

**SUPERIOR COURT**  
(Commercial Division)

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL  
No. 500-11-058534-203  
DATE: August 20, 2020

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PRESIDING: THE HONOURABLE MICHEL A. PINSONNAULT, J.S.C.

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IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF:

3717291 CANADA INC.

Debtor

-and-

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

Mis-en-Cause

-and-

MNP LTD.

Trustee

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**ORDER EXTENDING THE DELAY TO FILE A PROPOSAL AND  
APPROVAL AND VESTING ORDER**

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- [1] **ON READING** the *Motion to Extend the Delay to File a Proposal and to Authorize the Sale of an Asset* (the "**Motion**") of 3717291 Canada Inc. (the "**Debtor**" or "**3717291**"), the affidavit and the exhibits in support thereof, as well as the Report of the Trustee dated August 18, 2020 (the "**Report**");
- [2] **SEEING** the service of the Motion;
- [3] **SEEING** the submissions of Debtor's attorneys;

- [4] **SEEING** that it is appropriate to issue an order approving the transaction(s) (the "**Transaction**") contemplated by the agreement dated August 10, 2020 entitled Offer to Purchase (the "**Purchase Agreement**") by and between, *inter alia*, the Debtor, as one of the vendors (the "**Vendor**"), and Mark Srour, acting without personal liability on behalf of a company to be incorporated, as purchaser (the "**Purchaser**"), copy of which was filed as Exhibit P-2 to this Motion under seal, and vesting in the Purchaser the assets described in the Purchase Agreement (the "**Purchased Assets**"), and which are more fully described in **Schedule "B"** to this Order.

#### **WHEREFORE THE COURT:**

- [5] **GRANTS** the Motion;
- [6] **EXTENDS** the Debtor's delay to file a proposal until **October 5, 2020**;

#### **SERVICE**

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

#### **SALE APPROVAL**

- [9] **ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Purchase Agreement by the Vendor is hereby authorized and approved, with such non-material alterations, changes, amendments, deletions or additions thereto as may be agreed to but only with the consent of the Trustee.

#### **EXECUTION OF DOCUMENTATION**

- [10] **AUTHORIZES** the Vendor 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 **P-2**) and any other ancillary document which could be required or useful to give full and complete effect thereto.

#### **AUTHORIZATION**

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

#### **VESTING OF PURCHASED ASSETS**

- [12] **ORDERS and DECLARES** that upon the issuance of a Trustee'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, and all of the Purchased Assets will

be completely free and clear of all claims, liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests, hypothecs, mortgages, pledges, deemed trusts, assignments, judgments, executions, writs of seizure of 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, contractual rights relating to the Purchased Assets, pre-inscriptions or any other publications in favour of third parties relating to the Purchased Assets or other claims or encumbrances, whether or not they have attached or have been perfected, registered, published or filed and whether secured, unsecured or otherwise, including, without limitation, any and all of the foregoing evidenced by any registrations, publications or filings pursuant to the *Civil Code of Quebec* or any other applicable legislation (collectively the “**Encumbrances**”).

- [13] **ORDERS** that all of the Encumbrances affecting or relating to the Purchased Assets, be discharged as against the Purchased Assets, in each case effective as of the applicable time and date of the Certificate.
- [14] **DECLARES** that upon issuance of the Certificate, (i) 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*, and (ii) other than the “Assumption” (as defined in the Purchase Agreement) Purchaser will not, under any circumstances whatsoever, assume or be liable for any debts, liabilities or obligations of the Debtor.
- [15] **ORDERS and DIRECTS** the Trustee to file with the Court a copy of the Certificate, forthwith after issuance thereof.

**REDUCTION OF SECURITY 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 reduce the following registrations in connection with the Purchased Asset to exclude the Purchased Assets, in order to allow the transfer to the Purchaser of the Purchased Assets free and clear of such registrations:

<b>Deed</b>	<b>Number</b>	<b>Date</b>	<b>Secured Party</b>
Hypothèque conventionnelle sans dépossession	12-0283496-0001	April 17, 2012	Banque Nationale du Canada
Hypothèque conventionnelle sans dépossession	13-0418977-0003	May 21, 2013	Banque Nationale du Canada
Hypothèque conventionnelle	14-0067483-0001	January 28, 2014	Investissement Québec

Deed	Number	Date	Secured Party
sans déposition			

**NET PROCEEDS**

- [17] **ORDERS** that the net proceeds from the sale of the Debtor’s Purchased Assets (the “**Net Proceeds**”) shall be remitted to the Trustee 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 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.

**VALIDITY OF THE TRANSACTION**

- [19] **ORDERS** and **DECLARES** 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 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 Trustee.

**LIMITATION OF LIABILITY**

- [20] **DECLARES** that, subject to other orders of this Court, nothing herein contained shall require the Trustee to occupy or to take control, or to otherwise manage all or any part of the Purchased Assets. The Trustee 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.
- [21] **DECLARES** that no action lies against the Trustee 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 Trustee shall benefit from the protection arising under the present paragraph;

**GENERAL**

- [22] **ORDERS** that the Purchaser or the Vendor shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances.
- [23] **ORDERS** that the Purchase Agreement be kept confidential and under seal until further order of this Court.
- [24] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada;
- [25] **DECLARES** that the Trustee 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 Trustee 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 Trustee as may be deemed necessary or appropriate for that purpose;
- [26] **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;
- [27] **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.**

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**MICHEL A. PINSONNAULT, J.S.C.**  
JP1736

**SCHEDULE "A"**

**DRAFT CERTIFICATE OF THE TRUSTEE**

**CANADA**

**PROVINCE OF QUEBEC  
DISTRICT OF MONTRÉAL**

**File No: 500-11-058534-203**

**SUPERIOR COURT**  
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**-and-**

**MNP LTD.**

**Trustee**

**CERTIFICATE OF THE TRUSTEE**

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**RECITALS:**

**WHEREAS** on August 12, 2020, Kidiway Inc. (the "**Debtor**") filed a notice of intention (the "**NOI**") to make a proposal pursuant to the Bankruptcy and Insolvency Act (the "**Act**");

**WHEREAS** pursuant to the terms of the NOI, MNP Ltd. (the "**Trustee**") was named Trustee of the Debtor; and

**WHEREAS** on August 20, 2020, the Superior Court of Quebec (the "**Court**") issued an Order (the "**Vesting Order**") thereby, *inter alia*, authorizing and approving the execution by the Petitioner of an agreement pursuant to an Offer to Purchase (the "**Purchase Agreement**") by and between, *inter alia*, the Debtor as one of the vendors (the "**Vendor**") and Mark Srour for a corporation to be incorporated and without personal liability, 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 Trustee;

**WHEREAS** the Vesting Order contemplates the issuance of this Certificate of the Trustee.

**THE TRUSTEE CERTIFIES THAT:**

- (a) all of the "Closing Conditions" as defined in the Purchase Agreement have occurred or have been waived by the Purchaser;
- (b) "Closing" as defined in the Purchase Agreement has occurred; and
- (c) the "Purchase Price" as defined in the Purchase Agreement has been paid to the Trustee.

This Certificate is issued by the Trustee at \_\_\_\_ on \_\_\_\_\_ .

MNP Ltd in its capacity as Trustee, and not in its personal capacity.

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

## SCHEDULE "B"

### Purchased Assets

The trademark "Kidiway" owned by 3717291 (the "**Kidiway Trademark**") as well as all other intellectual property in its broadest sense owned by 3717291 or in which 3717291 has any right, title or interest (to the extent of such rights, title or interest) as at the date of this Offer (including without limitation, all other trademarks and all patents and patents pending) which in any manner whatsoever relate to Kidiway's business or were used by Kidiway (the "**3717291 IP**");