

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

BETWEEN:

CIBT Finance (2017) Corp.

Applicant

and

KGIC Inc. and

674143 B.C. Ltd., Cornerstone Academic College of ESL, Teacher Training and Testing Preparation Inc., Cornerstone Language School Ltd., KGIC Business College (2010) Corp., KGIC Business College (BC) Corp., KGIC Language College (2010) Corp., KGIC Language College (BC) Corp., MTI Community College Ltd., Pan Pacific Career College Inc., Pan Pacific College (Toronto) Ltd., Pan Pacific College Inc., PGIC Career College Inc., PGIC Toronto Inc., PGIC Vancouver Studies Inc., PGIC Victoria Studies Inc., Study English in Canada Inc., Study English in Canada (Vancouver) Inc., Upper Career College of Business & Technology (Vancouver) Inc., Upper Career College of Business & Technology Inc., Urban International School Inc., Victoria International Academy of Teacher Training Ltd., Western Town Business College Ltd. and Western Town College Toronto Inc.

Respondents

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED, SECTIONS 56(2) (A), 63 AND 64(1) OF THE *PERSONAL PROPERTY AND SECURITY ACT*, R.S.B.C.C.359, AND SECTION 39 OF THE *LAW AND EQUITY ACT*, R.S.B.C. 1996 C.253, AS AMENDED.

**SUPPLEMENT TO THE FIRST REPORT OF BDO CANADA LIMITED, IN ITS
CAPACITY AS COURT APPOINTED RECEIVER**

13 MARCH 2017

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BACKGROUND

1. On 25 January 2017, by order of this Honourable Court (the “Interim Receivership Order”), BDO Canada Limited (“BDO” or the “Interim Receiver”) was appointed Interim Receiver of KGIC Inc. and its subsidiaries (collectively the “KGIC Group”).
2. On 15 February, by order of this Honourable Court, the Interim Receivership Order was amended to permit the Interim Receiver to terminate employees and leases (the “Amended Interim Receivership Order”). The Interim Receiver had determined that the KGIC Group was experiencing a significant negative cash outflow and, in order to stabilize operations, cost savings had to be found.
3. On 22 February 2017, by order of this Honourable Court (the “Order”), BDO (the “Receiver”) was appointed Receiver of KGIC Inc. and certain of its subsidiaries (collectively the “Revised KGIC Group”).
4. On 3 March 2017, the Receiver issued its First Report (the “First Report”), in support of, among other matters, an application for an Approval and Vesting order for a sale of substantially all of the assets of the Further Revised KGIC Group, as defined below.
5. On 7 March 2017, the Receiver issued its Second Report (the “Second Report”), in support of an application for an Approval and Vesting order, as referenced above. In particular, it included and provided discussion of:
 - a. the signature page of the Asset Purchase Agreement, which had not previously been available;
 - b. the Fuller Landau Report which reviewed and provided third party commentary on the proposed transaction; and
 - c. BDO’s Statement of Estimated Net Realizations as at 31 August 2016 which estimated that there would be no recovery to any of the creditors, including BMO, in a liquidation of the assets of the KGIC Group.

6. This Supplement to the First Report is submitted to provide the Updated Asset Purchase Agreement which reflects further refinements to the proposed transaction.
7. KGIC Inc. through its operating subsidiaries, operated a number of private career and language colleges through several brands in British Columbia and Ontario. The principal brands are “King George International College” which provides language training in Victoria, Vancouver, Surrey and Toronto and “MTI Community College” which provides career training in Vancouver, Surrey, Burnaby and Chilliwack. At the time of the Interim Receivership Order, the KGIC Group had some 1,600 students and 342 employees in 18 campuses.
8. On 25 January 2017, CIBT Finance (2017) Corp. (“CF2017”) took an assignment of the Bank of Montreal’s (“BMO”) debt of approximately \$13 million and issued *Bankruptcy and Insolvency Act* (“BIA”) S.244 Notices to enforce its security. For reasons, outlined in the motion material for the Interim Receivership Order, CF2017 applied to the Honourable Court for an order appointing an Interim Receiver in order to protect and preserve the assets.
9. On 25 January 2017, the Interim Receiver entered into an Interim Management agreement with Spratt-Shaw Degree College Corp. (“Spratt-Shaw”) to provide day-to-day management of the KGIC Group. On 22 February 2017, BDO, in its new role as Receiver, renewed this agreement.

PURPOSE OF THIS REPORT

10. The purpose of this Supplement to the First Report of the Receiver is to report on:
 - a. the Updated Asset Purchase Agreement, in support of the Receiver’s recommendation in the First Report that an Approval and Vesting Order be granted.

APPROVAL AND VESTING ORDER

11. The Receiver has received an offer from CF2017, or a designated affiliate, to acquire substantially all of the assets of the Revised KGIC Group, excluding the assets of Cornerstone Academic College of ESL, Teacher Training and Test Preparation Inc., (the “Further Revised KGIC Group”).

12. Further analysis of the deal structure and certain tax and regulatory issues has resulted in some minor changes to the Asset Purchase Agreement, in the Updated Asset Purchase Agreement, attached as Exhibit "A".
13. The changes reflected in the Updated Asset Purchase Agreement are:
 - a. the purchase of certain additional assets of KGIC Inc.;
 - b. Deletion of assumption of contracts with Datawitness Online Ltd. Datawitness provides a service to archive the records of former students. The Regulators have advised BDO that the Purchaser cannot, for privacy reasons, have access to the records of former students. Going forward, only the Regulators will have access to this information; and
 - c. Correction of typographic errors.
14. The deal structure and pricing is essentially the same as in the Asset Purchase Agreement.
15. The Receiver's conclusions and recommendations have not changed.
16. To reiterate, the Receiver is of the opinion that:
 - a. the market for potential purchasers has been sufficiently canvased and the assets of the KGIC Group have been adequately marketed in the Sales Process;
 - b. only one offer was received in cash for the entire operation;
 - c. the situation of the KGIC Group has worsened since then, such that the universe of potential purchasers is even smaller; and
 - d. the distress of the KGIC Group is well known. Interested parties have had the opportunity to come forward. While the Receiver has spoken with a few parties, none expressed interest at a level sufficient to match or exceed the offer from CF2017.
17. Therefore, the Receiver recommends that an Approval and Vesting Order be granted so that a transaction with the Purchasers can be completed.

This Report is respectfully submitted to this Honourable Court as of this 13th day of March, 2017.

BDO CANADA LIMITED,

In Its capacity as the Court-Appointed Receiver of
KGIC Inc., and not in its personal or corporate capacity

Per:



Christopher J. Porter, CPA, CA, CIRP, CF, LIT
Vice-President

EXHIBIT

“A”

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT MADE THIS 3rd DAY OF MARCH, 2017

BETWEEN:

BDO CANADA LIMITED (“BDO”), solely in its capacity as the Court-appointed Receiver of all property, assets and undertaking of KGIC Inc. (“**KGIC**”) and the entities listed on Schedule “A” (collectively, the “**Debtors**”), and not in its personal or corporate capacity

(the “**Vendor**”)

- and -

CIBT FINANCE (2017) CORP., a corporation incorporated under the laws of the Province of British Columbia

(the “**Purchaser**”)

RECITALS:

- A. The Debtors owned and operated a number of private career and language colleges and schools at several campuses in Ontario and British Columbia (the “**Business**”);
- B. Pursuant to the Order dated January 25, 2017 (the “**Interim Receivership Order**”) by Justice Adair of the Supreme Court of British Columbia (the “**Court**”) as No. S-170738, Vancouver Registry (the “**Receivership Action**”), BDO was appointed by the Court as Interim Receiver, without security, of all of the assets, undertakings and properties of the Debtors and certain additional legal entities (in such capacity, the “**Interim Receiver**”) pursuant to section 47(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”) and the *Law and Equity Act* (British Columbia);
- C. Pursuant to the Interim Receivership Order, the Interim Receiver was authorized to borrow such monies as it may consider necessary up to a maximum of \$3,000,000 and the whole of the assets, undertakings and properties of the Debtors were subject to fixed and specific charge (the “**Receiver’s Borrowing Charge**”) as security for payment of the amounts borrowed in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject in priority to the **Receiver’s Charge** (as defined in the Interim Receivership Order) and the charges as set out in Section 14.06(7), 81.4(4) and 81.6(2) of the BIA;

- D. Pursuant to the Interim Receivership Order, the Interim Receiver was authorized to issue Receiver's borrowing certificates evidencing amounts borrowed under the Receiver's Borrowing Charge;
- E. Pursuant to the Order dated February 22, 2017 (the "**Receivership Order**") by Justice Affleck of the Court, BDO was appointed by the Court as Receiver without security, of all of the assets, undertakings and properties of, among others, the Debtors (in such capacity, the "**Receiver**") pursuant to section 243 of the BIA;
- F. Pursuant to the Receivership Order, the Receiver is authorized to borrow under the Receiver's Borrowing Charge, its fees are secured by the Receiver's Charge and the amounts secured by the Receiver's Borrowing Charge and the Receiver's Charge from the Interim Receivership Order continue to be so secured;
- G. The Purchaser is the holder of Receiver's Borrowing Certificates in the amount of \$1,750,000 as at the March 3, 2017 and is expected to fund up to a further \$500,000 to the Receiver under Receiver's Borrowing Certificates to pay, among other costs, all amounts owing to the Receiver under the Receiver's Charge;
- H. The Purchaser is also the senior secured creditor of the Debtors;
- I. As at March 3, 2017, the Debtors, as either borrower or guarantor, are collectively indebted to the Purchaser in the amount of \$12,465,881 plus interest, legal fees and costs (collectively, the "**Indebtedness**");
- J. Subject to the Court issuing the Approval & Vesting Order (as hereinafter defined), Vendor agrees to transfer to the Purchaser or the Designated Purchaser(s) and the Purchaser has agreed to purchase and assume, or cause the Designated Purchaser(s) to purchase and assume all of the Vendor's, and the Debtors' right, title and interest in and to the Purchased Assets (as hereinafter defined) and the Assumed Liabilities (as hereinafter defined) on the terms and conditions contained herein.

NOW THEREFORE in consideration of the respective covenants, representations and warranties made herein, and the mutual benefits to be derived and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties hereto, the Parties agree as follows:

ARTICLE I

INTERPRETATION

1.01 Definitions

- (a) "**Affiliate**" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person.

- (b) “**Agreement**” means this agreement and all schedules and instruments in amendment or confirmation of it; and the expressions “article” and “section” followed by a number mean and refer to the specified article or section of this agreement. The words “herein”, “hereof”, “hereto” and “hereunder” refer to this agreement.
- (c) “**Accounts Receivable**” means, with respect to a Debtor, all (A) accounts receivable, notes receivable and other amounts receivable owed to any Debtor (whether current or non-current), together with all security or collateral therefor and any interest or unpaid financing charges accrued thereon, including all Actions pertaining to the collection of amounts payable, or that may become payable, to the Debtor with respect to products sold or services performed on or prior to the Closing Date, and (B) other amounts due to a Debtor consistent with what the Debtors classified under “accounts receivables” in their financial statements (consolidated or otherwise);
- (d) “**Action**” means any action, cause of action, claim, charge, formal complaint, summons, demand, lawsuit, litigation, arbitration, mediation, proceeding (including any civil, criminal, administrative, regulatory, investigative or appellate proceeding), prosecution, contest, hearing, formal inquiry or inquest, audit, examination, subpoena or formal investigation commenced, brought, conducted or heard by or before any Government Entity
- (e) “**Approval & Vesting Order**” means an order of the Court in the Receivership Action (i) approving this Agreement by the Vendor and the consummation of the transactions contemplated hereby and (ii) providing for the vesting of the Purchased Assets in and to the Purchaser or the Designated Purchasers, free and clear of all claims, liabilities and Encumbrances except the Permitted Encumbrances upon closing of the transaction. The Approval & Vesting Order shall be substantially in the form of the Order annexed hereto as **Schedule 1.01(e)** or as the parties may otherwise agree.
- (f) “**Assigned Contracts**” has the meaning ascribed thereto in Section 2.03.
- (g) “**Assignment and Assumption Agreement**” means an agreement pursuant to which the Vendor will assign the Assigned Contracts to the Purchaser and the Purchaser will assume the Assumed Liabilities at the Closing Date, substantially in the form of the document set out in **Schedule 1.01(g)**.
- (h) “**Assignment Order**” means an order or orders of the Court, in form and substance satisfactory to the Purchaser, acting reasonably, authorizing and approving the assignment of one or more Assigned Contracts for which the consent, approval or waiver of the party or parties thereto (other than the applicable Debtors) required to assign such Assigned Contracts has not been obtained by Closing.

- (i) “**Assumed Liabilities**” means only those liabilities of the Vendor or the Debtor which shall be assumed by the Purchaser at Closing, all as more particularly described in Section 2.04.
- (j) “**BDO**” means BDO Canada Limited.
- (k) “**BIA**” has the meaning ascribed to it in the Recitals.
- (l) “**Books and Records**” means, in respect of a Debtor, all of that Debtor’s sales and purchase records, student lists, admission lists, customer and supplier lists, lists of potential customers, inquiry logs, lists of all referral sources including, without limitation, all agent and international agency lists, research and development reports and records including with respect to curriculum, accounting records, equipment logs, certificates and certifications, operating guides and manuals for all Furniture and Equipment, business reports and all other documents, files, correspondence and other information (whether in written, printed, electronic or computer printout form).
- (m) “**Business**” has the meaning ascribed to it in the Recitals.
- (n) “**Business Day**” means any day which is not a Saturday, a Sunday or a day observed as a statutory or civic holiday under the laws of the Province of British Columbia or the federal laws of Canada applicable in the Province of British Columbia, on which the principal commercial banks in the City of Vancouver, British Columbia are open for business.
- (o) “**Cash and Cash Equivalents**” means in respect of a Debtor, its cash (including petty cash, checks received prior to the close of business on the Closing Date and restricted cash supporting letters of credit), chequing account balances, certificates of deposits, time deposits, bankers’ acceptances, commercial paper, security entitlements, securities accounts, and any other cash equivalents, whether on hand, in transit, in banks or other financial institutions, or otherwise held.
- (p) “**Closing**” means the closing of the transactions contemplated by this Agreement.
- (q) “**Closing Date**” means two (2) Business Days after the granting of the Approval & Vesting Order or such other date as agreed by the Parties.
- (r) “**Closing Time**” means 9:00 o’clock a.m., Pacific time, on the Closing Date or such later time on the Closing Date as Closing takes place.
- (s) “**Computers**” means, in respect of a Debtor, all of its computers and computer equipment, including any computers or servers on which any of the Intellectual Property is stored.
- (t) “**Conditions Precedent**” means those conditions in favour of the Purchaser set out in Section 6.01, those conditions in favour of the Vendor set out in Section

7.01 and those conditions in favour of the Purchaser and Vendor set out in Section 8.01.

- (u) “**Contract**” means any written or oral, legally binding contract, agreement, obligation, licence, sublicense, undertaking, instrument, sublease, ground lease, personal property lease, commitment or other arrangement.
- (v) “**Court**” has the meaning ascribed to it in the Recitals.
- (w) “**Cure Costs**” means, in respect of any Assigned Contract, all amounts owing as at the Closing Date by a Debtor pursuant to such Assigned Contract and all amounts required to be paid to cure any monetary defaults thereunder, if any, required to effect an assignment thereof from the Vendor to the Purchaser or Designated Purchaser, together with any fee or other monetary concession approved by the Purchaser or Designated Purchaser and granted in connection with obtaining any Assignment Order for such Assigned Contract.
- (x) “**Designated Purchaser**” has the meaning set forth in Section 2.10(a).
- (y) “**Debtors**” means the entities set out in **Schedule A**.
- (z) “**Employee**” means any employee of the Debtors that is not a Union Employee.
- (aa) “**Employee Records**” means in respect of a Debtor, all of its books, records, files, or other documentation with respect to Transferred Employees, in each case, expressly excluding any Employee Records for Employees or former employees who are not Transferred Employees except to the extent that such Employee Records are necessary to maintain and administer any Transferred Employee Plans;
- (bb) “**Encumbrance**” means any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), easement, right of first refusal or first offer, title retention agreement or arrangement, conditional sale, trust (whether contractual, statutory, deemed or otherwise), restrictive covenant or other encumbrance of any nature which, in substance, secures payment or performance of an obligation, and any contract, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.
- (cc) “**ETA**” means the *Excise Tax Act* (Canada).
- (dd) “**Excluded Assets**” has the meaning ascribed thereto in Section 2.02.
- (ee) “**Excluded Contracts**” means any and all Contracts of the Debtors other than those Assigned Contracts, which are assigned by the Vendor in accordance with this Agreement.
- (ff) “**Excluded Liabilities**” has the meaning ascribed thereto in Section 2.05.

- (gg) “**Furniture and Equipment**” means all chattels, furniture and equipment used in connection with the Business, including, without limitation, desks, office furniture, fixtures, tools, Computers, electronic equipment, audio and visual equipment, and accessories.
- (hh) “**Goodwill**” means with respect to a Debtor, its goodwill related to the Business it undertakes including the right to carry on business under its name.
- (ii) “**Governmental Entity**” means (i) any multinational, federal, provincial, state, municipal, local or other government or public department, ministry, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign (ii) any subdivision or authority of any of the foregoing, or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.
- (jj) “**GST**” means the goods and services tax payable pursuant to the ETA.
- (kk) “**HST**” means the harmonized goods and services tax payable pursuant to the ETA.
- (ll) “**Indebtedness**” has the meaning ascribed to it in the Recitals.
- (mm) “**Intellectual Property**” means, with respect to a Debtor, all intellectual property of any nature owned by the Debtor, or controlled or used by the Debtor, as applicable, and related to the Business, including all Trademarks, trade names, logos, business names, corporate names, domain names, uniform resource locators (URL’s) and the internet websites related thereto, all telephone and telephone facsimile numbers and other directory listings, all curriculum, instructor workbooks and materials, all Software and including all goodwill associated therewith and all applications, registrations and renewals in connection therewith, distinguishing guises, industrial designs, copyrights, formulae, processes, research data, technical expertise, know-how, trade secrets, inventions and patents, whether domestic or foreign and whether registered or unregistered, and all moral rights thereto and all applications for registration in respect thereof, including, without limitation, the intellectual property listed on **Schedule 1.01(mm)**.
- (nn) “**Interim Receiver**” has the meaning ascribed to it in the Recitals.
- (oo) “**Interim Receivership Order**” has the meaning ascribed to it in the Recitals;
- (pp) “**Inventories**” means in respect of a Debtor, all of its inventories and supplies related to its Business, including without limitation, all admission and advertising materials, all textbooks, instructor workbooks and materials.
- (qq) “**Investment Canada Act**” means the *Investment Canada Act*, R.S.C. 1985, c. 28 as amended from time to time and the regulations made thereunder.

- (rr) “**KGIC**” means KGIC Inc., one of the Debtors and the public parent company of the other Debtors.
- (ss) “**KGIC Language College Collective Agreement**” means the Collective Agreement between KGIC Language College (2010) Corp. and Education and Training Employees’ Association Local 6 dated August 4, 2015 for the period March 1, 2015 to February 28, 2018.
- (tt) “**Laws**” means any and all applicable laws including (a) all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, and (b) judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, writs, injunctions, directives, decisions, ruling or awards, policies, guidelines and general principles of common and civil law and equity, binding on or affecting the Person referred to in the context in which the word is used.
- (uu) “**Liabilities**” means, in respect of a Debtor, any and all of its debts, liabilities and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law or Action, or claim or order by any Governmental Entity, and those arising under any Contract, or otherwise, including Tax liabilities.
- (vv) “**Local Sale Agreements**” has the meaning ascribed to it in Section 2.10(c).
- (ww) “**Parties**” means the Vendor, the Purchaser and any other Person who may become a party to this Agreement and “**Party**” means one of them individually.
- (xx) “**Permitted Encumbrances**” means (a) any Encumbrances that are expressly permitted by the Approval and Vesting Order to remain attached to the Purchased Assets after the Closing; and (b) any Lien on the Purchased Assets that will not be expunged, released or discharged at the Closing by operation of the Approval and Vesting Order.
- (yy) “**Person**” means a natural person, partnership, limited liability partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Entity, and pronouns have a similarly extended meaning.
- (zz) “**PGIC Vancouver Collective Agreement**” means Collective Agreement between the Debtor, PGIC Vancouver Studies Inc., and Education and Training Employees’ Association Local 10 dated August 4, 2015 for the period July 20, 2015 to June 30, 2018.
- (aaa) “**PPSA**” means the *Personal Property Security Act* (British Columbia), as amended from time to time, and the regulations made thereunder.
- (bbb) “**Prepaid Expenses**” means, in respect of a Debtor, any of its liabilities with respect to the Purchased Assets referable in whole or in part to the period from

and after the Closing Date which have been prepaid by Debtor or Vendor, as at the Closing Date.

- (ccc) “**Priority Claims**” means any claim of a Governmental Entity that has statutory priority over the Indebtedness including, without limitation, any amounts owing by the Debtors in respect of source deductions and sales taxes that are outstanding as of the Closing on the Closing Date.
- (ddd) “**PSTA**” means the *Provincial Sales Tax Act* (British Columbia).
- (eee) “**Purchased Assets**” has the meaning ascribed to it in Section 2.01.
- (fff) “**Purchase Price**” has the meaning ascribed to it in Section 2.06.
- (ggg) “**Receiver**” has the meaning ascribed to in in the Recitals.
- (hhh) “**Receiver’s Certificate**” means a certificate executed by an officer of the Vendor in substantially the form attached as Schedule “B” to the Approval and Vesting Order;
- (iii) “**Receiver’s Charge**” has the meaning ascribed to it in the Recitals and for greater certainty includes amount incurred thereunder under the Interim Receivership Order and the Receivership Order.
- (jjj) “**Receiver’s Borrowing Charge**” has the meaning ascribed to it in the Recitals and for greater certainty includes amount incurred thereunder under the Interim Receivership Order and the Receivership Order.
- (kkk) “**Receivership Action**” has the meaning ascribed to it in the Recitals.
- (lll) “**Receivership Order**” has the meaning ascribed to in in the Recitals.
- (mmm) “**SEC**” means Study English in Canada Inc. and Study English in Canada (Vancouver) Inc.
- (nnn) “**SEC Shares**” means all common shares, preference shares, warrants or other equity interests of SEC held by KGIC.
- (ooo) “**Software**” means all software relating to the Business including all versions thereof, and all related documentation, manuals, source code and object code, program files, data files, computer related data, databases systems, field and data definitions and relationships, data definition specifications, data models, program and system logic, interfaces, program modules, routines, sub-routines, algorithms, program architecture, design concepts, system designs, program structure, sequence and organization, screen displays and report layouts, and all other material related to such software.
- (ppp) “**Tax Act**” means the *Income Tax Act* (Canada).

- (qqq) “**Taxes**” means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Entity under any applicable tax legislation, including Canadian federal, provincial, territorial, municipal and local, foreign or other income, capital, harmonized sales, goods and services, sales, use, consumption, excise, value added, business, real property, land transfer, personal property, transfer, franchise, withholding, payroll, or employer health taxes, customs, import, anti dumping or countervailing duties, Canada Pension Plan contributions, employment insurance premiums, and provincial workers’ compensation payments, including any interest, penalties and fines associated therewith.
- (rrr) “**Trademarks**” means for a Debtor, together with the goodwill associated therewith, all of Debtor’s Canadian, provincial and foreign trademarks, service marks, trade dress, logos, slogans, distinguishing guises and indicia, trade names (including all assumed or fictitious names under which the Debtor’s business has been conducted), corporate names, business names, domain names, and any other indicia of source or sponsorship of goods or services, whether or not registered, including all common law rights, and registrations, applications for registration and renewals thereof, including all marks registered in the Canadian Intellectual Property Office or any trademark offices of other states or nations throughout the world and all rights therein, including those provided by multinational treaties or conventions.
- (sss) “**Transaction Documents**” means this Agreement and all other ancillary agreements to be entered into by, or documentation delivered by, any Party and/or any Designated Purchaser pursuant to this Agreement.
- (ttt) “**Transfer Taxes**” means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Entity in connection with the sale, transfer or registration of the transfer of the Purchased Assets, including GST, HST and retail sales taxes but excluding any taxes imposed or payable under the *Income Tax Act* and any other applicable income tax legislation.
- (uuu) “**Transferred Employee**” means (a) each Employee who accepts an offer of employment by, and commences employment with, the Purchaser or a Designated Purchaser in accordance with the terms of Section 4.02, and (b) each Employee whose employment transfers to the Purchaser or a Designated Purchaser by operation of Law, which shall include the Union Employees.
- (vvv) “**Transferred Employee Plan**” means any Debtor’s employee plan to the extent expressly assumed by the Purchaser or a Designated Purchaser pursuant to Section 2.04 of this Agreement or otherwise assumed in connection with the PGIC Vancouver Collective Agreement or the KGIC Language College Collective Agreement.

(www) “**Union Employee**” means an Employee whose terms and conditions of employment are covered by the PGIC Vancouver Collective Agreement or the KGIC Language College Collective Agreement in British Columbia.

1.02 **Currency**

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

1.03 **Entire Agreement**

This Agreement constitutes the entire agreement between the Parties with respect to its subject matter, and supersedes any and all prior negotiations, understandings and agreements between the Parties. This Agreement may not be amended or modified in any respect except by written instrument signed by the Parties. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver constitute a waiver or continuing waiver unless otherwise expressly provided in writing duly executed by the Party to be bound thereby. Subject to the Approval & Vesting Order being issued by the Court, this Agreement is intended to create binding obligations on the part of the Vendor as set forth herein and on acceptance by the Purchaser, is intended to create binding obligations on the part of the Purchaser, as set out herein.

1.04 **Singular, Plural and Gender**

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

1.05 **Certain Words**

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

1.06 **Headings and Table of Contents**

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

1.07 **Statutory References**

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

1.08 **Actions to be Performed on a Business Day**

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

1.09 **Schedules**

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof.

Schedule A	- Debtors
Schedule 1.01(e)	- Form of Approval & Vesting Order
Schedule 1.01(g)	Assignment and Assumption Agreement
Schedule 1.01(mm)	Intellectual Property by Debtor
Schedule 2.01	- Purchased Assets by Debtor
Schedule 2.03	- Assigned Contracts by Debtor
Schedule 2.08	Allocation of Purchase Price by Debtor and by Purchased Assets of each Debtor
Schedule 2.10(b)	Designated Purchaser Agreement
Schedule 4.02	Purchaser anticipates making offers to certain Employees of these Debtors located in British Columbia only

ARTICLE II

PURCHASE AND SALE OF PURCHASED ASSETS AND ASSUMPTION OF LIABILITIES

2.01 **Purchased Assets**

On the terms and subject to the conditions set forth in this Agreement and the Approval and Vesting Order, at the Closing, the Purchaser shall, and shall cause the relevant Designated Purchasers to, purchase or be assigned and assume from the Vendor the relevant Debtor's and the Vendor's right, title and interest in and to the applicable Debtor's Purchased Assets and the Vendor hereby agrees to sell, transfer and assign to the applicable Purchaser or Designated Purchaser all right, title and interest in and to the applicable Debtor's Purchased Assets as set out in and in accordance with **Schedule 2.01** free and clear of all Encumbrances except only for Permitted Encumbrances. For greater certainty, the Purchased Assets shall not include the Excluded Assets.

2.02 Excluded Assets

The Excluded Assets shall consist of all of the property, assets and undertaking of the Debtors, other than the Purchased Assets. Without limiting the generality of the foregoing, notwithstanding any other provision in this Agreement or any Transaction Document to the contrary, the Debtors and the Vendor shall retain their respective right, title and interest in and to, and the Purchaser and the Designated Purchasers shall have no rights or Liabilities with respect to the right, title and interest of Debtors and the Vendor in and to, the following items, assets, interests and properties (collectively, the “**Excluded Assets**”):

- (a) except with respect to any Transferred Employee Plan, the sponsorship of and all rights and assets under or maintained pursuant to or in connection with any employee plan or any other benefit or compensation plan, program, policy, Contract, agreement or arrangement;
- (b) except for those Employee Records that are necessary to maintain and administer any Transferred Employee Plan, the Employee Records for Employees or former employees who are not Transferred Employees;
- (c) other than the Assigned Contracts, any rights of Debtors under any Contract;
- (d) all shares of capital stock or other equity interests of any of the Debtors or securities convertible into, exchangeable or exercisable for any such shares of capital stock or other equity interests;
- (e) the minute books and stock ledgers of Debtors;
- (f) all Actions against or commenced by the Debtors arising out of events occurring prior to the Closing;
- (g) all Tax records other than the copies of such Tax records related to the Purchased Assets; and
- (h) copies of any other book, record, literature, list and any other written or recorded information constituting business information (the originals of which are being assigned or transferred to Purchaser or a Designated Purchaser) to which the Vendor in good faith determines it is reasonably likely to need access to for *bona fide* Tax or legal purposes following the Closing.

2.03 Assigned Contracts

- (a) The Purchaser, or the Designated Purchaser, as applicable, wish the Vendor to assign to it at Closing all of the Vendor’s and the relevant Debtor’s right, title and interest therein of the Contracts set out in **Schedule 2.03** by Debtor (collectively the “**Assigned Contracts**”).
- (b) The Purchaser shall have the right (i) during the period commencing on the date hereof and ending on the day that is one Business Day prior to the Closing Date,

to notify the Vendor in writing of any Assigned Contract contained in **Schedule 2.03** that it no longer wishes to assume, without any adjustment to the Purchase Price. Any Contract removed from **Schedule 2.03** pursuant to this Section 2.03(b) shall be deemed an Excluded Asset. Any Contract added to **Schedule 2.03** pursuant to this Section 2.03(b) shall be deemed an Assigned Contract.

- (c) Subject to Section 2.03(f), the Purchaser or the Designated Purchaser and the Vendor will work cooperatively to request any consents necessary to permit the assignment to the Purchaser or applicable Designated Purchaser of the Assigned Contracts. The Vendor will provide its reasonable cooperation to assist the Purchaser to obtain such consents, including providing financial and other information requested by the Purchaser or party to such Assigned Contract.
- (d) Subject to Section 2.03(f), if the Vendor is unable to obtain any consent in accordance with this Section 2.03(d), the Vendor will use reasonable commercial efforts to obtain an Assignment Order at or prior to the Closing Date. If the Vendor seeks an Assignment Order, the Purchaser will provide an affidavit or other evidence to support its ability to perform the obligations under the Assigned Contracts.
- (e) The Purchaser, or applicable Designated Purchaser, each acknowledge that if it assumes an Assigned Contract hereunder, it is responsible for all Cure Costs in respect of such Assigned Contract.
- (f) Nothing in this Agreement will constitute an agreement to assign or an attempted assignment of any non-assignable rights or any Contract for which any requisite consent, approval, or Assignment Order has not been obtained or which as a matter of Applicable Law.

2.04 **Assumed Liabilities**

On the terms and subject to the conditions set forth in this Agreement and the Approval and Vesting Order, at Closing, the Purchaser shall, and shall cause the relevant Designated Purchasers to, assume, become responsible for, and agree to discharge and perform when due the following Liabilities of each Debtor (the “**Assumed Liabilities**”):

- (a) any Priority Claims;
- (b) all Liabilities of the Debtors under the Assigned Contracts, if any, arising after the Closing Date;
- (c) Cure Costs with respect to the Assigned Contracts, if any;
- (d) all Liabilities relating to Transferred Employees as set out in Section 4.03(b); and
- (e) all Liabilities arising from or in connection with any Permitted Encumbrances.

In addition to any other provision for indemnification by the Purchaser contained in this Agreement, the Purchaser will, on and after the Closing Date, indemnify and save harmless the Vendor from and against all claims asserted against the Vendor in any way directly or indirectly arising from, relating to or in connection with any of the Assumed Liabilities.

2.05 **Excluded Liabilities**

Neither the Purchaser nor the Designated Purchaser, as applicable, shall assume or be liable to pay for any Liabilities or obligations of the Debtors other than the Assumed Liabilities (collectively, the “**Excluded Liabilities**”). Without limiting the generality of the foregoing, notwithstanding any other provision in this Agreement or any Transaction Document to the contrary, the Purchaser is not assuming, and shall not be deemed to have assumed, and hereby disclaims, and the Excluded Liabilities shall include the following:

- (a) except with respect to any Priority Claims, all Taxes payable by the Debtors referable to the period up to the Closing Date including present or future Taxes;
- (b) any liabilities under any Contracts other than the Assumed Contracts; and
- (c) any Liabilities related to the Excluded Assets.

2.06 **Purchase Price**

Subject to Section 2.09, the purchase price payable by the Purchaser to the Vendor for the Purchased Assets (the “**Purchase Price**”) is an amount equal to the following:

- (a) the amount owing under the Receiver’s Charge;
- (b) the amount owing under the Receiver’s Borrowing Charge held by the Purchaser as at the Closing Date;
- (c) the amount of the Priority Claims; and
- (d) the amount of the Indebtedness of the Debtors owing to the Purchaser as at the Closing Date.

2.07 **Satisfaction of Purchase Price**

The Purchase Price will be satisfied by the Purchaser on the Closing Date as follows:

- (a) by the Purchaser satisfying all amounts owing under the Receiver’s Charge;
- (b) by credit bidding the amount it is owed under the Receiver’s Borrowing Certificates in respect of the Receiver’s Borrowing Charge;
- (c) by assuming or paying the Priority Claims; and
- (d) by credit bidding the amount of the Indebtedness of the Debtors to the Purchaser up to the fair market value of the Purchased Assets as at the Closing Date after

accounting for the amounts satisfied under Section 2.07(a), (b) and (c) and extinguishing the remainder of the Indebtedness against each of the Debtors except in respect of the Indebtedness owing from SEC which shall be partially extinguished to \$5 million.

2.08 **Allocation of Purchase Price**

The Purchaser or the Designated Purchaser, as applicable, and the Vendor agree that the percentage allocation of the Purchase Price among the Purchased Assets of each Debtor is set out in **Schedule 2.08**. The Purchaser or the Designated Purchaser, as applicable, and the Vendor agree that the allocation of the Purchase Price among each of the Debtors' Purchased Assets by relevant categories of property necessary to determine the applicable Transfer Taxes for the Provinces in which the Purchased Assets are situated on a fair market value shall be set out in **Schedule 2.08** on or before the Closing Date. The Purchaser and the Vendor agree to file all necessary information returns, income tax returns and other similar documents with the applicable taxing authorities in a manner which is consistent with the allocation set forth on **Schedule 2.08**.

2.09 **Adjustment of Purchase Price**

The Purchase Price shall be subject to adjustment on Closing based upon the fair market value of the Purchased Assets on the Closing Date.

2.10 **Designated Purchaser(s); Local Sale Agreements**

- (a) **Designated Purchasers.** The Purchaser shall be entitled to designate, in accordance with the terms and subject to the limitations set forth in this Section 2.10(a), one or more of its Affiliates to (i) purchase specified Purchased Assets (including specified Assigned Contracts), (ii) assume specified Assumed Liabilities, and/or (iii) employ specified Transferred Employees on and after the Closing Date (any such Affiliate of the Purchaser that shall be properly designated by the Purchaser in accordance with this clause, a "**Designated Purchaser**"), and any reference herein to the Purchaser shall be accordingly modified to include such Designated Purchaser as necessary to give effect to such designation; provided, however, that no such designation shall relieve the Purchaser of any of its obligations hereunder, but any payment or performance by any Designated Purchaser shall be deemed to satisfy such payment or performance obligation of the Purchaser hereunder.
- (b) **Notice of Designation.** The designation referred to in Section 2.10(a) shall be made by the Purchaser by way of a written notice to be delivered to Vendor prior to the Closing (and in no event later than the Business Day prior to Closing), which written notice shall identify the applicable Designated Purchaser(s) and shall indicate which Purchased Assets, Assumed Liabilities and Transferred Employees the Purchaser intends such Designated Purchaser(s) to purchase, assume and/or employ, as applicable, hereunder and include a signed counterpart to this Agreement in the form attached hereto as **Schedule 2.10(b)**, agreeing to be

bound by the terms of this Agreement and authorizing the Purchaser to act as such Designated Purchaser(s)' agent for all purposes hereunder.

- (c) **Local Sale Agreements.** On the terms and subject to the conditions set forth herein, to the extent necessary to effect the Closing on the terms hereof, the Vendor shall, and the Purchaser shall, and shall cause the relevant Designated Purchasers to, enter into such agreements or instruments, including bills of sale and/or assignment and assumption agreements (the “**Local Sale Agreements**”), providing for (i) the sale, transfer, assignment or other conveyance to the Purchaser and relevant Designated Purchasers, in accordance with the requirements of applicable local Law and this Agreement, and (ii) the assumption by the Designated Purchasers of any Assumed Liability that Purchaser intends to allocate to them. Such Local Sale Agreements shall promptly be negotiated in good faith between the Vendor and the Purchaser, but the Vendor shall not be required to give any representations, warranties or indemnities pursuant to such Local Sale Agreements which are greater in scope or liability than those provided for in this Agreement.

2.11 Elections

- (a) The Vendor and the Purchaser (or Designated Purchasers as applicable) will on or before the Closing, jointly execute an election, in the prescribed form and containing the prescribed information, to have subsection 167(1.1) of the *Excise Tax Act* (Canada) apply to the sale and purchase of the Purchased Assets hereunder so that no tax is payable in respect of such sale and purchase under Part IX of the *Excise Tax Act* (Canada). The Purchaser (or Designated Purchaser as applicable) will file such election with the Minister of National Revenue within the time prescribed by the *Excise Tax Act* (Canada).
- (b) The Vendor and the Purchaser will execute and file, on a timely basis and using the prescribed form, a joint election under section 22 of the Tax Act as to the sale of the Accounts Receivable of the Vendor to be purchased under this Agreement, and prepare their respective tax returns in a manner consistent with such joint election.
- (c) The Vendor and the Purchaser acknowledge that the Vendor is transferring Purchased Assets to the Purchaser with a value equal to the amount set out in Section 2.06 in consideration for the Purchaser assuming prepaid obligations of the Vendor to deliver goods or provide services in the future. The Vendor and the Purchaser (or Designated Purchaser, as applicable) will execute and file, on a timely basis and using any prescribed form, a joint election under subsection 20(24) of the Tax Act as to such assumption hereunder, and prepare their respective tax returns in a manner consistent with such joint election.

2.12 **PSTA Inventory Exemption**

The Vendor and the Purchaser and Designated Purchaser, as applicable, agree that no taxes shall be payable under the PSTA by the Purchaser or Designated Purchasers, as applicable, in connection with the transfer of the inventory by the Vendor to the Purchaser.

2.13 **Transfer Taxes**

The Parties agree that:

- (a) the Purchase Price is exclusive of all Transfer Taxes and the Purchaser (and any Designated Purchasers as applicable) shall be liable for and shall pay any and all Transfer Taxes pertaining to each Purchaser's acquisition of the applicable Purchased Assets;
- (b) if the Vendor is required under any Applicable Law to collect or pay Transfer Taxes, the Purchaser (or Designated Purchaser) will pay the amount of such Transfer Taxes to the Vendor at Closing by wire transfer or certified funds. The Vendor shall provide the Purchaser (or Designated Purchaser) within a reasonable period of time following Closing with supporting documentation to confirm that such Transfer Taxes have been paid to the appropriate Governmental Entity within the time prescribed by the applicable Transfer Tax legislation;
- (c) except where the Vendor is required under an applicable Law to collect or pay such Transfer Taxes, the Purchaser shall pay such Transfer Taxes directly to the appropriate Governmental Entity or other entity within the required time period and shall file all necessary documentation with respect to such Transfer Taxes when due. The Vendor will do and cause to be done such things as are reasonably requested to enable the Purchaser to comply with such obligation in a timely manner. If the Vendor is required under any applicable Law to pay any such Transfer Taxes, the Purchaser shall promptly reimburse the Vendor the full amount of such Transfer Taxes upon delivery to the Purchaser of copies of receipts showing payment of such Transfer Taxes;
- (d) the Purchaser shall indemnify the Vendor for any Transfer Taxes (including any interest or penalties imposed by a Governmental Entity) for which the Vendor may become liable as a result of any failure by the Purchaser to pay or remit such Transfer Taxes; and
- (e) each Purchaser shall be entitled to provide the Vendor with evidence that such Purchaser is an exempt purchaser, in whole or in part, for purposes of relevant Transfer Tax legislation and, upon provision of such evidence satisfactory to the Vendor, acting reasonably, such Purchaser shall not be required to pay on Closing any Transfer Taxes in respect of which the relevant exemption is applicable.

ARTICLE III

“AS IS” CONDITION OF PURCHASED ASSETS

3.01 **“As Is, Where Is”**

As at the Closing Time, the Purchaser or Designated Purchaser acknowledges to and in favour of the Vendor, that it has inspected the applicable Purchased Assets and, save and except as is expressly set out in Section 3.01, the Purchased Assets are sold on an “**as is, where is**” basis at the Closing Time and that no representation, warranty or condition is expressed or implied as to title, description, fitness for purpose, location, merchantability, quantity, conditions or quality thereof or in respect of any other matter or thing whatsoever, including any law, by-law, regulation, code, standard or agreement of, or administered by, any municipality, utility or other government or authority, fire insurance underwriters or any other Person.

The description of the Purchased Assets, Business, and Assumed Liabilities contained herein is for the purpose of identification only and the inclusion of any item in such description does not confirm the existence of any such items or that any such item is owned by the Vendor. Without limitation, the Purchased Assets are specifically offered as they exist on Closing with no adjustments to be allowed to the Purchaser for changes in condition, location, quality or quantity of the Purchased Assets from the date hereof to the Closing Date. The Purchaser acknowledges that the Vendor is not required to inspect or count, or provide any inspection or counting of the Purchased Assets or any part thereof and the Purchaser shall be deemed, at their own expense, to have relied entirely on its own inspection and investigation. Without limiting the generality of the foregoing, any and all conditions, warranties and representations expressed or implied pursuant to the *Sale of Goods Act*, R.S.B.C. 1996, c. 410, as amended from time to time or, do not apply to the sale of the Purchased Assets and have been waived by the Purchaser.

ARTICLE IV

EMPLOYEE MATTERS

4.01 **Termination of Employees**

The Vendor, on behalf of the Debtors, shall terminate all Employees (other than the Employees of SEC) that are not Union Employees conditional upon Closing and effective on the Closing Date, subject to the provisions of this Section 4.01. The Debtors shall be liable for the payment of all termination and severance costs relating to the termination of employment of any Employee. The Purchaser, or applicable Designated Purchaser, shall not be liable for the payment of any termination or severance costs, including without limitation any amounts under either applicable Law or at common law including pay in lieu of notice, termination pay, severance pay, vacation pay and all other outstanding amounts relating to the employment or former employment of any Employee other than the Transferred Employees.

4.02 **Offer of Employment – Employees that are not Union Employees**

The Purchaser confirms that it anticipates making offers of employment to certain Employees of the Debtors all of which are located at campuses in British Columbia and are listed in Schedule 4.02.

At least two (2) Business Days before the Closing Date, the Purchaser, or Designated Purchaser, as applicable, shall provide a list of Employees, who are not Union Employees, to the Vendor with respect to each Debtor (if any), which list will set out the names of any such Employees who the Purchaser or Designated Purchaser intends to make offers of employment in writing to as of the Closing Date. The Purchaser or Designated Purchaser, as applicable, confirms that such offers of employment, if made, shall be on terms and conditions no less favourable than as presently exist with the applicable Debtor as of the Closing Date, but shall not recognize past service except as may be required by applicable Law. Employees who accept the offers of employment or Union Employees actually employed by the Purchaser as at the first pay date immediately following the Closing Date shall be deemed to be and are referred to herein, as “**Transferred Employees**”.

4.03 **Union Employees**

- (a) In respect of any Union Employees, effective immediately following the Closing, the Purchaser, or Designated Purchaser, as applicable will be the successor to the applicable Debtor pursuant to the provisions of applicable labour legislation and on and after the Closing will be bound by all proceedings under applicable Law including labour legislation and by any collective agreement in force in respect of such Union Employees.
- (b) The Purchaser or applicable Designated Purchaser, will, effective immediately following the Closing, assume responsibility, statutory and otherwise, for the rights, obligations and Liabilities relating to or arising out of the employment of the Union Employees and will recognize all past service of the Union Employees with the applicable Debtor for all purposes.

4.04 **Communications with Employees, Integration and Disclosure**

The Vendor and the Purchaser or Designated Purchaser, as applicable, shall cooperate in ensuring appropriate communications with Employees in respect of the transactions contemplated herein, and the implementation by the Parties of mutually acceptable disclosure and transition plans. The Purchaser may give such notice to the Transferred Employees concerning the change of their employer with respect to the Business as the Purchaser, in light of Applicable Laws, consider reasonable.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

5.01 Vendor's Representations and Warranties

The Vendor represents and warrants as follows to the Purchaser at the date of this Agreement and to the Purchaser or the Designated Purchaser as at the Closing Date and acknowledges and confirms that the Purchaser is relying upon such representations and warranties in connection with the purchase of the Purchased Assets and the assumption of the Assigned Contracts:

- (a) the Vendor was appointed as the Receiver pursuant to the Receivership Order;
- (b) subject to the Vendor obtaining the Approval & Vesting Order, the Vendor has the right, power and authority to enter in to and perform its obligations under this Agreement and, subject to the Vendor obtaining the Approval & Vesting Order, to convey the Purchased Assets to the Purchaser;
- (c) subject to any charges created by the Receivership Order, the Vendor has done no act itself to encumber, sell or dispose of any of the Purchased Assets;
- (d) the Vendor is not a non-resident of Canada within the meaning of the Tax Act;
- (e) the Vendor is a registrant within the meaning of Part IX of the ETA and the Vendor's registration number is #R101518124; and
- (f) the Vendor is a registrant within the meaning of Part 8 of the PSTA and the Vendor's registration number is 1005-1016.

5.02 Purchaser's Representations and Warranties

The Purchaser hereby represents and warrants to and in favour of the Vendor, acknowledging that the Vendor is relying upon such representations and warranties, as follows:

- (a) it is a corporation duly and validly incorporated under the laws of the Province of British Columbia and is a valid and subsisting corporation;
- (b) it has the requisite right, power and authority to enter into this Agreement and to complete the transactions contemplated hereby;
- (c) all necessary actions and approvals have been taken or obtained by it to authorize the creation, execution, delivery and performance of this Agreement;
- (d) this Agreement has been duly executed and delivered by it and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms;

- (e) other than the Approval & Vesting Order, the execution, delivery and performance of this Agreement by the Purchaser does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Entity, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent, affect or delay the consummation by the Purchaser of the transaction contemplated hereby;
- (f) the Purchaser is a registrant within the meaning of Part IX of the ETA and its registration number will be provided on Closing; and
- (g) The Purchaser is a registrant within the meaning of Part 8 of the PSTA and its registration number will be provided on Closing.

5.03 **Survival of Representations**

All representations and warranties made by the Vendor and the Purchaser in Sections 5.01 and 5.02, respectively, shall survive the Closing and shall continue for a period of six months after the Closing and after such period neither Party shall have any further liability hereunder with respect to such representations and warranties except with respect to any claims made by the other Party within such period or in the case of fraud.

ARTICLE VI

CONDITIONS IN FAVOUR OF THE PURCHASER

- 6.01 The Purchaser's obligation to complete the transactions contemplated in this Agreement is subject to satisfaction of the following conditions precedent on or before the Closing Date provided that any such date may be extended by the mutual agreement of the applicable Purchaser and the Vendor, and which conditions are inserted for the sole benefit of the Purchaser and may be waived only by the Purchaser by notice in writing to the Vendor on or before the Closing Date, as applicable:
- (a) the representations and warranties of the Vendor shall be true and correct as at the Closing Date with the same force and effect as if made at and as of such time and the Vendor shall deliver to the Purchaser (or Designated Purchaser as applicable) a certificate signed by a representative of the Vendor to that effect (provided that acceptance of such evidence and the completion of the transaction contemplated hereunder shall not be a waiver of such representations and warranties);
 - (b) all consents, approvals or waivers for each Assigned Contract shall have been obtained on terms acceptable to the applicable Purchaser, acting reasonably, or an Assignment Order will have been obtained in respect thereof. All such consents, approvals, waivers or Assignment Orders will be in force and will not have been modified, rescinded, appealed or stayed;

- (c) the Vendor shall have complied with and performed all of its covenants and obligations contained in this Agreement to be performed by it before or by the Closing Date; and
 - (d) on or before the Closing Date, the Vendor shall have delivered all items which it is required to deliver to the Purchaser pursuant to Section 11.01.
- 6.02 In the event that any of the foregoing conditions are not fulfilled or waived by the applicable Purchaser on or before the Closing Date this Agreement may be terminated at the Purchaser's option in accordance with Section 9.01.

ARTICLE VII

CONDITIONS IN FAVOUR OF THE VENDOR

- 7.01 The following conditions in favour of the Vendor must be fulfilled on or before the Closing Date, provided that such date may be extended by the mutual agreement of each of the Purchaser and the Vendor, and which conditions are inserted for the sole benefit of the Vendor and may be waived only by the Vendor by notice in writing to the Purchaser on or before the Closing Date:
- (a) the representations and warranties of the Purchaser shall be true and correct as of the Closing Date with the same force and effect as if made at and as of such time and the Purchaser shall deliver to the Vendor a certificate signed by a representative of the Purchaser to that effect (provided that acceptance of such evidence and the completion of the transaction contemplated hereunder shall not be a waiver of such representations and warranties);
 - (b) the Purchaser shall have complied with and performed all of its covenants and obligations contained in this Agreement to be performed by it before or by the Closing Date; and
 - (c) on or before the Closing Date, the Purchaser shall have delivered all items which it is required to deliver to the Purchaser pursuant to Section 11.02.

- 7.02 In the event that any of the foregoing conditions are not fulfilled or waived by the Vendor on or before the Closing Date, this Agreement may be terminated by the Vendor in accordance with Section 9.01.

ARTICLE VIII

MUTUAL CONDITIONS PRECEDENT

- 8.01 The following conditions in favour of the Vendor and the Purchaser must be fulfilled on or before the Closing Date, provided that such date may be extended by the mutual agreement of each of the Purchaser and the Vendor, and which conditions are inserted for the benefit of each of the Vendor and the Purchaser and may be waived only by both of the Vendor and Purchaser on or before the Closing Date:
- (a) on or before the Closing Date, the Approval & Vesting Order shall have been obtained, the terms of the Approval & Vesting Order shall not differ materially from the form of Order at **Schedule 1.01(e)**, and such Order shall not have been stayed, reversed, dismissed or subject to appeal; and
 - (b) as of the Closing Date, no order shall have been made and no motion, action or proceeding shall be pending, threatened or commenced by any person, government, Government Entity, regulatory body or agency in any jurisdiction which seeks to restrain or prevent the sale of the Purchased Assets under this Agreement or seeks to restrict, prohibit or direct the Vendor not to complete the transaction contemplated by this Agreement.
- 8.02 Unless otherwise agreed to by the Parties in writing, if the condition precedent contained in 8.01(a) has not been satisfied on or before March 15, 2017 or such later date as the Parties may subsequently agree in writing, or the condition precedent contained in Section 8.01(b) has not been satisfied or waived on the Closing Date, then this Agreement shall automatically terminate without any further action on the part of either Party.

ARTICLE IX

TERMINATION

9.01 Termination by the Parties

This Agreement may be terminated upon the occurrence of any of the following:

- (a) upon the mutual written agreement of the Vendor and the Purchaser;
- (b) by the Purchaser pursuant to Sections 6.02 or 8.01; and
- (c) by the Vendor pursuant to Sections 7.02 or 8.01.

9.02 **Remedies for Breach of Agreement**

If this Agreement is terminated as a result of any breach of a representation, warranty, covenant or obligation of a Party, the terminating Party's right to pursue all legal remedies with respect to such breach shall survive such termination.

9.03 **Termination If No Breach of Agreement**

If this Agreement is terminated other than as a result of a breach of a representation, warranty, covenant or obligation of a Party, then:

- (a) all obligations of each of the Vendor and the Purchaser hereunder shall be at an end; and
- (b) neither Party shall have any right to specific performance, to recover damages or expenses or to any other remedy or relief other than as provided herein.

ARTICLE X

NOTICE

10.01 **Addresses for Notice**

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery or by electronic mail (with an original to follow) addressed to the recipient as follows:

to the Vendor:

BDO Canada Limited
600 Cathedral Place
925 West Georgia Street
Vancouver, BC V6C 3L2

Attention : Christopher Porter

Email : cporter@bdo.ca

with a copy to:

Borden Ladner Gervais LLP
1200 Waterfront Centre
200 Burrard Street
Vancouver, BC V7X 1T2

Attention: William Skelly

Email: wskelly@blg.com

to the Purchaser:

CIBT Finance (2017) Corp.
2900 – 595 Burrard Street
Vancouver, British Columbia V7X 1J5

Attention: Toby Chu

Email: toby@cibt.net

with a copy to:

Thornton Grout Finnigan LLP
100 Wellington Street West, Suite 3200
Toronto Dominion Centre, West Tower
Toronto, ON M5K 1K7

Attention: Asim Iqbal

Email: aiqbal@tgf.ca

or to such other address as may be designated by notice given by either Party to the other. Any notice or other communication given by personal delivery shall be deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during normal business hours on the Business Day during which such normal business hours next occur if not given during such hours on any day.

ARTICLE XI

CLOSING DELIVERIES

11.01 **Vendor's Deliveries**

At Closing, the Vendor shall surrender the Purchased Assets to the Purchaser at their then current location. On or before the Closing Date or such other date specified below, the Vendor shall deliver to the Purchaser the following:

- (a) a Court certified copy of the issued and entered Approval & Vesting Order;
- (b) a certificate executed by the Vendor confirming that the representations and warranties of the Vendor in this Agreement are true and correct in all material respects as of the Closing Time and that the obligations of the Vendor to be performed prior to the Closing Time have been performed in all material respects;
- (c) the Assignment and Assumption Agreement executed by the Vendor;

- (d) share certificates and minute books for SEC;
- (e) if available, the tax election as contemplated by Section 2.11(a) executed by the Vendor;
- (f) if available, the tax election as contemplated by Section 2.11(b) executed by the Vendor, if the information necessary to complete such election is available at the Closing Time;
- (g) if available, the tax election as contemplated by Section 2.11(c) executed by the Vendor, if the information necessary to complete such election is available at the Closing Time;
- (h) a bill of sale or Local Sale Agreements, duly executed by the Vendor, if necessary;
- (i) such notice or notices as the Purchaser may reasonably require to be given to other parties under the Assigned Contracts of the assignment of such Assigned Contracts to the Purchaser, together with directions relating to the performance of obligations under such Assigned Contracts all in such form as the Purchaser may reasonably require; and
- (j) such other documents as may be reasonably requested by the Purchaser's solicitor to give effect to this Agreement.

11.02 **Purchaser's Deliveries**

On or before the Closing Date or such other date as provided for below, the Purchaser shall deliver to the Vendor or such other Party specified below:

- (a) satisfaction of the Purchase Price to the Vendor as contemplated by Section 2.07 by means of:
 - (i) payment of all amounts owing under the Receiver's Charge by wire transfer or certified funds to the Vendor;
 - (ii) delivery of the Receiver Borrowing Certificates to the Vendor for cancellation;
 - (iii) delivery of evidence, satisfactory to the Vendor, of the payment of or arrangements to pay or assume all Priority Claims;
 - (iv) delivery of a release and waiver of the Debtors under the loan agreements and security relating to the Indebtedness in the aggregate amount equal to the amount of the Indebtedness owing from each Debtor other than SEC;
 - (v) the Assignment and Assumption Agreement executed by the Purchaser or Designated Purchaser as applicable; and

- (vi) paying the relevant counterparties under the Assigned Contracts any amounts owing for Cure Costs and providing evidence of same to the Vendor;
- (b) the amount of all Taxes (including Transfer Taxes) payable in respect of the transaction contemplated by this Agreement by way of certified cheque or bank draft drawn on a Schedule 1 Canadian chartered bank;
- (c) if available, the tax election as contemplated by Section 2.11(a) executed by the Purchaser;
- (d) if available, the tax election as contemplated by Section 2.11(b) executed by the Purchaser, if the information necessary to complete such election is available at the Closing Time;
- (e) if available, the tax election as contemplated by Section 2.11(c) executed by the Purchaser, if the information necessary to complete such election is available at the Closing Time
- (f) a certificate executed by the Purchaser confirming that the representations and warranties of the Purchaser in this Agreement are true and correct in all material respects as of the Closing Time and that the obligations of the Vendor to be performed prior to the Closing Time have been performed in all material respects;
- (g) if there are Designated Purchasers, then Agreements in the form set out in Schedule 2.10 from each such Designated Purchaser;
- (h) a bill of sale or Local Sale Agreements, duly executed by the Purchaser, or Designated Purchasers, if necessary; and
- (i) such other documents as may be reasonably requested by the Vendor's solicitors to give effect to this Agreement.

ARTICLE XII

GENERAL PROVISIONS

12.01 Further Assurances

Each of the Vendor and the Purchaser shall from time to time at the cost of the requesting Party execute and deliver all such further documents and instruments and do all acts and things as the other Party may, either before or after the Closing Date, reasonably require to properly give effect to the sale, assignment and transfer of the Purchased Assets to the Purchaser.

12.02 Time of Essence

Time shall be of the essence of this Agreement.

12.03 **Fees and Expenses**

Each of the Parties hereto will be responsible for and shall pay all costs and expenses (including fees and expenses of legal counsel and any other advisors) each Party incurs in connection with the negotiation, preparation and execution of this Agreement.

12.04 **Waiver**

No failure or delay by a Party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the Party. No single or partial exercise of any right, power or remedy under this Agreement by a Party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such Party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a Party hereto shall not constitute a waiver of the right of such Party to pursue other available remedies. No notice to or demand on a Party not expressly required under this Agreement shall entitle the Party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Party giving such notice or demand to any other or further action in any circumstances without such notice or demand. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the Party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose of which it was given, and shall not constitute a continuing waiver or consent.

12.05 **No Third Party Beneficiaries**

This Agreement shall be binding upon and enure solely to the benefit of each of the Parties hereto and its permitted assigns and nothing in this Agreement, express or implied, is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement. Nothing in this Agreement shall be construed to create any rights or obligations except between the Parties, and no person or entity shall be regarded as a party beneficiary of this Agreement. Each of the Parties agrees that all provisions of this Agreement, and all provisions of any and all documents and security delivered in connection herewith, shall not merge and except where otherwise expressly stipulated herein, survive the closing of the transactions contemplated by this Agreement.

12.06 **Assignment**

This Agreement may not be assigned by any party hereto without the prior written consent of the other party hereto (except as contemplated to a Designated Purchaser), which consent may be arbitrarily withheld, provided that the Purchaser may designate one or more nominees to take title in and to the Purchased Assets, or any part thereof, by giving the Vendor written notice of such assignment at least one Business Day prior to the Closing Date.

12.07 **Vendor Liability**

The Purchaser hereby expressly acknowledges and agrees that the Vendor is acting only in its representative capacity as appointed receiver of the assets and undertaking of the Debtors and shall have no personal liability under or as a result of entering into or carrying out the transaction which is the subject of this Agreement except in such capacity and without limitation to the generality of the foregoing the Vendor shall have no liability under or as a result of entering into or carrying out of such transaction in its personal capacity.

12.08 **Post-Closing Access to Computers**

After the Closing Date, the Purchaser will make the Computers available to the Vendor, as reasonably requested, including for any purposes associated with the Vendor's duties as Receiver of the assets and undertaking of the Debtors, and will preserve all information, records or documents stored on the Computers until such time as the Vendor is discharged as receiver.

12.09 **Post-Closing Receipts**

If, following the Closing Date, any of the Purchased Assets are paid to or otherwise received by the Vendor, or if any of the Excluded Assets are paid to or otherwise received by the Purchaser, then the Vendor or the Purchaser, as the case may be, shall hold such assets in trust for the other and shall promptly deliver such assets to the Vendor or the Purchaser, as the case may be.

12.10 **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). Each Party hereto irrevocably submits to the exclusive jurisdiction of the Court with respect to any matter arising hereunder or relating hereto.

12.11 **Severability**

In the event that any particular provision or provisions or a part of a provision of this Agreement is found to be void, voidable or unenforceable for any reason whatsoever, then the particular provision or provisions or part of the provision of this Agreement shall be deemed severed from the remainder of this Agreement and all other provisions shall remain in full force and effect.

12.12 **Counterparts**

This Agreement shall be considered properly executed and delivered by any party if executed in counterpart and transmitted by facsimile or electronic mail to the other party.

[Signature Page Follows]

IN WITNESS WHEREOF the parties have duly executed this Agreement this 3rd day of March, 2017.

**BDO CANADA LIMITED, SOLELY IN ITS
CAPACITY AS THE COURT APPOINTED
RECEIVER OF THE DEBTORS (AS DEFINED
HEREIN), WITH NO PERSONAL OR
CORPORATE LIABILITY**

Per:  _____ c/s
Name: Christopher Porter
Title: **VsCE - PRESIDENT**

I have the authority to bind the Receiver.

CIBT FINANCE (2017) CORP.

Per:  _____ c/s
Name: Toby Chu
Title: President

I have the authority to bind the Corporation.

SCHEDULE "A"
DEBTORS

1. KGIC Inc.
2. MTI Community College Ltd.
3. PGIC Career College Inc.
4. KGIC Language College (2010) Corp.
5. KGIC Business College (2010) Corp.
6. PGIC Toronto Inc.
7. PGIC Vancouver Studies Inc.
8. Study English in Canada Inc.
9. Study English in Canada (Vancouver) Inc.
10. Upper Career College of Business & Technology (Vancouver) Inc.
11. Upper Career College of Business & Technology Inc.
12. Urban International School Inc.
13. Victoria International Academy of Teacher Training Ltd.

SCHEDULE 1.01(e)

Form of Approval and Vesting Order

NO. S - 170738
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE RECEIVERSHIP OF
KGIC INC., ET AL**

BETWEEN:

CIBT FINANCE (2017) CORP.

PETITIONER

AND:

KGIC Inc., 674143 B.C. Ltd., Cornerstone Academic College of ESL,
Teacher Training and Test Preparation Inc., Cornerstone Language School Ltd., KGIC Business
College (2010) Corp., KGIC Business College (BC) Corp.,
KGIC Language College (2010) Corp., KGIC Language College (BC) Corp.,
MTI Community College Ltd., Pan Pacific Career College Inc.,
Pan Pacific College (Toronto) Ltd., Pan Pacific College Inc., PGIC Career College Inc., PGIC
Toronto Inc., PGIC Vancouver Studies Inc., PGIC Victoria Studies Inc.,
Study English in Canada Inc., Study English in Canada (Vancouver) Inc.,
Upper Career College of Business & Technology (Vancouver) Inc.,
Upper Career College of Business & Technology Inc., Urban International School Inc.
Victoria International Academy of Teacher Training Ltd.,
Western Town Business College Ltd., Western Town College Toronto Ltd.
Kyla Lovell, Dream Maker Ventures Inc., Transpharm Canada Inc.,
GTB Financial Group, Dr. Alexander Macgregor and Alexander T. Macgregor Jr.,
B N G Petroleums Ltd., Accretive Capital Corp., and Homi Patel and Feny Patelet al

RESPONDENTS

ORDER MADE AFTER APPLICATION

APPROVAL AND VESTING ORDER

BEFORE THE HONOURABLE)
) Tuesday, March 14, 2017
 MR. JUSTICE AFFLECK)

THE APPLICATION of BDO Canada Limited, in its capacity as Court-appointed Receiver and Manager (the “Receiver”) of the assets, undertakings and properties of, among others, the debtors listed in Schedule “A” to this Order (the “Debtors”) coming on for hearing at Vancouver, British Columbia, on the 15th day of March, 2017; AND ON HEARING Lisa Hiebert, counsel for the Receiver, and those other counsel listed on Schedule “B” hereto, and no one appearing for the Debtors, other respondents or other parties in interest, although duly served; AND UPON READING the material filed, including the Report of the Receiver dated March 3, 2017 (the “Report”);

THIS COURT ORDERS AND DECLARES THAT:

14. Capitalized terms not otherwise defined herein shall be given the meaning ascribed to such term in the Sale Agreement (defined below).
15. The sale transaction (the “Transaction”) contemplated by the Asset Purchase Agreement dated March 3, 2017 (the “Sale Agreement”) between the Receiver and CIBT Finance (2017) Corp. or its Designated Purchaser in accordance with the Sale Agreement (the “Purchaser”), a copy of which is attached as Exhibit “A” to the Report is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser, or as otherwise provided for in the Sale Agreement, of all right, title and interest in and to the assets described in the Sale Agreement (the “Purchased Assets”), subject to and including in respect of such amendments as the Receiver and the Purchaser may agree upon, which do not materially and adversely alter the Transaction.
16. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as Schedule “C” hereto (the “Receiver’s Certificate”), all of the Debtors’ right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed in Schedule “D” hereto shall vest absolutely in the Purchaser, or Designated Purchaser, in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “Claims”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court pronounced on January 25, 2017 as amended on February 14th and February 22, 2017; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security*

Act of British Columbia and Ontario or any other personal property registry system, all of which are hereby expunged and discharged as against the Purchased Assets, subject only to the permitted encumbrances expressly set out in in the Sale Agreement (“Permitted Encumbrances”).

17. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver’s Certificate, all Claims shall attach to the net proceeds from the sale of the Purchased Assets 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 had possession or control immediately prior to the sale.
18. The Receiver is to file with the Court a copy of the Receiver’s Certificate forthwith after delivery thereof.
19. Pursuant to Section 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Receiver is hereby authorized and permitted to disclose and transfer to the Purchaser, or as otherwise provided for in the Sale Agreement, all human resources and payroll information in the Debtors’ company records pertaining to the Debtors’ past and current employees, including personal information of those employees listed in Schedule 4.02 to the Sale Agreement, which shall be completed by the Purchaser and provided to the Receiver on or before Closing. 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 Debtors.
20. Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets, shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement), subject to the Permitted Encumbrances as set out in the Sale Agreement.
21. The Receiver, with the consent of the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.
22. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of any one or more of the Debtors now or hereafter made pursuant to the Bankruptcy and Insolvency Act and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of any one or more of the Debtors,

the vesting of the Purchased Assets in the Purchaser, or as otherwise provided for in the Sale Agreement, pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor or Debtors, as the case may be, and shall not be void or voidable by creditors of the Debtor or Debtors, as the case may be, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- 23. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
- 24. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.
- 25. Endorsement of this Order by counsel appearing on this Application other than the applicant is hereby dispensed.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of

Party Lawyer for the Receiver

<Print Name>

BY THE COURT

REGISTRAR

Schedule A – Debtors

26. KGIC Inc.
27. KGIC Business College (2010) Corp.
28. KGIC Language College (2010) Corp.
29. MTI Community College Ltd.
30. PGIC Career College Inc.
31. PGIC Toronto Inc.
32. PGIC Vancouver Studies Inc.
33. Study English in Canada Inc.
34. Study English in Canada (Vancouver) Inc.
35. Upper Career College of Business & Technology Inc.
36. Upper Career College of Business & Technology (Vancouver) Inc.
37. Urban International School Inc.
38. Victoria International Academy of Teacher Training Ltd.

Schedule B – List of Counsel

Bonita Lewis-Hand	Counsel for CIBT Finance (2017) Corp.
Lisa Hiebert	Counsel for BDO Canada Limited, in its capacity as Receiver

Schedule C – Receiver’s Closing Certificate

All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Approval and Vesting Order, as pronounced by the Honourable Mr. Justice Affleck in these proceedings on the 14th day of March, 2017 (the “Order”).

Pursuant to Paragraph 16 of the Order, BDO Canada Limited, in its capacity as Receiver and Manager over the assets of the Debtors as described in the Order pronounced February 22, 2017, (the “Receiver”), delivers and files with the Court this certificate and hereby certifies that Closing (as defined in the Sale Agreement) has occurred.

DATED the _____ day of March, 2017

BDO Canada Limited in its capacity as Receiver
and Manager (the “Receiver”) of the Debtors, and
not in its personal capacity

Per: _____

Name:

Title:

SCHEDULE “D” – PURCHASED ASSETS

Purchased Assets by Debtor

Debtor	Purchased Assets
Ontario	
KGIC Inc.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Furniture and Equipment, Goodwill, Intellectual Property, Inventories and the SEC Shares.
PGIC Toronto Inc.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Furniture and Equipment, and Intellectual Property, Inventories.
Study English in Canada Inc.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Furniture and Equipment, Intellectual Property, and Inventories.
Upper Career College of Business & Technology Inc.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Furniture and Equipment, Intellectual Property, and Inventories.
Urban International School Inc.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Furniture and Equipment, Intellectual Property, Inventories.
British Columbia	
MTI Community College Ltd.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Employee Records, Furniture and Equipment, Goodwill, Intellectual Property, Inventories, and Prepaid Expenses.
PGIC Career College Inc.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Employee Records, Furniture and Equipment, Goodwill, Intellectual Property, Inventories, and Prepaid Expenses.
KGIC Language College (2010) Corp.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Employee Records, Furniture and Equipment, Goodwill, Intellectual Property, Inventories, and Prepaid

	Expenses.
KGIC Business College (2010) Corp.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Employee Records, Furniture and Equipment, Goodwill, Intellectual Property, Inventories, and Prepaid Expenses.
PGIC Vancouver Studies Inc.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Employee Records, Furniture and Equipment, Goodwill, Intellectual Property, Inventories, and Prepaid Expenses.
Study English in Canada (Vancouver) Inc.	None.
Upper Career College of Business & Technology (Vancouver) Inc.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Employee Records, Furniture and Equipment, Goodwill, Intellectual Property, Inventories, and Prepaid Expenses.
Victoria International Academy of Teacher Training Ltd.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Employee Records, Furniture and Equipment, Goodwill, Intellectual Property, Inventories, and Prepaid Expenses.

Action No.

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

[PLAINTIFF(S)/PETITIONER(S)]

Plaintiff(s)/Petitioner(s)

- and -

[DEFENDANT(S)/RESPONDENT(S)]

Defendant(s)/Respondent(s)

AND:

Action No.

Estate No.

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF

[THE DEBTOR(S)]

B.C. MODEL APPROVAL AND VESTING ORDER

Schedule 1.01(g)

Form of Assignment and Assumption Agreement

THIS AGREEMENT MADE THIS ____ DAY OF FEBRUARY, 2017

BETWEEN:

BDO CANADA LIMITED (“BDO”), solely in its capacity as the Court-appointed Receiver of all property, assets and undertaking of KGIC Inc. (“**KGIC**”) and the entities listed on Schedule “A” (the “**Debtors**”), and not in its personal or corporate capacity

(the “**Vendor**”)

- and -

CIBT FINANCE (2017) CORP., a corporation incorporated under the laws of the Province of British Columbia

(the “**Purchaser**”)

WHEREAS the Parties hereto have entered into an asset purchase agreement dated as of March 3, 2017 (the “**Asset Purchase Agreement**”), pursuant to which the Vendor has agreed to assign all of its and the Debtors’ right, title, benefit and interest in and to the Assigned Contracts to the Purchaser or the Designated Purchaser, and the Purchaser or the Designated Purchaser as applicable has agreed to assume, perform and indemnify and hold harmless the Vendor from the Assumed Liabilities, upon the terms and conditions set forth therein;

AND WHEREAS pursuant to Sections 12.01 and 12.02 of the Asset Purchase Agreement, the Purchaser and Vendor are required to enter into and deliver this Agreement at the Closing;

NOW THEREFORE in conjunction with and in consideration of the completion of the transactions to be effected at the Closing as contemplated by the Asset Purchase Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Vendor and the Purchaser or Designated Purchaser, as applicable, agree as follows:

ARTICLE 1 - - INTERPRETATION

1.01 Definitions

Unless otherwise defined herein or the context otherwise requires, capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Asset Purchase Agreement.

1.02 Headings

The division of this Agreement into Articles and Sections and the insertion of a table of contents and headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of, and Schedules to, this Agreement.

1.03 Extended Meanings

In this Agreement words importing the singular number include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities. The term “including” means “including without limiting the generality of the foregoing”.

ARTICLE 2 - - ASSIGNMENT AND ASSUMPTION

2.01 Assignment by the Purchaser

Upon and subject to the terms of the Asset Purchase Agreement, effective on the Closing Date, the Vendor hereby assigns and transfers to the Purchaser all of the Vendor’s and the Debtors’ right, title, benefit and interest under or in respect of the Assigned Contracts.

2.02 Assumption by the Purchaser

Upon and subject to the terms of the Asset Purchase Agreement, effective at the Closing Time, the Purchaser hereby assumes and agrees to fulfill, perform and discharge the Assumed Liabilities.

2.03 Release by the Purchaser

The Purchaser hereby: (i) unconditionally and irrevocably fully releases and discharges the Vendor from any Claim which the Purchaser may now or hereafter have against the Vendor by reason of any matter or thing arising out of, or resulting from, any of the Assumed Liabilities, and (ii) agrees that the Purchaser will not make or take any Claim with respect to any matter released and discharged in this Section 2.03 which may result in any Claim against the Vendor for contribution or indemnity or other relief.

2.04 **Indemnity by the Purchaser**

The Purchaser hereby indemnifies and saves harmless the Vendor on its own behalf and as trustee for its Affiliates and its and their current and former directors and officers, employees, agents, advisors, and representatives (including the Restructuring Advisors and the Monitor) (collectively, the “**Indemnitees**”) from and against all Claims asserted against any of the Indemnitees in any way directly or indirectly arising from, relating to or in connection with any of the Assumed Liabilities. The Purchaser appoints the Vendor as the trustee for the Indemnitees of the covenants of indemnification of the Purchaser with respect to such Indemnitees specified in this Section 2.04 and the Vendor accepts such appointment.

ARTICLE 3 - - GENERAL

3.01 **Further Assurances**

The Vendor and the Purchaser will from time to time execute and deliver all such further documents and instruments and do all acts and things as any of the other parties may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

3.02 **Time of the Essence**

Time is of the essence of this Agreement.

3.03 **Benefit of the Agreement**

This Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

3.04 **Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by each of the parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

3.05 **Assignment**

This Agreement may not be assigned by the Vendor or by the Purchaser without the consent of: (i) in the case of an assignment by the Vendor, the Purchaser; and (ii) in the case of an assignment by the Purchaser, the Vendor.

3.06 **Notices**

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and in accordance with Section 11.01 of the Asset Purchase Agreement.

3.07 **Governing Law**

This Agreement is governed by and will be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

3.08 **Attornment**

For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of British Columbia and the courts of the Province of British Columbia will have jurisdiction to entertain any action arising under this Agreement. The Vendor and the Purchaser each attorns to the jurisdiction of the courts of the Province of British Columbia.

3.09 **Appointment of Agent for Service**

The Purchaser or Designated Purchaser as applicable nominates, constitutes and appoints ►, of the City of ► its true and lawful agent to accept service of process and to receive all lawful notices in respect of any action arising under this Agreement (other than any notice that is to be given by one party to another pursuant to Section 3.06). Until due and lawful notice of the appointment of another and subsequent agent in the Province of British Columbia has been given to and accepted by the Vendor, service of process or of papers and such notices upon ► will be accepted by the Purchaser or Designated Purchaser as sufficient service.

3.10 **Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.

3.11 **Electronic Execution**

Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

3.12 **Severability**

If any provision of this Agreement is determined by any court of competent jurisdiction to be illegal or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any of the parties.

[The remainder of this page has been intentionally left blank]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

**BDO CANADA LIMITED, SOLELY IN ITS
CAPACITY AS THE COURT APPOINTED
RECEIVER OF THE DEBTORS (AS DEFINED
HEREIN), WITH NO PERSONAL OR
CORPORATE LIABILITY**

Per: _____ c/s
Name: Christopher Porter
Title:

I have the authority to bind the Receiver.

CIBT FINANCE (2017) CORP.

Per: _____ c/s
Name: Toby Chu
Title: President

I have the authority to bind the Corporation.

Schedule 1.01(mm)

Intellectual Property by Debtor

Debtor	Intellectual Property by Debtor
KGIC Inc.	ERP database system, “KGIC”, “King George International College”
MTI Community College Ltd.	MTI CRM and student management database, “MTI Community College”
PGIC Career College Inc.	“PGIC Career College”
KGIC Language College (2010) Corp.	“KGIC Language College”, Student Management database system
KGIC Business College (2010) Corp.	“KGIC Business College”, Student Management database system
PGIC Toronto Inc.	“PGIC Toronto”
PGIC Vancouver Studies Inc.	“PGIC Vancouver”, “PGIC Vancouver Studies”
Study English in Canada Inc.	“Study English in Canada”
Study English in Canada (Vancouver) Inc.	“Study English in Canada (Vancouver)”
Upper Career College of Business & Technology (Vancouver) Inc.	“Upper Career College of Business & Technology (Vancouver)”
Upper Career College of Business & Technology Inc.	“Upper Career College of Business & Technology”
Urban International School Inc.	“Urban International School”
Victoria International Academy of Teacher Training Ltd.	“Victoria International Academy of Teacher Training”

**Schedule 1.01(mm) (continued)
Intellectual Property by Debtor**

Copyright Registrations

	Registered Owner	Title	Registration Number	Registration Date	Author(s)
1.	KGIC Language College (2010) Corp.	Power Speaking and Modern Media	1114239	30/06/2014	Batchelor, Chris / Handy, Stephen / McDonald, Melissa
2.	KGIC Business College (2010) Corp.	TESOL for Adults	1107894	25/09/2013	Anderson, Karla M. / Baye, Amanda / Dominix, Nicole / Frymire, Teresa / Hall, Pete / Lamoureux, Alayna / Ploss, Nicole / Saloustris, Rebecca / Shaw, Amber / Siganakis, Pandora / Stogianou, Kika / Wright, Lucas / van Daltsen, Dena
3.	KGIC Business College	TESOL for Children	1107893	25/09/2013	Baye, Amanda / Dominix, Nicole / van Daltsen, Dena
4.	KGIC Business College (2010) Corp.	TESOL for Test Preparation	1107892	25/09/2013	Baker, John Paul
5.	KGIC Business College (2010) Corp.	TESOL	1107891	25/09/2013	Anderson, Karla / Frymire, Teresa / Hall, Pete / Lamoureux, Alayna / Li, Sophia X. / Lucas, Wright / Ploss, Nicole / Saloustris, Rebecca / Shaw, Amber /

					Siganakis, Pandora / Stogianou, Kika / van Daltsen, Dena
6.	KGIC Language (2010) Corp.	Career World Communications 4	1101475	17/01/2013	Hatfield, Emma / Jacobson, Lee-Ann / Manske, Shawna / Petersen, Barbara / Ramos, Greg
7.	KGIC Language (2010) Corp.	Career World Reading and Writing 5	1101474	17/01/2013	Manske, Shawna
8.	KGIC Language (2010) Corp.	Career World Reading and Writing 4	1101473	17/01/2013	Holmes, Lana / Kordic, Lara / Saloustros, Rebecca
9.	KGIC Language (2010) Corp.	Career World Listening 5	1101472	17/01/2013	Petersen, Barbara / Saloustros, Rebecca
10.	KGIC Language (2010) Corp.	Career World Listening 4	1101471	17/01/2013	Hanson, Claire / Manske, Shawna / Petersen, Barbara
11.	KGIC Business College (2010) Corp.	Interpreting and Translation Program – Korean	1105215	03/06/2013	Kim, Christine
12.	KGIC Education Group	Teaching Children English – A Training Manual	1072679	20/11/2009	Dominix, Nicole M
13.	KGIC Education Group / LIM, SUNG SUB	ALL EARS, LISTENING 1-6	1072021	26/10/2009	LI, SOPHIA X.
14.	KGIC Education Group / LIM, SUNG SUB	EXPLORER, READING AND WRITING 5-6	1072019	26/10/2009	KORDIC, LARA / MILOVANOVICH, DARINA

15.	KGIC Education Group / LIM, SUNG SUB	NAVIGATOR, READING AND WRITING 1-4	1072018	26/10/2009	KORDIC, LARA
16.	KGIC Education Group / LIM, SUNG SUB	FIND YOUR VOICE, COMMUNICATIONS 1-6	1072009	26/10/2009	BEATTY, DANNY / DEVITTE, WAYNE
17.	KGIC Education Group	Vocabulary Enhancement and Interpreting Scripts	1071725	09/10/2009	Kim, Christine M
18.	King George International Business College- Canada TESOL Centre	A Guide To Korean- English Translation ITT Professional Translator Volume 1	1113036	09/05/2014	Kim, Christine Mina
19.	King George International Business College- Canada TESOL Centre	TESOL for Middle School	1111913	24/03/2014	Hall, Pete / Saloustris, Rebecca
20.	King George International College	Rhythm & Sound Book 3 & 4	1011076	10/04/2003	Jones, Stephen
21.	King George International College	Grammar Wizard Manual	1011075	10/04/2003	Jones, Stephen
22.	King George International College	Rhythm & Sound Book 2	1011074	10/04/2003	Jones, Stephen
23.	King George International	Rhythm & Sound Book 1	1011073	10/04/2003	Jones, Stephen / Thompson, Traci





	College				
24.	King George International College	Grammar Wizard Workbook 3	1011072	10/04/2003	Colina-Fanthorpe, Maria / Ermube, John / Taron, Chriss
25.	King George International College	Grammar Wizard Workbook 2	1011071	10/04/2003	Rashidi Araghi, Mandana / Scholtens, Leslie / Sneddon, Robb / Thompson, Traci / Waight, Michelle
26.	King George International College	Grammar Wizard Workbook 1	1011070	10/04/2003	Di Fant, Carrie / Fox, Sean / Keyer, Alicia / Sneddon, Robb / Thompson, Traci
27.	King George International College	Grammar Wizard Workbook 4	1011069	10/04/2003	Conway, Sean / Gerle, Susan / Isvasescu, Cratia / Lam, Henry / Makway, Angie / McDonald, Susan / Milovanovic, Zorica / Thompson, Traci
28.	King George International College	KGIC WINTER PROGRAM 2003 – “HAND IN HAND”	1009056	27/01/2003	Ahn, Yoon Ji / An, Dong Kook / Baek, Rok Dam / Cho, Hae Jin / Choi, Hyun Mi / Choi, Jun Shik / Choi, Mi Mi / Han, Ji Soo / Han, Ye Sub / Han, Yoon Yung / Heo, Kang Hoon / Huh, Young Min / Jang, Yoo Jin / Jeon, Byung Hoon / Jeon, Hye Sun / Jeong, Eun Hye / Jeong, Eun Ji / Jeong, Min Sun / Jeong, Seok Won / Jeong, Su Bin / Kang, Pil Ho /

					Kim, A Yung / Kim, Bo Mi / Kim, Eun Soo / Kim, Hee Sang / Kim, Hee Soo / Kim, Hyeong Min / Kim, Hyo Je / Kim, Hyun Se / Kim, Hyung Jun / Kim, Jong Hoon / Kim, Joon / Kim, Kyeong Bin / Kim, Kyu Sang / Kim, Min Jeong / Kim, Min Ji / Kim, Min Jong / Kim, Moon Ju / Kim, Na Hee / Kim, Seok Young / Kim, Song E / Kim, Sun Hong / Kim, Woo Jae / Kim, Ye Jee / Kim, Yoon Joo / Ko, Dae Won / Kook, Seung Hoon / Kwon, Ga Ae / Kwon, In Ae / Lee, Beom Hee / Lee, Bo Kyu / Lee, Hye Jin / Lee, Hyun Bin / Lee, Jae Sang / Lee, Joo Young / Lee, Min Ji / Lee, Nam Hee / Lim, Chae Lin / Lim, Chae Won / Lim, Chae Yeob / Lim, Jae Kwang / Min, Seok Gi / Nam, Jin Hyuk / Nam, Sun Hee / Park, Jong Hyun / Park, Jun Chul / Park, Jun Seop / Park, Sang Hoon / Park, Tae Woo / Park, Yong Won / Ra, Soo Kyung / Ro, Han Kook /
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					Shim, Sang Keon / Shin, Seung Joon / Son, Won Mock / Song, Ah In / Song, Jun Ho / Song, Myeong Keun / Sun, Yeon Mi / Wee, Jun Han / Won, Jong Jin / Woo, Hye Jin / Yang, Jun Hyeok / Yang, Moon Kyung / Yeon, Seung Hee / Yoo, Young Bin
29.	King George International College	Listen & Focus – KGIC Listening Comprehension	1005984	12/09/2002	Moldovan, Izabela
30.	King George International College	KGIC Pronunciation & Accent Reduction	1002513	26/04/2002	Jones, Stephen

**Schedule 1.01(mm) (continued)
Intellectual Property by Debtor**

Trademark Registrations

	Registered Owner	Trademark	Registration Number	Registration Date
1	KGIC Language College (2010) Corp.		TMA816286	27/01/2012
2	KGIC Language College (2010) Corp.		TMA814698	29/12/2011
3	KGIC Language College (2010) Corp.		TMA815757	19/01/2012
4	KGIC Language College (2010) Corp.		TMA850269	06/05/2013

Schedule 2.01

Purchased Assets by Debtor

Debtor	Purchased Assets
Ontario	
KGIC Inc.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Furniture and Equipment, Goodwill, Intellectual Property, Inventories and the SEC Shares.
PGIC Toronto Inc.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Furniture and Equipment, and Intellectual Property, Inventories.
Study English in Canada Inc.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Furniture and Equipment, Intellectual Property, and Inventories.
Upper Career College of Business & Technology Inc.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Furniture and Equipment, Intellectual Property, and Inventories.
Urban International School Inc.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Furniture and Equipment, Intellectual Property, Inventories.
British Columbia	
MTI Community College Ltd.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Employee Records, Furniture and Equipment, Goodwill, Intellectual Property, Inventories, and Prepaid Expenses.
PGIC Career College Inc.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Employee Records, Furniture and Equipment, Goodwill, Intellectual Property, Inventories, and Prepaid Expenses.
KGIC Language College (2010) Corp.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Employee Records, Furniture and Equipment, Goodwill, Intellectual Property, Inventories, and Prepaid Expenses.
KGIC Business College	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Employee Records, Furniture and Equipment,

(2010) Corp.	Goodwill, Intellectual Property, Inventories, and Prepaid Expenses.
PGIC Vancouver Studies Inc.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Employee Records, Furniture and Equipment, Goodwill, Intellectual Property, Inventories, and Prepaid Expenses.
Study English in Canada (Vancouver) Inc.	None.
Upper Career College of Business & Technology (Vancouver) Inc.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Employee Records, Furniture and Equipment, Goodwill, Intellectual Property, Inventories, and Prepaid Expenses.
Victoria International Academy of Teacher Training Ltd.	Accounts Receivable, Books and Records, Cash and Cash Equivalents, Employee Records, Furniture and Equipment, Goodwill, Intellectual Property, Inventories, and Prepaid Expenses.

Schedule 2.03

Assigned Contracts by Debtor

[to be finalized before closing]

Debtor	Assigned Contracts
KGIC Inc.	<ul style="list-style-type: none"> • All Pathway Agreements, Linkage Agreement or other Agreement with education institutions regarding the acceptance of students at such institutions, including such agreements with Acadia University, Acseda School of Management, Art Institute of Vancouver, Camosun College, Capilano University, Centennial College, Conestoga College, Confederation College, Fairleigh Dickinson University, Fraser International College, Full Fail University, John Casablanca Institute, International Management Institute (IMI), Lakehead University, Lambton College, Laurentian University, Loyalist College, Mount Saint Vincent University, MTI Community College, New York Film Academy, Niagara College, Nova Scotia Community College, Phoenix Aviation, Royal Roads University, Saint Marv’s University, Seattle Central College, Seneca College, Sprott Shaw College, Thompson Rivers University, Trinity Western University, University of California: Riverside, University of Prince Edward Island, University of Northern British Columbia, University of Regina, University of Victoria: Continuing, University of the Fraser Valley, University Canada West, University of West London, Vancouver Film School, Vancouver Island University, Whistler Adventure School, Wilfrid Laurier University • Lease Agreement between KGIC Inc., as tenant, and Anstel Holdings Ltd., as landlord, dated November 9, 2015 for the leased premises municipally known as 202, 205-10070 King George Blvd., Surrey, British Columbia • All Agreements with TESL Canada
MTI Community College Ltd.	<ul style="list-style-type: none"> • All Pathway Agreements, Linkage Agreement or other Agreement with education institutions regarding the acceptance of students at such institutions. • Lease Agreement between MTI Community College Ltd., as tenant, and 541 Seymour Inc. c/o Aquilini Properties, as landlord, dated March 16, 2012 for the lease of the

	<p>premises municipally known as 541 Seymour St., Vancouver, British Columbia.</p> <ul style="list-style-type: none"> • Lease Agreement between MTI Community College Ltd., as tenant, and Dalex Properties Inc., as landlord, dated July 18, 2012 for lease of the premises municipally located at 45860 Cheam Avenue, Chilliwack British Columbia. • All agreements in connection with the electronic storage of student records and data.
PGIC Career College Inc.	<ul style="list-style-type: none"> • All Pathway Agreements, Linkage Agreement or other Agreement with education institutions regarding the acceptance of students at such institutions • All agreements in connection with the electronic storage of student records and data.
KGIC Language College (2010) Corp.	<ul style="list-style-type: none"> • All Pathway Agreements, Linkage Agreement or other Agreement with education institutions regarding the acceptance of students at such institutions • Lease Agreement between KGIC Language College (2010) Corp., as tenant, KGIC Inc., as covenantor, and 31 Bastion Square Properties Ltd., as landlord, dated August 13, 2016 for the lease of the premises municipally known as L1, 103, 203, 204 – 31 Bastion Square, Victoria, British Columbia
KGIC Business College (2010) Corp.	<ul style="list-style-type: none"> • All Pathway Agreements, Linkage Agreement or other Agreement with education institutions regarding the acceptance of students at such institutions • Lease Agreement between KGIC Business College (2010) Corp., as tenant, and MJD Holdings Inc., as landlord, dated May 7, 2013 for the lease of the premises municipally known as 789 West Pender Street, Vancouver, British Columbia
PGIC Toronto Inc.	<ul style="list-style-type: none"> • All Pathway Agreements, Linkage Agreement or other Agreement with education institutions regarding the acceptance of students at such institutions • Agreement between PGIC Toronto Inc. and ETS Canada commencing January 1, 2017 and ending December 31, 2017 in respect of TOEIC Public Test Centre
PGIC Vancouver Studies Inc.	<ul style="list-style-type: none"> • All Pathway Agreements, Linkage Agreement or other Agreement with education institutions regarding the acceptance of students at such institutions
Study English in Canada Inc.	<ul style="list-style-type: none"> • All Pathway Agreements, Linkage Agreement or other Agreement with education institutions regarding the acceptance of students at such institutions.
Study English in Canada (Vancouver) Inc.	<ul style="list-style-type: none"> • All Pathway Agreements, Linkage Agreement or other Agreement with education institutions regarding the acceptance of students at such institutions

Upper Career College of Business & Technology (Vancouver) Inc.	<ul style="list-style-type: none">• All Pathway Agreements, Linkage Agreement or other Agreement with education institutions regarding the acceptance of students at such institutions• All agreements with American Hotel and Lodging Association (AHLA)• All Agreements with TESL Canada
Upper Career College of Business & Technology Inc.	<ul style="list-style-type: none">• All Pathway Agreements, Linkage Agreement or other Agreement with education institutions regarding the acceptance of students at such institutions
Urban International School Inc.	<ul style="list-style-type: none">• All Pathway Agreements, Linkage Agreement or other Agreement with education institutions regarding the acceptance of students at such institutions
Victoria International Academy of Teacher Training Ltd.	<ul style="list-style-type: none">• All Pathway Agreements, Linkage Agreement or other Agreement with education institutions regarding the acceptance of students at such institutions

Schedule 2.08

Allocation of Purchase Price by Debtor

Debtor	Allocation of Purchase Price
KGIC Inc.	21%
MTI Community College Ltd.	9.8%
PGIC Career College Inc.	9.8%
KGIC Language College (2010) Corp.	9.8%
KGIC Business College (2010) Corp.	9.8%
PGIC Toronto Inc.	3.0%
PGIC Vancouver Studies Inc.	9.8%
Study English in Canada Inc.	3.0%
Study English in Canada (Vancouver) Inc.	9.8%
Upper Career College of Business & Technology (Vancouver) Inc.	9.8%
Upper Career College of Business & Technology Inc.	3.0%
Urban International School Inc.	3.0%
Victoria International Academy of Teacher Training Ltd.	9.8%

Schedule 2.08

**Allocation of Purchase Price for each Debtor by Purchased Assets
[TO BE COMPLETED ON CLOSING]**

Debtor and Purchase Price	Asset Category	Purchase Price further Allocated by Purchased Assets:
KGIC Inc.	Accounts Receivable Books and Records Cash and Cash Equivalents Furniture and Equipment Goodwill Intellectual Property Inventories Prepaid Expenses SEC Shares	
MTI Community College Ltd.		
PGIC Career College Inc.		
KGIC Language College (2010) Corp.		
KGIC Business College (2010) Corp.		
PGIC Toronto Inc.		
PGIC Vancouver Studies Inc.		
Study English in Canada Inc.		
Study English in Canada (Vancouver) Inc.		
Upper Career College of Business & Technology (Vancouver) Inc.		
Upper Career College of		

Business & Technology Inc.		
Urban International School Inc.		
Victoria International Academy of Teacher Training Ltd.		

Schedule 2.10(b)

Designated Purchaser Agreement

TO: **BDO CANADA LIMITED (“BDO”)**, solely in its capacity as the Court-appointed Receiver of all property, assets and undertaking of KGIC Inc. (“**KGIC**”) and the entities listed on Schedule “A” (the “**Debtors**”), and not in its personal or corporate capacity (the “**Vendor**”)

AND TO: **CIBT FINANCE (2017) CORP.** (the “**Purchaser**”)

Reference is made to the asset purchase agreement dated as of March 3, 2017 (the “**Purchase Agreement**”) among Vendor and Purchaser, in connection with the purchase and assumption by Purchaser or the Designated Purchaser of the Purchased Assets and the Assumed Liabilities from Vendor. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Purchase Agreement.

In accordance with the Purchase Agreement, in executing this counterpart to the Purchase Agreement, the undersigned hereby:

- (a) acknowledges receipt of a copy of the Purchase Agreement;
- (b) covenants and agrees to join, become a party to and be bound, as a “Designated Purchaser”, by the Purchase Agreement, as the same may be amended from time to time in accordance with the provisions thereof;
- (c) the Designated Purchaser is a registrant within the meaning of Part IX of the ETA and its registration number is ►;
- (d) the Designated Purchaser is a registrant within the meaning of Part 8 of the PSTA and its registration number is ►;
- (e) authorizes the Purchaser to act as its agent for all purposes under the Purchase Agreement;
- (f) agrees to purchase, assume and/or employ, as applicable, the Purchased Assets, Assigned Contracts, Assumed Liabilities and Transferred Employees indicated in **Appendix A** hereto; and
- (g) agrees to enter into such agreements or instruments, including local sale agreements, providing for (i) the sale, transfer, assignment and other conveyance

to the undersigned of the Purchased Assets indicated in Appendix A hereto, in accordance with applicable local Law and the Purchase Agreement, (ii) the assumption by the undersigned of the Assigned Contracts and Assumed Liabilities indicated in Appendix A hereto, and (iii) the employment by the undersigned of the Transferred Employees indicated in Appendix A hereto.

For the purposes of Section 11.01 of the Purchase Agreement, copies of notices to the undersigned Designated Purchaser should also be delivered to:

[▶]

DATED as of this ____ day of _____, 2017

[DESIGNATED PURCHASER]

Per: _____ c/s

Name:

Title:

I have the authority to bind the Corporation.

Appendix A to Designated Purchaser Agreement

Schedule 4.02

Purchaser anticipates making offers to certain Employees located in British Columbia only

Debtor

MTI Community College Ltd.

PGIC Career College Inc.

KGIC Language College
(2010) Corp.

KGIC Business College (2010)
Corp.

PGIC Vancouver Studies Inc.

Study English in Canada
(Vancouver) Inc.

Upper Career College of
Business & Technology
(Vancouver) Inc.

Victoria International
Academy of Teacher Training
Ltd.