein are in Canadian dollars.

Effective Time

7. **DECLARES** that this Order and all of its provisions are effective as of 12:01 a.m. Montreal time, province of Quebec, on the date of this Order (the "**Effective Time**").

Plan of Arrangement

8. **DECLARES** that the Applicants shall have the authority, if considered to be appropriate, to file with this Court and to submit to their creditors one or more plans of compromise or arrangement (collectively, the "**Plan**") in accordance with the CCAA.

Stay of Proceedings against the Applicants and the Property

9. **ORDERS** that, until and including ~~February 28~~April 29, 2022, or such later date as the Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants, or affecting the Applicants' business operations and activities (the "**Business**") or the Property (as defined below), including as provided in paragraph 13 hereof except with leave of this Court. Any and all Proceedings currently under way

against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court, the whole subject to subsection 11.1 CCAA.

10. **ORDER** that the rights of Her Majesty in right of Canada and Her Majesty in right of a Province are suspended in accordance with the terms and conditions of Subsection 11.09 CCAA.

Stay of Proceedings against the Directors and Officers

11. **ORDERS** that during the Stay Period and except as permitted under subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any former, present or future director or officer of the Applicants nor against any person deemed to be a director or an officer of the Applicants under subsection 11.03(3) CCAA (each, a “**Director**”, and collectively the “**Directors**”) in respect of any claim against such Director which arose prior to the Effective Time and which relates to any obligation of the Applicants where it is alleged that any of the Directors is under any law liable in such capacity for the payment of such obligation.
12. **DECLARES** that neither the Notice of Stay of Proceedings delivered by the Monitor on January 7, 2022 nor paragraphs 9 and 11 of this Order shall in any way stay or preclude Me Gordon Kugler, acting in his capacity as arbitrator, from making and delivering his arbitral decision on the merits (the “**Arbitral Decision**”) in the arbitration proceeding between Rising Phoenix International Inc., Caroline Mastantuono (Bonneville), Christina Mastantuono, Joseph Mastantuono and Les Consultants 3 L M Inc., operating under the name *Institut supérieur d'information et d'informatique*, which was taken under advisement by Me Kugler on December 17, 2021. For greater certainty, this declaration shall apply solely in respect of the making of the Arbitral Decision and not in respect of any subsequent homologation and/or enforcement proceedings in respect of the Arbitral Decision for which the parties reserve all of their rights without any admission whatsoever.

Possession of Property and Operations

13. **ORDERS** that the Applicants shall remain in possession and control of their present and future assets, rights, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (collectively the “**Property**”), the

whole in accordance with the terms and conditions of this Order, including, but not limited to, paragraphs 35, [3940](#) and [4041](#) hereof.

14. **ORDERS** that the Monitor, acting in consultation with and on behalf of the Applicants, shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:
 - (a) all outstanding and future wages, salaries, bonuses, commissions, employee contributions, benefits, vacation pay, termination and severance obligations, expenses and other amounts otherwise payable to present or former employees on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
 - (b) the fees and disbursements of any employees, independent contractors, consultants, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by the Applicants, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order and these proceedings, at their standard rates and charges.

15. **ORDERS** that, except as otherwise provided to the contrary herein, the Monitor, acting in consultation with and on behalf of the Applicants, shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the First Day Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
 - (a) all expenses and capital expenditures reasonably necessary for the presentation of the Property or the Business of the Applicants including, without limitation, payments on account of insurance (including directors and officers insurance);
 - (b) payment for goods or services actually supplied to the Applicants following the date of this Order.

No Exercise of Rights or Remedies

16. **ORDERS** that during the Stay Period, and subject to, *inter alia*, subsection 11.1 CCAA, all rights and remedies of any individual, natural person, firm, corporation, partnership, limited liability company, trust, joint venture, association, organization, governmental body or agency, or any other entity (all of the foregoing, collectively being "Persons" and each being a "**Person**") against or in respect of the Applicants, or affecting the Business, the Property or any part thereof, are hereby stayed and suspended except with leave of this Court.
17. **DECLARES** that, to the extent any rights, obligations, or prescription, time or limitation periods, including, without limitation, to file grievances, relating to the Applicants or any of the Property or the Business may expire (other than pursuant to the terms of any contracts, agreements or arrangements of any nature whatsoever), the term of such rights, obligations, or prescription, time or limitation periods shall hereby be deemed to be extended by a period equal to the Stay Period. Without limitation to the foregoing, in the event that the Applicants become bankrupt or a receiver as defined in subsection 243(2) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") is appointed in respect of the Applicants, the period between the date of the Order and the day on which the Stay Period ends shall not be calculated in respect of the Applicants in determining the 30 day periods referred to in Sections 81.1 and 81.2 of the BIA.

No Interference with Rights

18. **ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, resiliate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicants, except with the written consent of the Applicants and the Monitor, or with leave of this Court.

Continuation of Services

19. **ORDERS** that during the Stay Period and subject to paragraph 21 hereof and subsection 11.01 CCAA, all Persons having verbal or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, transportation, insurance, including but not limited to

the health and medical insurance program underwritten by Berkley Insurance Company and administered by JF Insurance Agency Group (the policy of which is filed as **Exhibit R-17** to the Application), utility or other goods or services made available to the Applicants, are hereby restrained until further order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants, and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses, domain names or other services, provided in each case that the normal prices or charges for all such goods or services received after the date of the First Day Order are paid by the Applicants, without having to provide any security deposit or any other security, in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and the Applicants, with the consent of the Monitor, or as may be ordered by this Court.

20. **ORDERS** that, notwithstanding anything else contained herein and subject to subsection 11.01 CCAA, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided to the Applicants on or after the date of the Order, nor shall any Person be under any obligation on or after the date of the Order to make further advance of money or otherwise extend any credit to the Applicants.
21. **ORDERS** that, without limiting the generality of the foregoing and subject to Section 21 of the CCAA, if applicable, cash or cash equivalents placed on deposit by the Applicants with any Person during the Stay Period, whether in an operating account or otherwise for itself or for another entity, shall not be applied by such Person in reduction or repayment of amounts owing to such Person as of the date of the Filing Date or due on or before the expiry of the Stay Period or in satisfaction of any interest or charges accruing in respect thereof; however, this provision shall not prevent any financial institution from: (i) reimbursing itself for the amount of any cheques drawn by the Applicants and properly honoured by such institution, or (ii) holding the amount of any cheques or other instruments deposited into the Applicants' account until those cheques or other

instruments have been honoured by the financial institution on which they have been drawn.

Non-Derogation of Rights

22. **ORDERS** that, notwithstanding the foregoing, any Person who provided any kind of letter of credit, guarantee or bond (the “**Issuing Party**”) at the request of the Applicants shall be required to continue honouring any and all such letters, guarantees and bonds, issued on or before the date of the Order, provided that all conditions under such letters, guarantees and bonds are met save and except for defaults resulting from this Order; however, the Issuing Party shall be entitled, where applicable, to retain the bills of lading or shipping or other documents relating thereto until paid.

Interim Financing (DIP)

23. **ORDERS** that the Applicants be and are hereby authorized to borrow from Firm Capital Mortgage Fund Inc. (the “**Interim Lender**”) such amounts from time to time as the Applicants may consider necessary or desirable, up to an aggregate principal amount not exceeding \$1,750,000 outstanding at any time, on the terms and conditions as set forth in the Interim Loan Commitment filed as Exhibit R-23A in support of the Application (the “**Interim Financing Agreement**”) and in the Interim Financing Documents (as defined hereinafter), to fund the ongoing expenditures of Applicants and to pay such other amounts as are permitted by the terms of the Order and the Interim Financing Documents (as defined hereinafter) (the “**Interim Facility**”).
24. **ORDERS** that the Applicants are hereby authorized to execute and deliver the Interim Financing Agreement and other security documents and ancillary documents as may be required by the Interim Lender in connection with the Interim Facility and the Interim Financing Agreement (collectively, the “**Interim Financing Documents**”), and the Applicants are hereby authorized to perform all of its obligations under the Interim Financing Agreement and the Interim Financing Documents.
25. **ORDERS** that Applicants shall pay to the Interim Lender, when due, all amounts owing (including principal, interest, fees and expenses, including without limitation, all fees and disbursements of counsel and all other reasonably required advisors to or agents of the Interim Lender on a full indemnity basis (the “**Interim Lender Expenses**”)) under the

Interim Financing Agreement and the Interim Financing Documents and shall perform all of their other obligations owed to the Interim Lender pursuant to the Interim Financing Agreement, the Interim Financing Documents and the Order.

26. **AUTHORIZES** and **ORDERS** the Monitor to cause the Applicants to pay to Gestion Levy Inc. the Break Fee and the Expense Reimbursement provided for at section 15 of the Commitment Letter filed in support of the Application as Exhibit R-23.

26-27. **DECLARES** that all of the Property of Applicants, including for greater certainty and without limitation the immovable property specifically identified at Schedule B of the Interim Financing Agreement, is hereby subject to a charge and security for an aggregate amount of \$2,200,000 (such charge and security is referred to herein as the “**Interim Lender Charge**”) in favour of the Interim Lender as security for all obligations of the Applicants to the Interim Lender with respect to the payment of the Interim Facility (including principal, interest and the Interim Lender Expenses) owing to the Interim Lender under or in connection with the Interim Financing Agreement and the Interim Financing Documents. Such Interim Lender Charge shall subsist without necessity of any publication, registration, recording, filing or perfection and shall have the priority established by paragraphs 4849 and 4950 of this Order.

27-28. **ORDERS** that the claims of the Interim Lender pursuant to the Interim Financing Documents shall not be compromised or arranged pursuant to the Plan or these proceedings and the Interim Lender, in that capacity, shall be treated as an unaffected creditor in these proceedings and in any Plan.

28-29. **ORDERS** that the Interim Lender may:

- (a) notwithstanding any other provision of the Order, take such steps from time to time as it may deem necessary or appropriate to register, record or perfect the Interim Lender Charge and the Interim Financing Documents in all jurisdictions where it deems it is appropriate; and
- (b) notwithstanding the terms of the paragraph to follow, refuse to make any advance to the Applicants if the Applicants fail to meet the provisions of the Interim Financing Agreement and the Interim Financing Documents.

29-30. **ORDERS** that the Interim Lender shall not take any enforcement steps with respect to its security or under the Interim Financing Agreement (or underlying credit agreements) or the Interim Lender Charge without providing at least 5 business days written notice (the "**Notice Period**") of a default thereunder to the Applicants, the Monitor and to creditors whose rights are registered or published at the appropriate registers or requesting a copy of such notice. Upon expiry of such Notice Period, the Interim Lender shall be entitled to take any and all steps under its security, the Interim Financing Agreement, the Interim Financing Documents, the Interim Lender Charge and otherwise permitted at law, but without having to send any additional demands under Section 244 of the BIA, the *Civil Code of Quebec* or any other similar legislation.

30-31. **ORDERS** that, subject to further order of this Court, no order shall be made varying, rescinding, or otherwise affecting paragraphs 23 to ~~28~~29 of this Order unless either (a) notice of a motion for such order is served on the Interim Lender by the moving party within at least seven (7) days prior to the presentation thereof or (b) the Interim Lender applies for or consents to such order.

31A. **ORDERS** that the Applicants be and are hereby authorized to borrow from 6815464 Canada Ltd. (the "**Junior Interim Lender**") such amounts from time to time as the Applicants may consider necessary or desirable, up to an aggregate principal amount not exceeding \$2,500,000 outstanding at any time, on the terms and conditions as set forth in the Junior Interim Loan Commitment filed as **Exhibit R-** in support of the Application (the "**Junior Interim Financing Agreement**") and in the Junior Interim Financing Documents (as defined hereinafter), to fund the ongoing expenditures of Applicants and to pay such other amounts as are permitted by the terms of the Order and the Junior Interim Financing Documents (as defined hereinafter) (the "**Junior Interim Facility**").

31B. **ORDERS** that the Applicants are hereby authorized to execute and deliver the Junior Interim Financing Agreement and other security documents and ancillary documents as may be required by the Junior Interim Lender in connection with the Junior Interim Facility and the Junior Interim Financing Agreement (collectively, the "**Junior Interim Financing Documents**"), and the Applicants are hereby authorized to perform all of their obligations

under the Junior Interim Financing Agreement and the Junior Interim Financing Documents.

31C. **ORDERS** that Applicants shall pay to the Junior Interim Lender, when due, all amounts owing (including principal, interest, fees and expenses, including without limitation, all fees and disbursements of counsel and all other reasonably required advisors to or agents of the Junior Interim Lender on a full indemnity basis (the "**Junior Interim Lender Expenses**") under the Junior Interim Financing Agreement and the Junior Interim Financing Documents and shall perform all of their other obligations owed to the Junior Interim Lender pursuant to the Junior Interim Financing Agreement, the Junior Interim Financing Documents and the Order.

31D. **DECLARES** that all of the Property of Applicants, including for greater certainty and without limitation the immovable property specifically identified at [Schedule B of the Junior Interim Financing Agreement], is hereby subject to a charge and security for an aggregate principal amount of \$3,000,000 plus interest and fees (such charge and security is referred to herein as the "**Junior Interim Lender Charge**") in favour of the Junior Interim Lender as security for all obligations of the Applicants to the Junior Interim Lender with respect to the payment of the Junior Interim Facility (including principal, interest and the Junior Interim Lender Expenses) owing to the Junior Interim Lender under or in connection with the Junior Interim Financing Agreement and the Junior Interim Financing Documents. Such Junior Interim Lender Charge shall subsist without necessity of any publication, registration, recording, filing or perfection and shall have the priority established by paragraphs 49 and 50 of this Order.

31E. **ORDERS** that the claims of the Junior Interim Lender pursuant to the Junior Interim Financing Documents shall not be compromised or arranged pursuant to the Plan or these proceedings and the Junior Interim Lender, in that capacity, shall be treated as an unaffected creditor in these proceedings and in any Plan.

31F. **ORDERS** that the Junior Interim Lender may:

- (a) notwithstanding any other provision of the Order, take such steps from time to time as it may deem necessary or appropriate to register, record or perfect the Junior Interim Lender Charge and the Junior Interim Financing Documents in all jurisdictions where it deems it is appropriate; and

(b) notwithstanding the terms of the paragraph to follow, refuse to make any advance to the Applicants if the Applicants fail to meet the provisions of the Junior Interim Financing Agreement and the Junior Interim Financing Documents.

31G. ORDERS that the Junior Interim Lender shall not take any enforcement steps with respect to its security or under the Junior Interim Financing Agreement (or underlying credit agreements) or the Junior Interim Lender Charge without providing at least 5 business days written notice (the "Junior Charge Notice Period") of a default thereunder to the Applicants, the Monitor and to creditors whose rights are registered or published at the appropriate registers or requesting a copy of such notice. Upon expiry of such Junior Charge Notice Period, the Junior Interim Lender shall be entitled to take any and all steps under its security, the Junior Interim Financing Agreement, the Junior Interim Financing Documents, the Junior Interim Lender Charge and otherwise permitted at law, but without having to send any additional demands under Section 244 of the BIA, the Civil Code of Quebec or any other similar legislation.

31H. ORDERS that, subject to further order of this Court, no order shall be made varying, rescinding, or otherwise affecting paragraphs 31A to 31G of this Order unless either (a) notice of a motion for such order is served on the Interim Lender by the moving party within at least seven (7) days prior to the presentation thereof or (b) the Junior Interim Lender applies for or consents to such order.

Directors' and Officers' Indemnification Charge

31.32. ORDERS that the Applicants shall indemnify their Directors from all claims relating to any obligations or liabilities they may incur and which have accrued by reason of or in relation to their respective capacities as directors or officers of the Applicants after the Effective Time, except where such obligations or liabilities were incurred as a result of such Directors' gross negligence, wilful misconduct or gross or intentional fault as further detailed in Section 11.51 of the CCAA.

32.33. ORDERS that the Directors of the Applicants shall be entitled to the benefit of and are hereby granted a charge and security in the Property to the extent of the aggregate amount of \$75,000 (the "**Directors' Charge**"), as security for the indemnity provided in paragraph 32 of this Order as it relates to obligations and liabilities that the Directors may incur in

such capacity after the Effective Time. The Directors' Charge shall have the priority set out in paragraphs [4849](#) and [4950](#) of this Order.

[33-34.](#) **ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Directors shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts for which the Directors are entitled to be indemnified in accordance with paragraph [34-32](#) of this Order.

Restructuring

[34-35.](#) **DECLARES** that, to facilitate the orderly restructuring of their business and financial affairs (the "**Restructuring**") or the orderly liquidation of their Property (the "**Liquidation**") but subject to such requirements as are imposed by the CCAA or any order of this Court, the Applicants shall have the right, subject to approval of the Monitor or further order of the Court, to:

- (a) permanently or temporarily cease, downsize or shut down any of their operations or locations as they deem appropriate and make provision for the consequences thereof in the Plan;
- (b) pursue all avenues to market, convey, transfer, assign or in any other manner dispose of the Business or Property, in whole or part, subject to further order of the Court and sections 11.3 and 36 CCAA, and under reserve of subparagraph (c);
- (c) subject to prior written consent from the Interim Lender, convey, transfer, assign, lease, or in any other manner dispose of the Property, outside of the ordinary course of business (and outside of the liquidation process to be approved by this Court), in whole or in part, provided that the price in each case does not exceed \$100,000 or \$500,000 in the aggregate;
- (d) terminate the employment of such of their employees or temporarily or permanently lay off such of their employees as they deem appropriate and, to the extent any amounts in lieu of notice, termination or severance pay or other amounts in respect thereof are not paid in the ordinary course, make provision, on

such terms as may be agreed upon between the Applicants and such employee, or failing such agreement, make provision to deal with, any consequences thereof in the Plan, as the Applicants may determine;

- (e) subject to the provisions of section 32 CCAA, disclaim or resiliate, any of their agreements, contracts or arrangements of any nature whatsoever, with such disclaimers or resiliation to be on such terms as may be agreed between the Applicants and the relevant party, or failing such agreement, to make provision for the consequences thereof in the Plan; and
- (f) subject to section 11.3 CCAA, assign any rights and obligations of the Applicants.

35-36. **DECLARES** that, if a notice of disclaimer or resiliation is given to a landlord of the Applicants pursuant to section 32 of the CCAA and subsection 35(e) of this Order, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours by giving the Applicants and the Monitor 24 hours prior written notice and (b) at the effective time of the disclaimer or resiliation, the landlord shall be entitled to take possession of any such leased premises and re-lease any such leased premises to third parties on such terms as any such landlord may determine without waiver of, or prejudice to, any claims or rights of the landlord against the Applicants, provided nothing herein shall relieve such landlord of their obligation to mitigate any damages claimed in connection therewith.

36-37. **ORDERS** that the Applicants shall provide to any relevant landlord notice of the Applicants' intention to remove any fittings, fixtures, installations or leasehold improvements at least seven (7) days in advance. If the Applicants have already vacated the leased premises, they shall not be considered to be in occupation of such location pending the resolution of any dispute between the Applicants and the landlord.

37-38. **DECLARES** that, in order to facilitate the Restructuring or the Liquidation, the Applicants may, subject to the approval of the Monitor, or further order of the Court, settle claims of customers and suppliers that are in dispute.

38-39. **DECLARES** that, pursuant to sub-paragraph 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5, and the equivalent provisions

of the *Act Respecting the Protection of Personal Information in the Private Sector*, R.S.Q. c. P-39.1, the Applicants are permitted, in the course of these proceedings, to disclose personal information of identifiable individuals in their possession or control to stakeholders or prospective investors, financiers, buyers or strategic partners and to their advisors (individually, a “**Third Party**”), but only to the extent desirable or required to negotiate and complete the Restructuring or the preparation and implementation of the Plan or a transaction for that purpose, provided that the Persons to whom such personal information is disclosed enter into confidentiality agreements with the Applicants binding them to maintain and protect the privacy of such information and to limit the use of such information to the extent necessary to complete the transaction or Restructuring then under negotiation. Upon the completion of the use of personal information for the limited purpose set out herein, the personal information shall be returned to the Applicants or destroyed. In the event that a Third Party acquires personal information as part of the Restructuring or the preparation or implementation of the Plan or a transaction in furtherance thereof, such Third Party may continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Applicants.

Powers of the Monitor

39.40. **CONFIRMS** and **RATIFIES** the appointment of Richter in accordance with the First Day Order to monitor the business and financial affairs of the Applicants as an officer of this Court and that the Monitor, in addition to the prescribed powers and obligations, referred to in section 23 of the CCAA:

- (a) shall, without delay, (i) publish once a week for two (2) consecutive weeks in *Le Devoir* and in the *Montreal Gazette* (ii) within five (5) business days after the date of this First Day Order (A) post on the Monitor’s website (the “**Website**”) a notice containing the information prescribed under the CCAA, (B) make this Order publicly available in the manner prescribed under the CCAA, (C) send, in the prescribed manner, which in the case of any students, will be via email, a notice to all known creditors having a claim against the Applicants of more than \$1,000, advising them that the Order is publicly available, and (D) prepare a list showing the names and addresses of such creditors (with the exception of students) and the estimated amounts of their respective claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and

the regulations made thereunder, with the exception of any students, who will be listed in a distinct confidential annex to the creditors' list;

- (b) shall monitor and control the Applicants' receipts and disbursements;
- (c) shall assist the Applicants, to the extent required by the Applicants, in dealing with their creditors and other interested Persons during the Stay Period;
- (d) shall assist the Applicants, to the extent required by the Applicants, with the preparation of their cash flow projections and any other projections or reports and the development, negotiation and implementation of the Plan;
- (e) shall advise and assist the Applicants, to the extent required by the Applicants, to review the Applicants' business and assess opportunities for cost reduction, revenue enhancement and operating efficiencies;
- (f) shall assist the Applicants, to the extent required by the Applicants, with their negotiations with their creditors and other interested Persons and with the holding and administering of any meetings held to consider the Plan;
- (g) shall report to the Court on the state of the business and financial affairs of the Applicants or developments in these proceedings or any related proceedings within the time limits set forth in the CCAA and at such time as considered appropriate by the Monitor or as the Court may order;
- (h) may retain and employ such agents, advisors and other assistants as are reasonably necessary for the purpose of carrying out the terms of the Order, including, without limitation, one or more entities related to or affiliated with the Monitor;
- (i) may engage legal counsel to the extent the Monitor considers necessary in connection with the exercise of its powers or the discharge of its obligations in these proceedings and any related proceeding, under the Order or under the CCAA;
- (j) may engage, with the consent of the Applicants, an independent third party to assist with the sale of certain Property of the Applicants, including, without

limitation, engaging a real estate agency to market the real property owned by certain Applicants;

- (k) may act as a “foreign representative” of the Applicants or in any other similar capacity in any insolvency, bankruptcy or reorganisation proceedings outside of Canada;
- (l) may give any consent or approval as may be contemplated by the Order or the CCAA;
- (m) may perform such other duties as are required by the Order or the CCAA or by this Court from time to time;
- (n) may file a motion pursuant to section 243 of the BIA seeking its appointment as receiver to the Applicants (in such capacity, the “**Receiver**” and the proceedings thereunder, the “**Receivership Proceedings**”) for the sole purpose of allowing the employees of the Applicants to benefit from those payments provided under the *Wage Earner Protection Program Act* (S.C. 2005, c. 47, s. 1);

Unless expressly authorized to do so by this Court pursuant to this Order or otherwise, the Monitor shall not otherwise interfere with the business and financial affairs carried on by the Applicants, take possession of the Property nor manage any of the business and financial affairs of the Applicants.

40-41. The Monitor shall be authorized and empowered, but not required, to operate and control, on behalf of the Applicants, all of the Applicants’ existing accounts at any financial institution (each an “**Account**” and collectively the “**Accounts**”) in such manner as the Monitor, in its sole discretion, deems necessary or appropriate, including, without limitation, to:

- (a) exercise control over the funds credited to or deposited in the Accounts;
- (b) effect any disbursement from the Accounts permitted by the Initial Order or any other Order granted in these proceedings;
- (c) give instructions from time to time with respect to the Accounts and the funds credited to or deposited therein, including to transfer the funds credited to or

deposited in such Accounts to such other account or accounts as the Monitor may direct; and

- (d) add or remove persons have signing authority with respect to any Account or to direct the closing of any Account,

and the financial institutions maintaining such Accounts shall not be under any obligation whatsoever to inquire into the property, validity or legality of any transfer, payment, collection or other action taken in accordance with the instructions of the Monitor as to the use or application of funds transferred, paid, collected or otherwise dealt with in accordance with such instructions, and such financial institutions shall be authorized to act in accordance with and in reliance upon the instructions of the Monitor without any liability in respect thereof to any person.

41-42. **ORDERS** that the Applicants and their Directors, officers, employees and agents, accountants, auditors and all other Persons having notice of the Order shall forthwith provide the Monitor with unrestricted access to all of the Business and Property, including, without limitation, the premises, books, records, data, including data in electronic form, and all other documents of the Applicants in connection with the Monitor's duties and responsibilities hereunder.

42-43. **DECLARES** that the Monitor may provide creditors and other relevant stakeholders of the Applicants with information in response to requests made by them in writing addressed to the Monitor and copied to the Applicants' counsel. In the case of information that the Monitor has been advised by the Applicants is confidential, proprietary or competitive, the Monitor shall not provide such information to any Person without the consent of the Applicants unless otherwise directed by this Court, with the exception of the Interim Lender to whom the Monitor shall provide all information to which the Interim Lender has a right

pursuant to the Interim Financing Agreement without the need to obtain the consent of the Applicants or further order of the Court.

43-44. **DECLARES** that if the Monitor, in its capacity as Monitor, carries on the business of the Applicants or continues the employment of the Applicants' employees, the Monitor shall benefit from the provisions of section 11.8 of the CCAA.

44-45. **DECLARES** that no action or other proceedings shall be commenced against the Monitor relating to its appointment, its conduct as Monitor or the carrying out the provisions of any order of this Court, except with prior leave of this Court, on at least seven days' notice to the Monitor and its counsel. The entities related to or affiliated with the Monitor referred to in subparagraph 40(h) hereof shall also be entitled to the protection, benefits and privileges afforded to the Monitor pursuant to this paragraph.

45-46. **ORDERS** that the Monitor and each of its affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liability of any nature or kind to any person in connection with or as a result of performing its duties in connection with the sale of certain Property of the Applicants, except to the extent of such losses, claims, damages or liabilities resulting from gross negligence or willful misconduct of any such person or entity, as applicable, as determined by this Court.

46-47. **ORDERS** that the Applicants shall pay the reasonable fees and disbursements of the Monitor, the Monitor's legal counsel, the Applicants' legal counsel and other advisors, directly related to these proceedings, the Plan, the Restructuring or the Liquidation, whether incurred before or after the First Day Order, and shall provide each with a reasonable retainer in advance on account of such fees and disbursements, if so requested.

47-48. **DECLARES** that, as security for the professional fees and disbursements incurred both before and after the making of the First Day Order and directly related to these proceedings, the Plan, the Restructuring or the Liquidation:

- the Monitor and the Monitor's legal counsel be entitled to the benefit of and are hereby granted a charge and security in the Property to the extent of the aggregate amount of \$150,000 (the "**Senior Administration Charge**"); and

- the Applicants' legal counsel be entitled to the benefit of and are hereby granted a charge and security in the Property to the extent of the aggregate amount of \$450,000 (the "Junior Administration Charge"), in which the beneficiaries of the Senior Administration Charge shall share, on a *pro rata* basis, to the extent of any residual fees and disbursements (if any).

The Senior Administration Charge and the Junior Administration Charge shall have the priority established by paragraphs 4849 and 4950 hereof.

Priorities and General Provisions Relating to CCAA Charges

48-49. **DECLARES** that the priorities of the existing security interests registered by Firm Capital Mortgage Fund Inc. on the Property of the Applicants (the "FCC Security"), as well as the Senior Administration Charge, the Junior Administration Charge, the Directors' Directors' Charge and the Interim Lenders' Lender's Charge and the Junior Interim Lender's Charge (collectively, the "CCAA Charges"), as between them with respect to any Property to which they apply, shall be as follows: (called the "Priority"):

- first, the Senior Administration Charge;
- second, the FCC Security;
- third, the Interim Lender's Lender's Charge;
- fourth, the Junior Interim Lender's Charge;
- fifth, the Junior Administration Charge;
- and
- sixth, the Directors' Directors' Charge.

49-50. **DECLARES** that each of the CCAA Charges shall rank in priority to any and all other hypothecs, mortgages, liens, security interests, priorities, charges, trusts, deemed trusts, encumbrances or security, interest or claim of whatever nature or kind (collectively, the "Encumbrances") affecting the Property charged by such Encumbrances, save and except for the FCC Security, which shall rank in priority to the Interim Lender's Lender's

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Mis en forme : Police :Non Gras

Mis en forme : Normal, Retrait : Gauche : 1,5 cm, Suspendu : 1 cm, Droite : 0,2 cm, Interligne : Double, Sans numérotation ni puces, Éviter veuves et orphelines, Espacement automatique entre les caractères asiatiques et latins, Espacement automatique entre les caractères asiatiques et les chiffres, Taquets de tabulation : Pas à 8,89 cm + 16,51 cm

Mis en forme : Police :Arial, Anglais (États-Unis), Échelle caractère : 105 %

Mis en forme : Police :Arial, Anglais (États-Unis)

Mis en forme : Police :Arial, Anglais (États-Unis), Échelle caractère : 105 %

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Mis en forme : Police :Arial, Anglais (États-Unis), Échelle caractère : 105 %

Mis en forme : Police :Arial, Soulignement , Anglais (États-Unis), Échelle caractère : 105 %

Mis en forme : Normal, Retrait : Gauche : 1,5 cm, Suspendu : 1 cm, Droite : 0,2 cm, Interligne : Double, Sans numérotation ni puces, Éviter veuves et orphelines, Espacement automatique entre les caractères asiatiques et latins, Espacement automatique entre les caractères asiatiques et les chiffres, Taquets de tabulation : Pas à 8,89 cm + 16,51 cm

Mis en forme : Police :Arial, Anglais (États-Unis), Échelle caractère : 105 %

Mis en forme : Police :Arial, Anglais (États-Unis)

Mis en forme : Police :Arial, Soulignement , Couleur de police : Couleur personnalisée(RVB(1;1;1)), Anglais (États-Unis), Échelle caractère : 105 %

Mis en forme : Police :Arial, Couleur de police : Couleur personnalisée(RVB(1;1;1)), Anglais (États-Unis), Échelle caractère : 105 %

Mis en forme : Police :Arial, Anglais (États-Unis)

Mis en forme : Taquets de tabulation : 3,17 cm,Gauche

Mis en forme : Police :Non Gras

Charge, the Junior Interim Lender's Charge, the Junior Administration Charge, the Directors' Directors' Charge and such Encumbrances.

50-51. **ORDERS** that the Applicants shall not grant any Encumbrances, or seek or support the granting of any Encumbrances by the Court, in or against any Property that rank in priority to, or pari passu with, the Senior Administration Charge, the FCC Security, or the Interim Lender's Lender's Charge, or the Junior Interim Lender's Charge, unless the Applicants obtain the prior written consent of the Monitor and of the Interim Lender and the of the Junior Interim Lender and the prior approval of the Court.

51-52. **DECLARES** that each of the CCAA Charges shall attach, as of the Effective Time, to all present and future Property of the Applicants, notwithstanding any requirement for the consent of any party to any such charge or to comply with any condition precedent.

52-53. **DECLARES** that the CCAA Charges and the rights and remedies of the beneficiaries of such Charges, as applicable, shall be valid and enforceable and shall not otherwise be limited or impaired in any way by: (i) these proceedings and the declaration of insolvency made herein; (ii) any application for a receiving order or bankruptcy order filed pursuant to the BIA in respect of the Applicants or any receiving order or bankruptcy order made pursuant to any such application or any assignment in bankruptcy made or deemed to be made in respect of the Applicants; or (iii) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any agreement, lease, sub-lease, offer to lease or other arrangement which binds the Applicants (a "**Third Party Agreement**"), and notwithstanding any provision to the contrary in any Third Party Agreement:

- (a) the creation of any of the CCAA Charges shall not create or be deemed to constitute a breach by the Applicants of any Third Party Agreement to which they are a party; and
- (b) any of the beneficiaries of the CCAA Charges shall not have liability to any Person whatsoever as a result of any breach of any Third Party Agreement caused by or resulting from the creation of the CCAA Charges.

53-54. **DECLARES** that notwithstanding: (i) these proceedings and any declaration of insolvency made herein, (ii) any application for a receiving order or bankruptcy order filed pursuant

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to the BIA in respect of the Applicants and any receiving order or bankruptcy order allowing such application or any assignment in bankruptcy made or deemed to be made in respect of the Applicants, and (iii) the provisions of any federal or provincial statute, the payments or disposition of Property made by the Applicants pursuant to the Order and the granting of the CCAA Charges, do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances, transfers at undervalue, or other challengeable or reviewable transactions or conduct meriting an oppression remedy under any applicable law.

54-55. **DECLARES** that the CCAA Charges shall be valid and enforceable as against all Property of the Applicants and against all Persons, including, without limitation, any trustee acting in bankruptcy proceedings, receiver, receiver and manager or interim receiver of the Applicants, for all purposes.

General

55-56. **ORDERS** that no Person shall commence, proceed with or enforce any Proceedings against any of the Directors, employees, legal counsel or financial advisors of the Applicants or of the Monitor in relation to the Business or Property of the Applicants, without first obtaining leave of this Court, upon five (5) days written notice to the Applicants' counsel and to all those referred to in this paragraph whom it is proposed be named in such Proceedings.

56-57. **DECLARES** that the Order and any proceeding or affidavit leading to the Order, shall not, in and of themselves, constitute a default or failure to comply by the Applicants under any statute, regulation, licence, permit, contract, permission, covenant, agreement, undertaking or other written document or requirement.

57-58. **DECLARES** that, except as otherwise specified herein, the Applicants and the Monitor are at liberty to serve any notice, proof of claim form, proxy, circular or other document in connection with these proceedings by forwarding copies by prepaid ordinary mail, courier, personal delivery or electronic transmission to Persons or other appropriate parties at their respective given addresses as last shown on the records of the Applicants and that any such service shall be deemed to be received on the date of delivery if by personal delivery

or electronic transmission, on the following business day if delivered by courier, or three business days after mailing if by ordinary mail.

58-59. **DECLARES** that the Applicants and any party to these proceedings may serve any court materials in these proceedings on all represented parties electronically, by emailing a PDF or other electronic copy of such materials to counsels' email addresses.

59-60. **DECLARES** that, unless otherwise provided herein, under the CCAA, or ordered by this Court, no document, order or other material need be served on any Person in respect of these proceedings, unless such Person has served a Notice of Appearance on the solicitors for the Applicants and the Monitor and has filed such notice with this Court, or appears on the service list prepared by the Monitor or its attorneys, save and except when an order is sought against a Person not previously involved in these proceedings.

60-61. **DECLARES** that the Applicants or the Monitor may, from time to time, apply to this Court for directions concerning the exercise of their respective powers, duties and rights hereunder or in respect of the proper execution of the Order on notice only to each other.

61-62. **DECLARES** that any interested Person may apply to this Court to vary or rescind the Order or seek other relief upon five (5) days notice to the Applicants, the Monitor and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order, such application or motion shall be filed during the Stay Period ordered by this Order, unless otherwise ordered by this Court.

62-63. **DECLARES** that this Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada.

63-64. **DECLARES** that the Monitor, with the prior consent of the Applicants, shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement the Order and any subsequent orders of this Court and, without limitation to the foregoing, an order under Chapter 15 of the *U.S. Bankruptcy Code*, for which the Monitor shall be the foreign representative of the Applicants. All courts and administrative bodies of all such jurisdictions are hereby

respectively requested to make such orders and to provide such assistance to the Monitor as may be deemed necessary or appropriate for that purpose.

64-65. **REQUESTS** the aid and recognition of any Court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order.

65-66. **ORDERS** that Exhibits 18, 19, 22 and 23 ~~and 23A~~ filed in support of the Amended Application and Exhibit "D" of the Monitor's Pre-Filing Report dated January 5, 2022, as amended on January 6, 2022, shall be kept under seal until further order from this Court and that, notwithstanding section 23(1)(a)(ii)(C) of the CCAA, the Monitor be dispensed from making the list of students who are creditors or potential creditors publicly available.

67. **ORDERS** that Exhibits R-4 filed in support of the Application and Exhibit "A" of the Report shall be kept under seal until further order from this Court.

66-68. **ORDERS** the provisional execution of the Order notwithstanding any appeal.

67-69. **THE WHOLE** without costs.

Montreal, ~~January 17~~ March 14, 2022

THE HONOURABLE DAVID R. COLLIER, J.C.S.

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Mis en forme : Anglais (Canada)

**Exhibit R-3: Asset Purchase Agreement dated March 9, 2022
(under seal)**

Exhibit R-4: Junior Interim Financing Agreement dated March 9, 2022 (under seal)

N°: 500-11-060613-227

SUPERIOR COURT
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DISTRICT OF MONTREAL
PROVINCE OF QUÉBEC

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

**APPLICATION FOR (i) THE ISSUANCE OF AN
APPROVAL AND VESTING ORDER (ii) THE
APPROVAL OF A JUNIOR INTERIM FINANCING
AGREEMENT AND (iii)
A RE-AMENDED AND RESTATED INITIAL ORDER
(Sections 11, 11.2 and 36 of the *Companies' Creditors
Arrangement Act*)
And Exhibits R-1 to R-2A
*Exhibits R-3 and R-4 (under seal)***

ORIGINAL

Martin Jutras
mjutras@klcanada.com
1 514 871 5320
Our file:

KAUFMAN
LAWYERS

KAUFMAN LAWYERS LLP
800 RENÉ-LÉVESQUE BLVD. WEST, SUITE 2220
MONTREAL, QUEBEC H3B 1X9
TEL. 1 514 875-7550 FAX 1 514 875-7147
KLCANADA.COM

(BK0574)