

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE NOTICE OF INTENTION TO  
MAKE A PROPOSAL OF FUN AND FITNESS  
TRAMPOLINES INC., A CORPORATION  
INCORPORATED UNDER THE *CANADIAN BUSINESS  
CORPORATIONS ACT***

**MOTION RECORD OF  
FUN AND FITNESS TRAMPOLINES INC.  
(Extension of Time to File a Proposal, and Approval of Stalking Horse Sales Process)  
(returnable October 30, 2020)**

October 26, 2020

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Lawyers for Canadian Union Promotions Inc.

**TO: THE SERVICE LIST**

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# TAB 1

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE NOTICE OF INTENTION TO  
MAKE A PROPOSAL OF FUN AND FITNESS  
TRAMPOLINES INC., A CORPORATION INCORPORATED  
UNDER THE *CANADIAN BUSINESS CORPORATIONS ACT***

**NOTICE OF MOTION**

**(Extension of Time to File a Proposal and Approval of Stalking Horse Sales Process)  
(returnable October 30, 2020)**

Fun and Fitness Trampolines Inc. (“**FFT**”) will make a motion to a judge at 80 Dundas Street, London, Ontario, on **Friday, October 30, 2020 at 10:00 a.m.** or as soon thereafter as the motion can be heard, via teleconference, the details for which will be posted on The Middlesex Law Association website at [www.middlaw.on.ca](http://www.middlaw.on.ca) at 4:30 p.m. the day prior to the return date of this motion.

**THE PROPOSED METHOD OF HEARING:** The motion is to be heard orally.

**THE MOTION IS FOR** an order:

- a. if necessary, abridging the time for service of the Notice of Motion and Motion Record in respect of this motion and dispensing with further service thereof;
- b. extending from November 2, 2020 to December 17, 2020 the time for Crowe Soberman Inc. in its capacity as proposal trustee (the “**Trustee**”) to file with the Official Receiver, on behalf of FFT, a proposal to creditors pursuant to the *Bankruptcy and Insolvency Act* (the “**BIA**”);
- c. approving a sale process (the “**Sale Process**”), substantially on the terms appended to the First Report of the Trustee to be filed, (the “**First Report**”) and authorizing the Trustee to carry out the Sale Process;
- d. approving the “stalking horse” asset purchase agreement dated October 26 , 2020 (the “**Stalking Horse APA**”) between FFT and 2786323 Ontario Inc., as purchaser

(the “**Purchaser**”), for the purpose of constituting a stalking horse bid under the Sale Process;

- e. approving the Break Fee set out in Section 6.4 of the Stalking Horse APA;
- f. approving a charge in favour of counsel for FFT, the Trustee and counsel for the Trustee over the assets of FFT for the professional fees and disbursements in the amount of \$50,000;
- g. sealing confidential exhibit “1 to the Affidavit of Ghulam Memon sworn October 26 , 2020 (the “Memon Affidavit”); and
- h. such further and other relief as counsel may request and this Honourable Court deems just.

**THE GROUNDS FOR THE MOTION ARE:**

**Background**

- a. FFT was incorporated on January 16, 2015 and is a “SkyZone” franchise operating a playground area where adults and children make use of trampolines and similar fitness and recreational equipment;
- b. FFT is operated from a leased premises in Kitchener, Ontario and owns the trampolines and other equipment which it purchased from the franchisor using funds from an unsecured shareholder loan;
- c. FFT is privately owned and currently has 1 full-time employee and 34 part-time employees;

**The BIA filing**

- d. on October 3, 2020, FFT filed a notice of intention to make a proposal (the “**NOI**”) pursuant to the BIA.

- e. the filing was made necessary due to, chronologically (a) insurance costs which more or less quadrupled, (b) the impact of COVID-19, and (c) its financing and guaranteeing the obligations of two related companies, which failed outright due to COVID-19;

#### **Increased Insurance Costs**

- f. FFT's insurance required increased premiums approximately 4 times more, market-wide;
- g. This increased insurance cost weakened FFT's profitability, as the insurance policies are one of the largest expenses on its balance sheet;

#### **The Effect of COVID-19 on FFT**

- h. notwithstanding the social distancing and sanitary measures in place, the number of customers attending the facilities have dropped dramatically and FFT's gross revenues have went down by approximately 78%;
- i. despite government subsidies and programs, FFT's business is expected to become or remain unsustainable until it attracts a pre-COVID number of customers again;

#### **The Business of the Related Companies**

- j. FFT guaranteed the lease and loan obligations of two related companies, Montreal Trampolines Inc. and Laval Trampolines Inc. which were set up to operate two more SkyZone franchises in Dorval and Laval, Quebec, respectively;
- k. the impact of the COVID pandemic was even more severe at those locations and as a result, at the end of September, 2020 those two locations were closed for business and companies' equipment and other property was left for landlords and secured creditors to realize upon, as appropriate;
- l. since that time, those landlords and banks have made demands against FFT on account of the guarantees;

- m. Royal Bank of Canada, who is a PPSA registrants against FFT in Ontario, also served a notice of intention to enforce security under s. 244 of the BIA on September 24, 2020;

### **Stalking Horse APA**

- n. after the filing of the NOI, management consulted with the Trustee, legal counsel and stakeholders, and it was decided that a “stalking horse” sale process, directed by the Trustee, was the approach that would maximize value for the stakeholders;
- o. pursuant to the Stalking Horse APA, the Purchaser, a company owned by relatives of FFT’s current owners, has agreed to purchase substantially all of FFT’s assets for a commercially fair and reasonable purchase price that provides for the continued operation of FFT’s business which will also benefit its suppliers, customers, landlord and employees;
- p. The key terms of the Stalking Horse APA are as follows:
- (i) Purchase Price: set out in the Confidential Exhibit “1 “, subject to the sealing order;
  - (ii) Contracts: The Purchaser intends to assume all customer contracts of FFT and agrees to be responsible for any cure costs in connection with the assignment of equipment leases;
  - (iii) Conditions: The only condition of any substance is the granting of an approval and vesting order;
  - (iv) Break Fee: The Purchaser will be entitled to a break fee in the amount of \$10,000 in the event that FFT closes a transaction with a different buyer after auction;

- q. the Purchaser had separate legal counsel in preparing and concluding the Stalking Horse APA with FFT and its counsel;

### **The Sale Process**

- r. in connection with the Stalking Horse APA, the Trustee will conduct the Sale Process to solicit higher or better offers than those set out in the Stalking Horse APA;
- s. the material terms of the Sale Process are as follows:
  - (i) Within 5 business days of the granting of the sale process order, the Trustee will advertise the process in the *National Post* (National Edition) and distribute a teaser document to potential interested parties;
  - (ii) Bidders must submit bids in writing to the Trustee no later than 5pm (Toronto time) on November 30, 2020 (the “**Bid Deadline**”);
  - (iii) Among other things, in order for a bid to qualify as a “qualified bid”, it must be on terms no less favourable than and no more burdensome than the Stalking Horse APA, must not contain any provision for a break fee or expense reimbursement and must contain a purchase price that is equal to or greater than the sum of the Purchase Price, the Break Fee and \$5,000;
  - (iv) The Trustee will determine whether any offers are “qualified bids” and should the Trustee receive one or more qualified bids, the Trustee will schedule and conduct an auction not more than 5 business days after the Bid Deadline (the “**Auction**”);
  - (v) Upon selection of a successful bid, FFT will seek Court approval of the successful bid within ten business days following the Auction; and



- (vi) If no qualified bids are received by the Bid Deadline, no Auction will be held and FFT will seek Court approval to finalize the transaction contemplated under the Stalking Horse APA with the Purchaser;
- t. the proposed Sale Process order will allow the process for solicitation of interest on an expedited basis;
- u. the Trustee is recommending that the Sale Process be approved by the Court on the basis that it is an effective strategy to maximize the value of FFT's business and assets, and in the view of the Trustee, the Stalking Horse APA will provide a benchmark for the realization of FFT's business and assets, while at the same time providing a forum and deadline to permit and encourage any serious alternative bidders to come forward with firm offers as part of a going concern transaction;

#### **NOI extension**

- v. FFT has acted and will continue to act in good faith and with due diligence, as more fully set out in Memon Affidavit, filed in support of this motion, and the First Report of the Trustee, to be filed;

#### **Administration Charge**

- w. a charge in favour of FFT's counsel, the Trustee and counsel to the Trustee, for fees and expenses is appropriate as a cost of realizing on the assets of FFT for the benefit of all creditors, including RBC;

#### **Sealing order**

- x. the disclosure of the confidential exhibit prior to the conclusion of a process to dispose of FFT's assets may have the effect of impairing the Sale Process or any other method by which FFT's assets may be sold;

#### **Statutory provisions**

- y. sections 50.4(9), 50.6, 64.2 and 65.13(1), (5) and (7) of the BIA.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

- (a) the Affidavit of Ghulam Memon, sworn October 26 , 2020;
- (b) the First Report of the Trustee, to be filed; and
- (c) such further and other evidence as counsel may advise and this Honourable Court may permit.

**DATE:** October 26, 2020

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**TO: THE SERVICE LIST**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL  
OF FUN AND FITNESS TRAMPOLINES INC., A CORPORATION  
INCORPORATED UNDER THE *CANADIAN BUSINESS CORPORATIONS ACT***

Estate No. 35-2677628

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**Proceeding commenced in LONDON**

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**NOTICE OF MOTION  
(Extension of Time to File a Proposal,  
and Approval of Stalking Horse Sales Process)  
(returnable October 30, 2020)**

---

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# TAB 2

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**IN THE MATTER OF THE NOTICE OF INTENTION TO  
MAKE A PROPOSAL OF FUN AND FITNESS  
TRAMPOLINES INC., A CORPORATION INCORPORATED  
UNDER THE CANADA BUSINESS CORPORATIONS ACT**

**AFFIDAVIT OF GHULAM MEMON  
(sworn October 26, 2020)**

I, Dr. Ghulam Memon, of the City of Winnipeg in the Province of Manitoba, **MAKE OATH AND SAY:**

1. I am the co-founder, the president, and a director of Fun & Fitness Trampolines Inc. (“**FFT**”), and as such have knowledge of the matters attested herein. In preparing this affidavit, I consulted with legal, financial and other advisors of FFT and other members of FFT’s management. Where this affidavit is on information and belief, I have stated the source of that information and believe it true.
  
2. The affidavit is in support of FFT’s motion for an order:
  - a) extending from November 2, 2020 to December 17, 2020 the time for Crowe Soberman Inc. in its capacity as proposal trustee (the “**Trustee**”) to file, on behalf of FFT, a proposal to creditors under the *Bankruptcy and Insolvency Act* (the “**BIA**”),
  
  - b) approving a sale process for FFT’s assets,
  
  - c) approving the “stalking horse” asset purchase agreement (the “**Stalking Horse APA**”) dated October 26, 2020 between FFT and 2786323 Ontario Inc. as purchaser (the “**Purchaser**”), an unredacted copy of which is attached as **Confidential Exhibit “1”** and a copy of which, with the price redacted, is attached hereto as **Exhibit “A”**, for the purpose of constituting a stalking horse bid under the sale process,

- d) approving the proposed charge over the assets of FFT for the professional fees and expenses of counsel for FFT, the Trustee, and counsel for the Trustee in the amount of \$50,000.00, and
- e) sealing Confidential Exhibit “1” to this Affidavit.

## **I. OVERVIEW OF FFT**

### **(a) Business**

- 3. FFT was incorporated on January 16, 2015, as appears from the **Exhibit “B”** corporation profile report for FFT.
- 4. FFT’s business is a “SkyZone” franchise and the operation of a playground area where adults and children come to make use of trampolines and similar fitness and recreative equipment. Payment is usually by the hour. The site may also be reserved for group activities. The business is operated from leased premises in Kitchener, Ontario.
- 5. As of today, FFT has 1 full-time employee and 34 part-time employees. It is a private company owned by myself, my partner in FFT Mr. Kamran Ali, and family members.

### **(b) Assets**

- 6. FFT owns trampolines and other equipment. FFT purchased those from the franchisor using funds from an unsecured shareholder loan.

### **(c) Creditors**

- 7. I attach as **Exhibit “C”** hereto the creditor mailing package for FFT’s notice of intention to make a proposal to creditors (“**NOI**”) which contains a copy of the NOI dated October 3, 2020 and a list of creditors with approximate claim amounts. I made that list with the Trustee’s assistance.
- 8. Based on that list, the total of claims against FFT is approximately \$1,341,942.32 with the largest creditors being Royal Bank of Canada (“**RBC**”) as collateral security on account of various financing facilities in favour of related companies (approximately \$388,765),

Beconridge Development on account of rebt (\$214,772), and the Canada Revenue Agency's (\$112,000). Much of the balance of the indebtedness is to a number of companies related to myself, Mr. Ali and/or friends and family members on account of unsecured and shareholder loans.

9. I attach as **Exhibit "D"** a Personal Property Security Registration Report dated October 22, 2020 which shows registrations from RBC and National Leasing Group Inc. I believe no obligation attaches to the latter registration anymore, and National Leasing Group Inc. is not on the list of creditors in the NOI mailing package. It has been included in FFT's Motion Record out of an abundance of caution.

## **II. CAUSES OF INSOLVENCY**

10. FFT's insolvency is primarily due to, chronologically **(a)** insurance costs which more or less quadrupled, **(b)** the impact of COVID-19, and **(c)** its financing and guaranteeing the obligations of two related companies, which failed outright due to COVID-19

### **(a) Increased insurance costs**

11. I understand that at some time in 2019 there was an accident in a trampoline park in British Columbia. Although FFT's prior insurance policy premium was approximately \$25,000 a year, when that was renewed the premium increased to \$98,820, as shown on the statement attached as **Exhibit E**". Such increased insurance cost weakened FFT's profitability, as the insurance policies are one of the biggest heads of expense on its balance sheet.

### **(b) The effect of COVID-19 on FFT itself**

12. During the COVID crisis, FFT has done its best to keep its business open and afloat while complying with social distancing and sanitary measures – as much those imposed by the authorities as those additional ones we see appropriate.
13. For example and among other things, all the equipment is thoroughly sanitized in between uses, no more than 40 customers are allowed on-site at once, social distancing advertisement has been installed, our staff wear masks and gloves, the customer's temperature is taken before entry, customers are asked whether they have or recently had

any symptoms of COVID-19 and if so are advised not to enter, customers must wear masks on the premises and have multiple access to sanitizer fountains, “fogger” machines are used to sanitize the equipment daily, etc.

14. The measures have resulted in somewhat increased costs and slightly decreased revenue potential, but the biggest impact of the pandemic is simply that the amount of customers has dropped dramatically.
15. FFT was simply forced to shut down completely between March 15 and August 3<sup>rd</sup> due to emergency measures in place in Kitchener at that time. Even now that it could reopen, I think people still hesitate to engage in social activities in public. Relative to the same period in 2019, for the period of August to October 2020, FFT’s gross revenues went down by around 78%.
16. By otherwise remaining open and keeping some of its employees, FFT could qualify for the federal government’s wage and rent subsidy programs. On the rent side, FFT received an average of approximately \$26,725 per month in subsidy since March. On the wages side, the subsidy is for approximately 75% of FFT’s payroll, which fluctuates at around \$22,000 per month. FFT expects to receive like amounts for as long as those programs exist and FFT qualifies, including throughout the asked-for stay extension.
17. In addition, around March 2020, FFT secured a \$40,000 loan from the federal government. The terms of reimbursement for this loan in the particular situation of FFT remain unclear at this time.
18. However, despite the subsidies and government programs, FFT’s business is expected to become or remain unsustainable until it attracts a pre-COVID number of customers again. I cannot be sure of when that will happen although I hope it will.

**(c) Failure of related companies**

19. Montreal Trampolines Inc. and Laval Trampolines Inc. were companies set up to operate two more SkyZone franchises in Dorval and Laval, Quebec, respectively. FFT helped their



financing including by guaranteeing some of their loan and rent obligations to banks, including the Development Bank of Canada and RBC, and landlords.

20. Due to the COVID-19 crisis, which was even worse in the Montreal region, those locations failed completely. At the end of September 2020, the sites were closed for business and the companies' equipment and other property was orderly left for landlords and secured creditors to realize upon, as appropriate.
21. Since that time, those landlords and banks made demands against FFT on account of the guarantees. RBC, who is a PPSA registrant against FFT in Ontario, also served a notice of intention to enforce security under BIA s. 244 of the BIA on September 24, 2020, a copy of which is attached as **Exhibit "F"**.

### **III. RESTRUCTURING APPROACH**

22. FFT does not have the cashflow or the assets to satisfy all such demands.
23. So, following consultations with the Trustee as well as legal and other advisors, we determined that FFT was insolvent, and that the best option available was to effect a financial restructuring through a notice of intention process and the making of a proposal to FFT's creditors.
24. Accordingly, on October 3, 2020, the Trustee filed, on behalf of FFT, an NOI.
25. After the filing, management consulted with the Trustee, legal counsel, and stakeholders, and it was decided that the approach that would maximize value for stakeholders was what I am told is commonly described as a "stalking horse" sale process directed by the Trustee.
26. I, my partner Mr. Kamran Ali, and our friends and family believe in the business going back up and are hopeful that it may be eventually profitable again if the COVID restrictions ease or the pandemic conditions improve.
27. As such, my and Mr. Ali's wives decided they would make an offer to acquire FFT's business and assets through a new corporation, the Purchaser. The Purchaser's only

shareholders are my and Mr. Ali's wives, who are doctors and invested their own money and money they raised from friends and family – excluding myself and Mr. Ali.

28. The Purchaser's offer is the Stalking Horse APA. The Purchaser had separate legal counsel (GLG LLP) in preparing and concluding the Stalking Horse APA with FFT and its counsel.
29. I think the Purchaser's offer is fair and will allow FFT to finance what I believe will be a viable proposal when I compare the Stalking Horse APA's amount (which is a subject of the motion for sealing orders) and terms with (i) the possible creditor claims, using for example the list in the Exhibit "C" NOI mailing package, and (ii) what I believe to be the value of FFT's assets.
30. In that latter regard, FFT discussed with the Trustee that it should obtain an appraisal of its assets, which it has done, and I understand that the Trustee will file a copy of that with the Court.
31. Moreover, the Stalking Horse APA, should it be the winning bid, provides for the continued operation of FFT's business, which would benefit its suppliers, customers, landlord and employees.
32. Overall the approach seems worthwhile for multiple purposes, including:
  - i. as noted above, the Stalking Horse APA already appears to be a commercial fair and reasonable offer for FFT's assets and the continuation of its business,
  - ii. the Purchaser's offer tells the market the buying opportunity is real and some people are actually willing to pay, which may stimulate offers,
  - iii. the Stalking Horse APA remains a "floor" and the sale process will allow for any other interested parties to potentially place a bid with an even higher value, and
  - iv. the Stalking Horse APA ensures that only serious purchasers are attracted into the sale process, which will make it more efficient and market-representative.

33. I am aware that other trampoline parks in southern Ontario have experienced financial hardship and that many have shut down. On my understanding, the market for trampoline equipment and trampoline parks as a business is not good right now. Part of my belief in that regard comes from discussions with the SkyZone franchise operator. I therefore believe that the Stalking Horse APA also represents a way to achieve more for the creditors of FFT.
34. I am also aware of the impact that the insolvency of FFT will have on its creditors, who include creditors of the two trampoline parks in Quebec that failed completely. I and Mr. Ali have in many cases personally guaranteed some of those loans and leases. It is in my and Mr. Ali's interest to try to ensure that creditors get the best possible result from FFT's restructuring for the simple reason that this will leave them with less to claim against me and Mr. Ali on any guarantee claims.

#### **IV. THE FIRST EXTENSION OF TIME TO FILE A PROPOSAL**

35. Following the filing of the NOI, FFT has:
- i. continued to operate its business and serve its customers to the best of its ability while complying with social distancing and personal protection measures and best practices,
  - ii. continued to keep its wage and rent subsidy applications in good order,
  - iii. worked with the Trustee to evaluate its financial position and restructuring options, including to build the 13-week cashflow on October 9, 2020, and an updated one as of today's date, a copy of which is attached as **Exhibit "G"**, and other financial models,
  - iv. reached out to friends and family for help which crystallized in the Purchaser's offer, and
  - v. with the assistance of the Trustee, worked towards the terms of a commercially reasonable sale process.

36. I believe this shows that FFT is acting with due diligence and good faith. I also believe that, following the one time event of restructuring expenses, the notice of intention and sale processes, a viable proposal to creditors can be made while allowing FFT's business to remain a going concern, to the benefit of all stakeholders including employees, shareholders and creditors.
37. In that regard, I should note that while the 13 week cash flow currently shows an injection of further funds through a debtor in possession (or "DIP") loan facility, FFT has decided not to seek such a loan at this time. FFT's current approach is to obtain the funding for the losses that the case flow forecast otherwise predicts from shareholders and other related parties.
38. FFT does own certain assets but I believe its business is essentially a service and that its value in continued operation will likely afford better recovery to creditors than any receivership/liquidation scenario.
39. I believe the extension sought, i.e. 45 days, is enough for the sale process to be done, the winning transaction papered and the court's approval of it obtained. In case the sale process is not approved, then those 45 days will be used to evaluate alternative options with the Trustee's help, and with due diligence and good faith.

## **V. CHARGE SOUGHT**

40. Running a professional sale process is not free, and the Trustee understandably seeks comfort for payment of its reasonable fees considering FFT's business is cashflow negative right now. The same goes for the Trustee's lawyers and FFT's lawyers. FFT wants them to remain involved in the sale process, as they now know this file and I do not think it would be possible to maximize value without professional assistance. I understand that the fees of the Trustee and the lawyers will have to be vetted by the court as reasonable before they are paid, so creditors can have comfort that the professional fees secured by the proposed charge will be appropriate.

VI. SEALING ORDER

41. I am advised by counsel for FFT that it may be detrimental to the sale process if Confidential Exhibit "1" were made public if the proposed Stalking Horse APA were not approved, because the document could impair any further sale process for FFT's assets..

*FaceTime*

SWORN BEFORE ME via ~~Zoom~~ at the City of Toronto, in the Province of Ontario, this 26<sup>th</sup> day of October, 2020



Commissioner for taking affidavits  
(present at Toronto at the time of swearing)

*R. B. Bissell*



Ghulam Memon  
(present at Winnipeg at the time of swearing)

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL  
OF FUN AND FITNESS TRAMPOLINES INC., A CORPORATION  
INCORPORATED UNDER THE *CANADA BUSINESS CORPORATIONS ACT***

Estate No. 35-2677628

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***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**(Commercial List)**

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**AFFIDAVIT OF GHULAM MEMON**  
**(sworn October 26, 2020)**

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**Joël Turgeon (Member of the Bar of Quebec;  
Ontario Student-at-Law)**

Lawyers for Fun & Fitness Trampolines Inc.

This is **Exhibit "A"** to the affidavit of  
Ghulam Memon sworn before me via  
~~Zoom~~ this 26<sup>th</sup> day of October, 2020  
*FaceTime*



A Commissioner, etc.

## ASSET PURCHASE AGREEMENT

This Agreement is made as of the 26<sup>th</sup> day of October 2020.

### BETWEEN:

FUN AND FITNESS TRAMPOLINES INC.

(the "Vendor")

and

2786323 ONTARIO INC. (the "Purchaser")

### RECITALS

A. On October 3, 2020, the Vendor filed a Notice of Intention to Make a Proposal pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") and appointed Crowe Soberman Inc. as proposal trustee (the "Trustee");

B. Subject to the approval of a Judge of the Ontario Superior Court of Justice (Commercial List) (the "Court"), the Vendor wishes to sell and the Purchaser wishes to purchase on an "as is, where is basis" all of the right, title and interest, if any, of the Vendor in the Purchased Assets (as defined below) pursuant to the terms and conditions of this Agreement;

C. As part of the sales procedure contemplated herein, the Vendor shall obtain an Order of the Court (the "Sale Process Order"), substantially in the form attached as Schedule "A" hereto, approving this Agreement as a stalking horse bid and approving the procedures set out herein for marketing and selling the Vendor's assets (the "Stalking Horse Approval Terms").

FOR VALUE RECEIVED, the parties agree as follows:

### SECTION 1 – INTERPRETATION

#### 1.1 Definitions

In this Agreement:

- (1) *Alternative Transaction* has the meaning set forth in Section 6.4(1);
- (2) *Agreement* means this agreement including any recitals and schedules to this agreement, as amended, supplemented or restated from time to time; provided that this agreement shall constitute an offer, as set out in Section 2.1, until accepted by the Vendor;
- (3) *Approval and Vesting Order* means an Order of the Court, substantially in the form attached as Schedule "B" hereto, providing for, among other things, the vesting in and to the Purchaser of all of the right, title and interest, if any, of the Vendor in and to the Purchased Assets, free and clear of all liens, charges and encumbrances, except Permitted Encumbrances;



- (4) *Assumed Contracts* means those Contracts listed in Schedule "C" hereto;
- (5) *Assumed Liabilities* means those Assumed Liabilities listed in Schedule "D" hereto;
- (6) *BIA* has the meaning set forth in Recital A;
- (7) *Break Fee* has the meaning set forth in Section 6.4(1);
- (8) *Business Day* means any day of the year, other than a Saturday, Sunday, or any day on which Canadian chartered banks are closed in Toronto, Ontario, Canada;
- (9) *Contracts* means any written, but not oral, contracts, personal property leases, real property leases, licenses from any Person, service contracts, distributor agreements and any other similar written agreement between any of the Vendor and any Person relating in any way to the Purchased Assets;
- (10) *Court* has the meaning set forth in Recital B;
- (11) *Closing* means the completion of the Transaction;
- (12) *Closing Date* means the second (2<sup>nd</sup>) Business Day following the date on which the Approval and Vesting Order is granted or such later or earlier date as agreed to by the parties or if there is a separate order required to assign any of the Assumed Contracts then the Closing Date shall mean the second (2<sup>nd</sup>) Business Day following the date on which such subsequent assignment order is granted;
- (13) *Continuing Employees* has the meaning set forth in Section 3.7;
- (14) *Cure Costs* means the amount of all monetary defaults, if any, existing in respect of any Assumed Contracts that are required to be paid in order to obtain the consent necessary to permit an assignment under Section 3.2 of this Agreement or pursuant to section 84.1 of the BIA;
- (15) *Encumbrances* means all mortgages, pledges, charges, liens, debentures, hypothecs, trust deeds, assignments by way of security, security interests, conditional sales contracts or other title retention agreements or similar interests or instruments charging or creating a security interest in the Purchased Assets or any part thereof or interest therein, and any agreements, leases, options, easements, rights-of-way, restrictions, executions or other encumbrances, including notices or other registrations in respect of any of the foregoing, affecting title to the Purchased Assets or any part thereof or interest therein.;
- (16) *ETA* means the *Excise Tax Act* (Canada);
- (17) *Excluded Assets* means those assets listed in Schedule "G" hereto;
- (18) *Excluded Liabilities* means any liabilities not expressly assumed under the terms of this Agreement;
- (19) *Governmental Authority* means any Canadian federal, provincial, state, municipal or local, or other government, governmental, regulatory, or administrative authority, agency or commission or any court, tribunal or judicial or arbitral body, or any comparable body to the foregoing in the United States of America, having jurisdiction over the Purchased Assets;
- (20) *GST/HST* means taxes, interest, penalties, and fines imposed under Part IX of the ETA;

(21) *Inventory* means all inventories relating to each Vendor's business including, without limitation, work-in-progress, samples, goods-in-transit, finished goods, raw materials, and equipment replacement parts;

(22) *Permitted Encumbrances* means those encumbrances set out on Schedule "E" hereto;

(23) *Person* means a natural person, partnership, limited liability partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Authority, and pronouns have a similarly extended meaning;

(24) *Purchased Assets* has the meaning set forth in Section 3.1(1);

(25) *Purchase Price* has the meaning set forth in Section 3.3;

(26) *Sale Process* has the meaning set forth in Section 5.1(1);

(27) *Sale Process Order* has the meaning set forth in Recital E;

(28) *Stalking Horse Approval Terms* has the meaning set forth in Recital E;

(29) *Time of Closing or Closing Time* means 2:00 p.m. Toronto time on the Closing Date or as otherwise determined by mutual agreement of the parties in writing;

(30) *Transaction* means the transaction of purchase and sale contemplated by this Agreement; and

(31) *Transfer Taxes* has the meaning set forth in Section 3.6(2);

## 1.2 Headings and References

The division of this Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement," "hereof," "hereunder" and similar expressions refer to this Agreement and not to any particular section, subsection, or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to "Sections" are to sections, subsections, and further subdivisions of sections of this Agreement.

## 1.3 Extended Meanings

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including without limitation."

## 1.4 Statutory References

Each reference to an enactment is deemed to be a reference to that enactment, and to the regulations made under that enactment, as amended, or re-enacted from time to time.

## 1.5 Schedules

The following are the Schedules to this Agreement:

Schedule "A" – Draft Sale Process Order

Schedule "B" – Draft Approval and Vesting Order



Schedule "C" – Assumed Contracts

Schedule "D" – Assumed Liabilities

Schedule "E" – Permitted Encumbrances

Schedule "F" – Sale Process

## **SECTION 2 – OFFER**

### **2.1 Offer**

Subject to satisfaction of the conditions set out in Sections 6.1, 6.2 and 6.3 hereof, this Agreement, once executed by the Purchaser, shall constitute a valid and binding offer to purchase by the Purchaser.

## **SECTION 3 – SALE AND PURCHASE**

### **3.1 Sale and Purchase of Purchased Assets**

(1) Subject to the terms and conditions of this Agreement, on the Closing Date, the Vendor shall sell, assign and transfer to the Purchaser, and the Purchaser shall purchase from the Vendor, all of the right, title and interest of the Vendor, if any, in and to all of the assets used in the business of the Vendor a (collectively, the "**Purchased Assets**") including, but not limited to:

- (a) all accounts receivable, trade accounts, book debts and insurance claims relating to the Vendor's business, recorded as receivable in the books and records and all other amounts due to the Vendor, including refunds and rebates;
- (b) any claim, right or interest of the Vendor in or to any refund, rebate, abatement, or other recovery for taxes paid by or on behalf of the Vendor, together with any interest due thereon or penalty rebate arising therefrom, for any tax period (or portion thereof);
- (c) all deposits and prepaid charges and expenses of the Vendor;
- (d) all Inventory;
- (e) all machinery and equipment, including all computer equipment;
- (f) all furniture, trade fixtures and other chattels owned by the Vendor, including those in possession of third parties;
- (g) all books and records, in electronic form or otherwise, used in connection with the Vendor's business;
- (h) All government licenses, approvals, consents, registrations, certificates, permits and authorizations or similar issued to or held by the Vendor and used in connection with the business, to the extent they are assignable; and
- (i) all intangible personal property of the Vendor, including, without limitation, the following:
  - (i) business and trade names, corporate names, brand names and slogans;
  - (ii) all mobile applications, servers, and related software;

- (iii) all inventions, patents, patent rights, patent applications, utility models and all equivalent or similar rights anywhere in the world;
- (iv) all registered and unregistered trade-marks (including the goodwill attaching to such trade-marks), service marks, trade names, trade dress, logos, business, corporate and product names and slogans and registrations and applications for trade-marks;
- (v) all copyrights in copyrightable works, all non-copyrightable works, and all other rights of authorship, worldwide, and all applications, registrations, and renewals in connection therewith; and
- (vi) all licenses (end-user or otherwise) of the intellectual property listed in items (i) to (v) above;
- (j) all software licences;
- (k) all right, title, and interest of the Vendor in, to and under, and the full benefit of, the Assumed Contracts;
- (l) all choses in action belonging to any Vendor; and
- (m) all other rights, properties, and assets of the Vendor, of whatever nature or kind and wherever situated.

The Purchaser shall have the right, at any time prior to Closing, in the Purchaser's sole and absolute discretion, to exclude any of the Vendor's assets from the Purchased Assets, which assets shall become Excluded Assets, provided that the addition of any Excluded Assets shall not result in a reduction of the Purchase Price.

### 3.2 Assumed Contracts

(1) Subject to the approval of the Court, the Assumed Contracts, where consent to such assignment is necessary but has not been obtained beforehand, shall be assigned to the Purchaser pursuant to the terms of the Approval and Vesting Order or subsequent order before Closing.

(2) The Purchaser shall be responsible for all Cure Costs in respect of any Assumed Contracts.

(3) The Purchaser shall indemnify and hold harmless the Vendor from and against any claims or liabilities arising under or in connection with any of the Assumed Contracts for matters occurring on or after, and which relate to the period on or after the Closing Date.

(4) Nothing in this Agreement will constitute an agreement to assign or an attempted assignment of any non-assignable rights or any Contracts for which any requisite consent or approval has not been obtained or which as a matter of law or by its terms is not assignable.

### 3.3 Purchase Price

(1) The consideration payable by the Purchaser to the Vendor for the Purchased Assets (the "**Purchase Price**") shall be the sum of [REDACTED], comprised of:



- (a) [REDACTED] deposit to be paid to the Trustee upon acceptance of this Agreement by the Vendor, and
- (b) The balance to be paid on closing.

### 3.4 Payment of Purchase Price.

(1) Provided that all conditions precedent to Closing have been satisfied or waived in accordance with Article 8, the Purchase Price shall be paid and satisfied on Closing as follows:

- (a) As to the cash portion of the Purchase Price by wire transfer in immediately available funds paid to the Proposal Trustee or as the Proposal Trustee may direct in writing.

(2) The dollar value of the Assumed Liabilities shall be satisfied the assumption by the Purchaser of the Assumed Liabilities.

### 3.5 Allocation of Purchase Price

The Vendor and Purchaser agree that the Purchase Price shall be allocated among the Stalking Horse Assets for all purposes (including tax and financial account) as determined by the Purchaser, acting reasonably, prior to Closing and the Vendor and the Purchaser shall each file their respective income tax returns in accordance with that allocation.

### 3.6 Taxes

(1) The Purchaser is acquiring under this Agreement all or substantially all of the property that can reasonably be regarded as being necessary for it to carry on the business of the Vendor.

(2) If applicable, the Purchaser and the Vendor shall jointly make the election provided for under section 167(1) of the HST Act so that no HST will be payable in respect of the transactions contemplated by this Agreement. The Purchaser and Vendor shall jointly complete the election form (more particularly described as GST 44 GST/HST Election Concerning Acquisition of a Business or Part of a Business) in respect of such election, and the Purchaser shall file the completed election form no later than the due date for the Purchaser's HST return for the first reporting period in which HST would, in the absence of this election, become payable in connection with the transactions contemplated by this Agreement.

(3) The Purchaser will be liable for and shall pay, directly to the relevant government authority, as required, all federal and provincial or state sales taxes, duties or other taxes or charges payable in connection with the conveyance and transfer of the Purchased Assets to the Purchaser, including GST/HST (if applicable), but excluding any income taxes payable by the Vendor or any other person as a result of the completion of the Transaction (collectively, the "Transfer Taxes"), and the Vendor hereby directs the Purchaser to make those payments directly to the relevant government authorities. To the extent any Transfer Taxes are required to be paid by or are imposed upon any of the Vendor, the Purchaser will reimburse to the Vendor such taxes within five Business Days of payment of such taxes by the Vendor. The Purchaser will indemnify and hold the Vendor harmless in respect of any Transfer Taxes, penalties, interest, and other amounts that may be assessed against any of the Vendor as a result of the sale of the Purchased Assets.

(4) The Purchaser's obligations under this Section 3.6 shall survive closing.



### 3.7 Legal Fees and Costs

The Purchaser shall pay its own legal costs and fees payable in connection with the Transaction, if any.

### 3.8 Employees of the Vendor

The Purchaser intends on extending employment offers to all, or substantially all, of the Vendors' employees on terms that are comparable to those with the Vendor.

### 3.9 Liabilities

Subject to the terms and conditions of this Agreement, on the Closing Date, the Purchaser agrees to assume the Assumed Liabilities. For the avoidance of any doubt, the Vendor and the Purchaser acknowledge that the Purchaser is not assuming any Excluded Liabilities.

## SECTION 4 – REPRESENTATIONS AND WARRANTIES

### 4.1 Vendor's Representations.

The Vendor represents and warrants to the Purchaser that:

- (a) the Vendor is not aware of any action or proceeding pending or threatened against it which may affect its right to convey any of the Purchased Assets or in any way restrain or prohibit the completion of the Transaction;
- (b) the Company is not, and at the time of Closing will not be, a non-resident of Canada within the meaning of that term as used in the *Income Tax Act* (Canada);
- (c) subject to the approval of the Court, the Vendor has right, power and authority to market any or all of the Purchased Assets for sale and to sell, convey, transfer, lease or assign the Purchased Assets in accordance with and subject to the terms and conditions of this Agreement;
- (d) Vendor is a corporation incorporated and validly existing under the Federal laws of Canada and has not been discontinued or dissolved under such law. Vendor has the corporate power and capacity to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance and the documents to be delivered hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Vendor. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by the Vendor, and (assuming due authorization, execution, and delivery by Purchaser), this Agreement and the documents to be delivered hereunder constitute legal, valid, and binding obligations of Vendor, enforceable against Vendor in accordance with their respective terms.
- (e) the Vendor is registered under Part IX of the ETA and the Vendor's HST number is 819436593RT0001.

### 4.2 Purchaser's Representations.

The Purchaser represents and warrants to the Vendor that:



- (a) the Purchaser is a corporation existing under the laws of the Province of Ontario, and has full corporate power and authority to enter into and carry out this Agreement and the Transaction;
- (b) the entering into of this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party and the consummation of the Transaction have been duly authorized by all requisite corporate action;
- (c) other than the Approval and Vesting Order, no consent, approval, waiver or authorization is required to be obtained by Purchaser from any person or entity (including any governmental authority) in connection with the execution, delivery and performance by Purchaser of this Agreement and the consummation of the transactions contemplated hereby.
- (d) this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been or will be, as at the Closing Time, duly and validly executed and delivered by the Purchaser and constitute or will, as at the Closing Time, constitute legal, valid and binding obligations of the Purchaser, as the case may be, enforceable in accordance with the terms hereof or thereof;
- (e) the Purchaser has entered into this Agreement and will be completing the Transaction on its own account, not as an agent; and
- (f) on, or prior to, the Closing Date, the Purchaser shall be registered under Part IX of the ETA and the Purchaser shall provide the Vendor with its HST number.

#### 4.3 "As is, Where is"

(1) The Purchaser acknowledges that the Vendor is selling the Purchased Assets on an "as is, where is" basis as the Purchased Assets shall exist on the Closing Date and no adjustments shall be made for any changes in the condition of the Purchased Assets. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Purchaser has conducted such inspections of the condition of and title to the Purchased Assets, as it deemed appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for any particular use or purpose, merchantability, condition, assignability, value or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Vendor to sell same. Without limiting the generality of the foregoing: (1) any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation in any other jurisdiction do not apply hereto and have been waived by the Purchaser and (2) no representation or warranty is made with respect to the accuracy or completeness of any information provided by the Vendor and their respective officers, directors, employees, and agents, to the Purchaser in connection with this Transaction. The description of the Purchased Assets contained herein is for the purpose of identification only. No representation, warranty or condition has or will be given by the Vendor concerning completeness or the accuracy of such descriptions.

(2) The Purchaser shall have reasonable access to the Purchased Assets on reasonable notice to the Vendor for the purposes of conducting inspections prior to the Closing Date.

(3) The Vendor agrees to provide any authorization required to allow the Purchaser's solicitor to perform searches for the purposes of conducting reviews prior to the Closing Date.

#### SECTION 5- SALE PROCESS



## 5.1 The Sale Process

(1) On or before November 2, 2020 (or such later date as may be agreed to by the Purchaser), the Vendor shall obtain the Sale Process Order, which shall set out the terms and conditions of and a timetable for a bidding and sale process with respect to the Purchased Assets (the "Sale Process"), substantially in the form attached as Schedule "G" hereto.

(2) The Sale Process Order shall recognize this Agreement, and in particular the Purchase Price, as a baseline or "stalking horse bid" (the "Stalking Horse Bid") and shall also provide for a marketing process of the Purchased Assets by the Vendor and a competitive bidding procedure, to be administered by the Trustee. The Purchaser acknowledges and agrees that the aforementioned Sale Process is in contemplation of determining whether a materially higher price than that contemplated in the Stalking Horse Bid can be obtained for the Purchased Assets.

## 5.2 Court-Specified Time Periods

(1) Where any of the time periods specified in Schedule "G" hereof are subject to be established by Court Order, and in the event that the Court establishes a date different than the date set out in this Agreement, then the corresponding date established by such provisions of this Agreement shall be deemed to be amended to accord with the Court established date, provided that no such amendment shall be deemed to have occurred without the express written consent of the Purchaser if the effect of such amendment is to delay the Closing Date by any period greater than 15 days or later than November 30, 2020.

## SECTION 6 – CONDITIONS TO CLOSING

### 6.1 Conditions - Purchaser.

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

- (a) the Approval and Vesting Order shall have been issued in a form satisfactory to the Purchaser including, where necessary, the assignment of the Assumed Contracts (or such assignment occurs by separate order following the granting of the Approval and Vesting Order);
- (b) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Vendor at or before the Closing Date shall have been complied with or performed in all material respects;
- (c) No material damage by fire or other hazard to the whole or any material part of the Purchased Assets shall have occurred from the date hereof to the Closing Time;
- (d) the Vendor shall have delivered or caused to be delivered to the Purchaser each of the items listed in Section 7.2.

The foregoing conditions are for the exclusive benefit of the Purchaser.

### 6.2 Conditions - Vendor.

The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:



- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true as of the Time of Closing with the same effect as though made as of that 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 performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date; and
- (c) the Purchaser shall have delivered or caused to be delivered to the Vendor each of the items listed in Section 7.3.

The foregoing conditions are for the exclusive benefit of the Vendor.

### 6.3 Conditions – Vendor and Purchaser.

(1) Neither party shall be obligated to complete the transactions contemplated by this Agreement unless the following conditions have been fulfilled:

- (a) the Vendor shall have sought and obtained the Sale Process Order and the Approval and Vesting Order;
- (b) all necessary corporate steps and proceedings shall have been taken by the parties to permit the execution of this Agreement and performance of each of the parties' obligations hereunder.
- (c) as of the Closing Time, no order shall have been made and no motion, action or proceeding shall be pending, threatened or commenced by any person, government, Governmental Authority, regulatory body or agency in any jurisdiction which restrains or prevents the sale of the Purchased Assets under this Agreement or restricts, prohibits or directs the Vendor not to complete the transaction contemplated by this Agreement and no Governmental Authority shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, injunction or other governmental order (whether temporary, preliminary or permanent) which is in effect and has the effect of making the transactions contemplated by this Agreement illegal or otherwise restraining or prohibiting consummation of such transactions or which would otherwise materially adversely affect or interfere with the prosecution of the Purchased Assets following Closing.
- (d) as at the Closing Time, the Purchased Assets shall not have been removed from the control of the Vendor, or any one of them as the case may be, by any means or process (the Purchaser and the Vendor acknowledging and agreeing that if, prior to the Closing Time, the Purchased Assets are removed from the Vendor's control by government action, civil commotion or by order of the Court, or any other cause beyond the Vendor's control, then this Agreement shall automatically be terminated and the provisions of Section 6.6 hereof shall apply *mutatis mutandis*).

The foregoing conditions are for the mutual benefit of both parties and may not be waived by either party.

(2) The Purchaser acknowledges and agrees that the Sale Process is in contemplation of determining whether one or more qualified bids can be obtained for the Purchased Assets.



(3) The Vendor covenants that it will use commercially reasonable efforts to fulfil or cause to be fulfilled the conditions contained in Section 6.1 and Section 6.3 hereof and the Purchaser covenants to use commercially reasonable efforts to fulfil or cause to be fulfilled the conditions contained in Sections 6.2 and 6.3 hereof prior to the times specified therefor.

#### **6.4 Break Fee**

(1) In consideration for the Purchaser's expenditure of time and money in acting as the initial bidder in the stalking horse bid and the preparation and negotiation of this Agreement and subject to the terms and conditions of this Agreement and of the Stalking Horse Approval Terms, upon the closing of a sale and transfer, or a series of sales and transfers, of substantially all of the Purchased Assets to one or more third parties other than the Purchaser (an "**Alternative Transaction**"), or upon the Vendor committing a breach of Section 6.1 entitling the Purchaser to terminate this Agreement, then the Vendor shall pay to the Purchaser a break fee (the "**Break Fee**") of **Ten Thousand Dollars (\$10,000.00)**.

(2) Payment of the Break Fee shall be made by the Vendor out of the proceeds of the Alternative Transaction or, if the Agreement is terminated due to a breach of Section 6.1, on the second business day after termination. Upon payment of the Break Fee to the Purchaser, the parties shall have no further obligations to the other under this Agreement.

(3) No Break Fee shall be payable in the event the Vendor terminates this Agreement due to the Purchaser's breach of Section 6.2.

#### **6.5 Non-Satisfaction of Conditions.**

(1) If any condition set out in Section 6.1 or Section 6.2 is not satisfied or performed prior to the time specified therefor, the party for whose benefit the condition is inserted may in writing:

- (a) waive compliance with the condition in whole or in part in its sole discretion by written notice to the other party and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or
- (b) elect on written notice to the other party to terminate this Agreement before Closing.

(2) If any condition set out in Section 6.3 is not satisfied or performed prior to the time specified therefor, either the Vendor or the Purchaser may elect on written notice to the other party to terminate this Agreement before Closing.

#### **6.6 Termination Obligations.**

(1) If either the Purchaser or the Vendor validly terminates this Agreement in accordance with Section 6.5, then:

- (a) all the obligations of both the Vendor and the Purchaser pursuant to this Agreement shall be at an end; and
- (b) none of the parties shall have any right to specific performance or other remedy against, or any right to recover damages or expenses from the other, except in respect of the Break Fee.

## SECTION 7– CLOSING

### 7.1 Closing.

The completion of the Transaction shall take place at the offices of Goldberg, Lamba & Ghannoum LLP, 905-20 Adelaide Street East, Toronto, ON M6C 2T6, solicitors for the Purchaser at the Time of Closing or at such other location(s) as are agreed upon by the parties.

### 7.2 Vendor's Deliveries on Closing.

At or before the Closing Time, upon fulfilment by the Purchaser of all the conditions herein in favour of the Vendor which have not been waived in writing by the Vendor, the Vendor shall deliver the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) a copy of the issued and entered Approval and Vesting Order;
- (b) a copy of the Proposal Trustee's Certificate;
- (c) a bill of sale, executed by Vendor, conveying to the Purchaser all of the right, title and interest of the Company, if any, free and clear of all encumbrances, in and to the Purchased Assets;
- (d) any assignments of any of the Vendor's rights under the Assumed Contracts required pursuant to this Agreement or the Approval and Vesting Order;
- (e) such notice or notices as the Purchaser may reasonably require to be given to other parties under the Assumed Contracts of the assignment of such Assumed Contracts to the Purchaser, together with directions relating to the performance of obligations under such Assumed Contracts all in such form as the Purchaser may reasonably require;
- (f) the tax election contemplated by Section 3.6(1), executed by the Vendor;
- (g) all documents and instruments, executed by the Vendor as may be necessary or desirable to convey and transfer title to any of the Purchased Assets located outside of Canada to the Purchaser; and
- (h) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement and convey title to the Purchased Assets to the Purchaser.

### 7.3 Purchaser's Deliveries on Closing

At or before the Closing Time, upon fulfilment by the Vendor of all the conditions herein in favour of the Purchaser which have not been waived by the Purchaser, the Purchaser shall execute and deliver the following, each of which shall be in form and substance satisfactory to the Vendor, acting reasonably:

- (a) payment of cash consideration contemplated by Section 3.3(1)(b);
- (b) an instrument or instruments evidencing the credit bid portion of the Purchase Price;
- (c) an assumption of the Assumed Liabilities;
- (d) the certificate of the Purchaser referenced in Section 6.2(a); and



- (e) the tax election contemplated by Section 3.6(1), executed by the Purchaser.
- (f) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement and convey title to the Purchased Assets to the Purchaser.

#### **7.4 Risk**

Until completion of this Agreement on the Closing Date, the Purchased Assets shall be and remain at the risk of the Vendor, except as otherwise provided in this Section 7.4. In the event of any damage to the Purchased Assets on or before the Closing Date, the Purchaser may elect (i) to require the Vendor to repair the Purchased Assets to the same state and condition as it was in at the time this Agreement was entered into in which event the Purchaser will complete the Transaction without an abatement in the Purchase Price; or (ii) to reduce the Purchase Price by an amount equal to the cost required to complete the repair as estimated by an independent qualified architect or engineer retained by the Vendor in which event the Purchaser will complete the Transaction and accept the price reduction equal to such cost; or (iii) if such damage is in excess of \$50,000, to terminate this Agreement and neither party shall have any further rights or obligations under this Agreement.

#### **7.5 Possession of Purchased Assets.**

On Closing the Purchaser shall acquire ownership of the Purchased Assets where situated at the Time of Closing provided that in no event shall title to the Purchased Assets pass to the Purchaser until the Approval and Vesting Order is effective.

#### **7.6 Tender.**

Any tender of documents or money hereunder may be made upon the Vendor or the Purchaser or their respective solicitors on the Closing Date.

### **SECTION 8- GENERAL**

#### **8.1 Capacity of the Trustee**

The Purchaser acknowledges and agrees that Crowe Soberman Inc. is solely signing this agreement in its capacity as the trustee of the proposal of the Vendor and not in any personal capacity whatsoever.

#### **8.2 Notices.**

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 (in which case it shall be left with a responsible officer of the recipient) or by electronic communication addressed to the recipients as follows:

in the case of the Purchaser:

**2786323 Ontario Inc.**  
2424 Pine Glen Road  
Oakville, Ontario L6M 0R6

Attention: Rukhsana Farid Memon  
E-mail: rukhshanafareed@hotmail.com

with a copy to:

**Goldberg, Lamba & Ghannoum LLP**  
905-20 Adelaide Street East  
Toronto, Ontario M5C 2T6

Attention: Elie Ghannoum  
E-mail: [elie@glgllp.ca](mailto:elie@glgllp.ca)

in the case of the Vendor:

**Fun and Fitness Trampolines Inc.**  
800 – 444 St. Mary Avenue  
Winnipeg, Manitoba R3C 3T1

Attention: Ghulam Memon  
E-mail: [ghulam.memom@skyzone.com](mailto:ghulam.memom@skyzone.com)

with a copies to:

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

Attention: Brendan Bissell  
Email: [bissell@gsnh.com](mailto:bissell@gsnh.com)

**Crowe Soberman Inc.**  
Licensed Insolvency Trustee  
2 St. Clair Avenue East, Suite 1100  
Toronto, ON M4T 2T5

Attention: Hans Rizarri  
E-mail: [hans.rizarri@crowesoberman.com](mailto:hans.rizarri@crowesoberman.com)

**Simpson Wigle Law LLP**  
1006 Skyview Drive, Suite 103  
Burlington, Ontario L7P 0V1

Attention : Bart Sarsh  
E-mail: [sarshb@simpsponwagle.com](mailto:sarshb@simpsponwagle.com)

or to such other address, individual or electronic communication number as may be designated by notice given by either party to the other. Any demand, notice or other communication shall be conclusively deemed to have been given, if given by personal delivery, on the day of actual delivery thereof if delivered during normal business hours of the recipient on a Business Day and, if given by electronic communication, on the day following the transmittal thereof if transmitted during normal business hours of the recipient on a Business Day and on the second Business Day following the delivery or transmittal thereof if not so delivered or transmitted.



**8.3 Time of Essence.**

Time shall be of the essence for every provision hereof.

**8.4 Expenses.**

Except as otherwise expressly provided herein, all costs and expenses (including the fees and disbursements of legal counsel, investment advisers and auditors) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses, subject to any rights either party may have to have any such fees included in any security held by that party against the assets of the Vendor.

**8.5 Third Party Beneficiaries.**

Each party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the parties hereto and their successors and permitted assigns, and no person, other than the parties hereto and their successors and their permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.

**8.6 Further Assurances.**

During the thirty (30) day period after the Closing Date, each party shall from time to time execute and deliver, or cause to be executed and delivered, all such documents and instruments and do, or cause to be done, all such acts and things as the other party may, either before or after the Closing, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

**8.7 Entire Agreement.**

This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and supersedes any and all prior negotiations, provisions, covenants, agreements, understandings and representations on that subject, all of which have become merged and finally integrated into this Agreement.

**8.8 Amendments.**

This Agreement may only be amended, modified or supplemented by a written agreement signed by the parties.

**8.9 Waiver.**

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.

**8.10 Governing Law.**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the parties hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

**8.11 Benefit of Agreement.**

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

**8.12 Severability.**

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

**8.13 Counterparts.**

This Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

**8.14 Assignment and Enurement**

No party may assign its rights or obligations under this Agreement without the prior written consent of the other party. Notwithstanding the forgoing, the Purchaser shall have the right to assign, in whole or in part, its rights to acquire the Purchased Assets hereunder to any affiliate of the Purchaser provided that such assignment shall not release the Purchaser from its obligations under this Agreement.

*[signature page follows]*

- 17 -

Dated as of the date first set out above.

2786323 Ontario Inc.

Per:

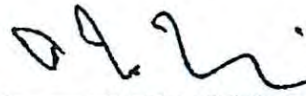


Name: Rukshana Farid Memon  
Title: President  
I have the authority to bind the corporation

Accepted this 26<sup>th</sup> day of October 2020.

Fun & Fitness Trampolines Inc.

Per:



Name: GHULAM MEMON  
Title: President.  
I have authority to bind the corporation

CROWE SOBERMAN INC. in its capacity as the trustee of the proposal of Fun & Fitness Trampolines Inc.

Per:



Name: Hans Rizarri  
Title: President  
I have the authority to bind the corporation



Schedule "A"  
[Draft Sale Process Order]

Estate No. 35-2677628

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE • ) FRIDAY, THE 30<sup>th</sup>  
 )  
JUSTICE • ) DAY OF OCTOBER, 2020  
 )

IN THE MATTER OF THE NOTICE OF INTENTION TO  
MAKE A PROPOSAL OF FUN AND FITNESS  
TRAMPOLINES INC., A CORPORATION INCORPORATED  
UNDER THE *CANADIAN BUSINESS CORPORATIONS ACT*

ORDER  
(Approval of Sale Process)

**THIS MOTION**, made by Fun and Fitness Trampolines Inc. ("FFT"), pursuant to Section 65.13 of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"), for an order, among other things, (i) approving a "stalking horse" sale process substantially on the terms set out in Schedule "A" hereto (the "Sale Process"), (ii) approving the "stalking horse" asset purchase agreement (the "Stalking Horse APA") entered into on October • , 2020 between the FFT and [NAME], (the "Purchaser"), for the purpose of constituting a stalking horse bid under the Sale Process, and (iii) approving the break fee (the "Break Fee") set out in Section • of the Stalking Horse APA, was heard this day via Zoom videoconference due to the COVID-19 pandemic.

**ON READING** the Motion Record of FFT, the first report of Crowe Soberman Inc., in its capacity as proposal trustee of FFT (the "Trustee"), dated October • , 2020 (the "First Report") and the Appendices thereto, and on hearing the submissions of counsel for FFT, counsel for the Proposal Trustee, no one else appearing although duly served as appears from the Affidavit of Service of [NAME} sworn [DATE], filed:

**SERVICE**

1. **THIS COURT ORDERS** that the timing and method of service of the Notice of Motion, the Motion Record and the First Report is hereby abridged and validated and this Motion is properly returnable today.
2. **THIS COURT ORDERS** that FFT, the Trustee and/or their lawyers are at liberty to serve or distribute this Order and any other materials and orders as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding true copies thereof by electronic message to FFT's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation and notice requirements within the meaning of section 3(c) of the *Electronic Commerce Protection Regulations*, SOR/2013-221.

**APPROVAL OF SALE PROCESS AND STALKING HORSE APA**

3. **THIS COURT ORDERS** that the Sale Process is hereby approved and the Trustee is hereby authorized and directed to take such steps as it deems necessary or advisable (subject to the terms of the Sale Process) to carry out the Sale Process, subject to prior approval of this Court being obtained before completion of any transaction(s) under the Sale Process.
4. **THIS COURT ORDERS** that the execution, delivery, entry into, compliance with, and performance by FFT of the Stalking Horse APA be and is hereby ratified, authorized and approved.
5. **THIS COURT ORDERS** that the Break Fee set out in Section • of the Stalking Horse APA is approved and that the Stalking Horse APA is hereby approved solely for the purposes of standing as the Stalking Horse Bid in the Sale Process, provided that if the Purchaser is the successful bidder under the Sale Process, implementation of the transaction contemplated by the Stalking Horse APA will be subject to the Court's approval upon further motion by FFT.
6. **THIS COURT ORDERS** that FFT and the Trustee their respective employees, advisors, agents or other representatives ("**Representatives**") shall have no personal or corporate liability in connection with the Sale Process.
7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Trustee, FFT and their Representatives



are hereby authorized and permitted to disclose and transfer to each potential bidder (the “**Bidders**”) and to their Representatives, if requested by such Bidders, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in FFT’s records pertaining to FFT’s past and current employees, but only to the extent desirable or required to negotiate or attempt to complete a sale pursuant to the Sale Process (a “**Sale**”). Each Bidder or Representative to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Sale, and if it does not complete a Sale, shall return all such information to the Trustee, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Trustee. The Successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the transaction(s) contemplated in the Winning Bid(s) (as defined in the Sale Process), shall be entitled to use the personal information provided to it that is related to the assets acquired pursuant to the Sale Process in a manner that is in all material respects identical to the prior use of such information by FFT, and shall return all other personal information to the Trustee, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Trustee.

#### **GENERAL**

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or the United States, to give effect to this Order and to assist FFT, the Trustee, the Purchaser and their respective 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 FFT and to the Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Trustee in any foreign proceeding, or to assist FFT and the Trustee and their respective agents in carrying out the terms of this Order.

9. **THIS COURT ORDERS** that each of FFT, the Trustee and the Purchaser shall be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

10. **THIS COURT ORDERS** that this Order is effective from today's date and is not required to be entered.

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### Schedule "A" – Sale Process

1. Definitions. All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Stalking Horse APA
2. Advertisement. Not later than five (5) Business Days after the Sale Process Order is granted, the Trustee shall advertise for sale the Purchased Assets in **The National Post (National Edition)** and distribute a teaser document to potential interested parties.
3. Due Diligence. Not later than five (5) Business Days after the Sale Process Order is granted, the Trustee shall make available to prospective purchasers (collectively, the "**Prospective Purchasers**"), upon receipt of an executed confidentiality agreement from a Prospective Purchaser, access to a data room containing information reasonably required by Prospective Purchasers to consider submitting an offer for the Purchased Assets and facilitate the conduct of due diligence by the Prospective Purchasers. The Purchaser may have access to the data room.
4. Bid Deadline. Any offers to purchase the Purchased Assets must be submitted in writing to and received by the Proposal Trustee at Crowe Soberman Inc., 2 St. Clair Ave. East, Suite 1100 Toronto, ON M4T 2T5, attention: Hans Rizarri, or by email at [hans.rizarri@crowesoberman.com](mailto:hans.rizarri@crowesoberman.com), by 5:00pm (Toronto time) on November 30, 2020 (the "**Bid Deadline**")
5. Qualified Bid. The Trustee in its sole discretion shall determine whether any offers are "**Qualified Bids**". A Qualified Bid shall mean an offer to purchase substantially all of the Purchased Assets which is substantially the same or better than the Agreement, provided that no offer shall qualify as a Qualified Bid unless it meets, among other things, the following minimum criteria:
  - a. the Prospective Purchaser and the representatives thereof who are authorized to appear and act on its behalf must be sufficiently identified and written evidence of the offeror's chief officer or other appropriate senior executive's approval of the contemplated transaction must be submitted with the offer;
  - b. the offer must be submitted in writing and include a blackline of the offer to the Agreement, reflecting the Prospective Purchaser's proposed changes and a written commitment to close on the terms and conditions set forth therein;
  - c. the offer must be accompanied by a deposit in the form of certified cheque payable to the Proposal Trustee which is equal to at least 10% of the aggregate purchase price payable under the offer;
  - d. the offer must be open for acceptance by the Vendor until five (5) Business Days after the Auction (as hereinafter defined) or later;
  - e. the offer must be on terms no less favourable and no more burdensome or conditional than the Agreement and shall not contain any provisions for a break fee or expense reimbursement;
  - f. the offer must not contain any contingency relating to due diligence or financing or any other material conditions precedent to the offeror's obligation to complete the transaction that are not otherwise contained in the Agreement;





12. Modifications. Subject to the Sale Process Order, the Trustee shall have the right to adopt such other rules for the Sale Process, that, in its sole discretion, will better promote the goals of the Sale Process.

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF FUN AND FITNESS TRAMPOLINES INC., A  
CORPORATION INCORPORATED UNDER THE CANADIAN  
BUSINESS CORPORATIONS ACT**

Estate No. 35-2677628

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**Proceeding commenced in LONDON**

**ORDER  
(Approval of Sale Process)**

**GOLDMAN SLOAN NASH & HABER LLP**  
480 University Avenue, Suite 1600  
Toronto (ON) M5G 1V2

**R. Brendan Bissell – LSUC #: 40354V**  
Tel: (416) 597-6489  
Fax: (416) 597-3370

**Joël Turgeon (Member of the Bar of Quebec;  
Ontario Student-at-Law)**

Lawyers for Fun and Fitness Trampolines Inc.







13. **THIS COURT ORDERS** that FTT is hereby authorized and directed to perform its obligations under the APA and any ancillary documents related thereto.

14. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Trustee's Certificate**"), all of FTT's right, title and interest in and to the Purchased Assets described in the APA (including those assets listed in Schedule "B" hereto) and the proceeds thereof (including for greater certainty, any funds received by the Purchaser on account of any Accounts Receivable but not the Purchase Price proceeds) shall vest in the Purchaser free and clear of and from any and all ownership claims, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts, constructive trusts, deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, claims (including, without limitation, any claim based on any theory that the Purchaser is a successor or continuation of FTT or FTT's business), demands, guarantees, restrictions, contractual commitments, right or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured, legal, equitable, possessory or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice • dated October • , 2020 and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**" which term shall not include the Permitted Encumbrances) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets..

15. **THIS COURT ORDERS** that 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 that from and after the delivery of the Trustee's Certificate all Claims and Encumbrances 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 that possession or control immediately prior to the sale.



16. **THIS COURT ORDERS AND DIRECTS** the Trustee to file with the Court a copy of the Trustee's Certificate, forthwith after delivery thereof.

17. **THIS COURT ORDERS** that the Trustee may rely on the written notice from FTT regarding fulfillment of conditions to closing under the APA and shall incur no liability with respect to the delivery of the Trustee's Certificate.

18. **THIS COURT ORDERS** that, provided that the APA has not been terminated, any proposal filed by FTT pursuant to Section 50.4(9) of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") shall not derogate or otherwise affect any right or obligation of FTT or the Purchaser under the APA unless otherwise agreed by FTT and the Purchaser.

19. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, FTT is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in FTT's records pertaining to FTT's past and current employees. 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 FTT.

20. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of FTT and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of FTT;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of FTT and shall not be void or voidable by creditors of FTT, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under



the BIA 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.

#### **ASSIGNMENT OF CONTRACTS**

21. **THIS COURT ORDERS** that upon delivery of the Trustee's Certificate, (i) all of the rights and obligations of FTT under the Contracts listed in Schedule "C" hereto (collectively, the "Assigned Contracts") shall be assigned to the Purchaser pursuant to Section 84.1 of the BIA and pursuant to Section 84.1 of the BIA; and (ii) FTT's right, title and interest in the Assigned Contracts shall vest absolutely in the Purchaser free and clear of all Encumbrances.

22. **THIS COURT ORDERS** that each counterparty to the Assigned Contracts is prohibited from exercising any right or remedy under the Assigned Contracts by reason of any defaults thereunder arising from the assignment of the Assigned Contracts, the insolvency of FTT, the commencement of these proceedings under the BIA or any failure of FTT to perform a non-monetary obligation under the Assigned Contracts.

23. **THIS COURT ORDERS** that the Cure Costs for the Assigned Contracts, if any, shall be in the amounts set out in Schedule "C" hereto and that upon Closing, the Purchaser shall pay any Cure Costs as set out therein with respect to each applicable Assigned Contract, in full and final satisfaction of any Cure Costs owing to the counterparty to the applicable Assigned Contract, by no later than the day that is ten (10) business days from the date that the Purchaser receives wire remittance instructions or other payment instructions from such counterparty.

24. **THIS COURT ORDERS AND DIRECTS** FTT to send a copy of this Order to all of the counterparties to the Assigned Contracts.

#### **SEALING**

25. **THIS COURT ORDERS** that the Appendix "A" to the Report be sealed from the public record until the closing of the Transaction or further Order of this Court.

#### **GENERAL**

26. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Trustee 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 Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Trustee and its agents in carrying out the terms of this Order.

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Schedule A – Form of Trustee’s Certificate

Estate No. 35-2677628

ONTARIO

SUPERIOR COURT OF JUSTICE

IN THE MATTER OF THE NOTICE OF INTENTION TO  
MAKE A PROPOSAL OF FUN AND FITNESS  
TRAMPOLINES INC., A CORPORATION INCORPORATED  
UNDER THE *CANADIAN BUSINESS CORPORATIONS ACT*

PROPOSAL TRUSTEE’S CERTIFICATE

RECITALS

- A. Fun and Fitness Trampolines Inc. commenced these proceedings by filing a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”), on October 3, 2020 (the “NOI”).
- B. Crowe Soberman Inc. was named proposal trustee (the “**Proposal Trustee**”) under the NOI.
- C. Pursuant to an Order of the Court dated November ●, 2020, the Court approved the asset purchase agreement made as of ●, 2019 (the “APA”) between FTT and [NAME]. (the “**Purchaser**”) and provided for the vesting in the Purchaser of FTT’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the cash consideration under Section • of the APA; (ii) that the conditions to Closing as set out in the APA been satisfied or waived by FTT and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Proposal Trustee.
- D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the APA.

**THE PROPOSAL TRUSTEE CERTIFIES** the following:

1. FTT and the Purchaser have each delivered written notice to the Proposal Trustee that all applicable conditions under the APA have been satisfied and/or waived, as applicable;

2. The Proposal Trustee has received the cash consideration under Section • of the APA;  
and

3. The Transaction has been completed to the satisfaction of the Proposal Trustee.  
This Certificate was delivered by the Proposal Trustee at \_\_\_\_\_ on \_\_\_\_\_, 2020.

**Crowe Soberman Inc. in its capacity  
as Proposal Trustee in the proposal  
proceedings of Fun and Fitness  
Trampolines Inc., and not in its  
personal or corporate capacity**

Per: \_\_\_\_\_

Name:

Title:

**Schedule B – Purchased Assets**

CLIENT CONTRACTS



**Schedule C – Assigned Contracts**

OBLIGATIONS

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF FUN AND FITNESS TRAMPOLINES INC., A  
CORPORATION INCORPORATED UNDER THE *CANADIAN*  
*BUSINESS CORPORATIONS ACT*

Estate No. 35-2677628

*ONTARIO*  
SUPERIOR COURT OF JUSTICE

Proceeding commenced in LONDON

APPROVAL AND VESTING ORDER

GOLDMAN SLOAN NASH & HABER LLP  
480 University Avenue, Suite 1600  
Toronto (ON) M5G 1V2

**R. Brendan Bissell** – LSUC #: 40354V  
Tel: (416) 597-6489  
Fax: (416) 597-3370

**Joël Turgeon** (Member of the Bar of Quebec;  
Ontario Student-at-Law)

Lawyers for Fun and Fitness Trampolines Inc.

**Schedule "C"**  
**Assumed Contracts**

- Assumption of the current lease dated February 26<sup>th</sup>, 2020, between Beaconridge Developments Inc. and Fun & Fitness Trampolines Inc., concerning 150 Gateway Park Drive, Kitchener, Ontario.

**Schedule "D"**  
**Assumed Liabilities**

- None.

**Schedule "E"**  
**Permitted Encumbrances**

- None.

**Schedule "F"**  
**Sale Process**

1. Definitions. All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Agreement.
2. Advertisement. Not later than five (5) Business Days after the Sale Process Order is granted, the Trustee shall advertise for sale the Purchased Assets in **The National Post (National Edition)** and distribute a teaser document to potential interested parties.
3. Due Diligence. Not later than five (5) Business Days after the Sale Process Order is granted, the Trustee shall make available to prospective purchasers (collectively, the "**Prospective Purchasers**"), upon receipt of an executed confidentiality agreement from a Prospective Purchaser, access to a data room containing information reasonably required by Prospective Purchasers to consider submitting an offer for the Purchased Assets and facilitate the conduct of due diligence by the Prospective Purchasers. The Purchaser may have access to the data room.
4. Bid Deadline. Any offers to purchase the Purchased Assets must be submitted in writing to and received by the Proposal Trustee at Crowe Soberman Inc., 2 St. Clair Ave. East, Suite 1100 Toronto, ON M4T 2T5, attention: Hans Rizarri, or by email at [hans.rizarri@crowesoberman.com](mailto:hans.rizarri@crowesoberman.com), by 5:00pm (Toronto time) on November 30, 2020 (the "**Bid Deadline**")
5. Qualified Bid. The Trustee in its sole discretion shall determine whether any offers are "**Qualified Bids**". A Qualified Bid shall mean an offer to purchase substantially all of the Purchased Assets which is substantially the same or better than the Agreement, provided that no offer shall qualify as a Qualified Bid unless it meets, among other things, the following minimum criteria:
  - i. the Prospective Purchaser and the representatives thereof who are authorized to appear and act on its behalf must be sufficiently identified and written evidence of the offeror's chief officer or other appropriate senior executive's approval of the contemplated transaction must be submitted with the offer;
  - ii. the offer must be submitted in writing and include a blackline of the offer to the Agreement, reflecting the Prospective Purchaser's proposed changes and a written commitment to close on the terms and conditions set forth therein;
  - iii. the offer must be accompanied by a deposit in the form of certified cheque payable to the Proposal Trustee which is equal to at least 10% of the aggregate purchase price payable under the offer;
  - iv. the offer must be open for acceptance by the Vendor until five (5) Business Days after the Auction (as hereinafter defined) or later;
  - v. the offer must be on terms no less favourable and no more burdensome or conditional than the Agreement and shall not contain any provisions for a break fee or expense reimbursement;
  - vi. the offer must not contain any contingency relating to due diligence or financing or *any* other material conditions precedent to the offeror's obligation to complete the transaction that are not otherwise contained in the Agreement;



- vii. the offer must contain written evidence of a commitment for financing or other evidence of the ability to consummate the sale with appropriate contact information for such financing sources; and
  - viii. the offer must be for a price equal to or greater than the sum of the Purchase Price, the Break Fee and **\$5,000**.
6. Auction. Only if the Trustee receives one or more Qualified Bids by the Bid Deadline, the Trustee shall extend invitations by phone, fax and/or email by 10:00 a.m. (Toronto time) on the third (3<sup>rd</sup>) Business Day after the Bid Deadline to all bidders who submitted Qualified Bids and to the Purchaser to attend an auction (the "**Auction**"). The Auction shall be held at 10:00 a.m. on the fifth (5<sup>th</sup>) Business Day after the Bid Deadline (or such other date and time as the Proposal Trustee may in its sole discretion designate) at the offices of the Trustee or virtually by videoconference facility established by the Trustee.
  7. Conduct of the Auction. The Trustee shall conduct the Auction. At the Auction, the bidding shall begin initially with the highest Qualified Bid and subsequently continue in multiples of \$10,000, or such other amount as the Trustee determines to facilitate the Auction (the "**Incremental Amount**"). Additional consideration in excess of the amount set forth in the highest Qualified Bid must be comprised only of cash consideration. The format and procedure for the Auction shall be determined by the Trustee in its sole discretion.
  8. Winning Bid. In its sole discretion and based, *inter alia*, on the conduct of the Auction, the total financial and contractual terms of the Qualified Bids and various factors relevant to the speed and certainty of completing the sale of the Purchased Assets, the Trustee shall determine and accept the highest and/or best bid with respect to the Purchased Assets (the "**Winning Bid**"), subject to Court approval.
  9. Court Approval of the Winning Bid. The Vendor shall make a motion to the Court to obtain approval of the Winning Bid and the Approval and Vesting Order as expeditiously as possible after the Auction, but in no event longer than ten (10) Business Days following the Auction.
  10. Court Approval of Agreement if no Qualified Bid. If no Qualified Bid is received by the Bid Deadline (other than the Agreement), the Auction will not be held. Accordingly, the Agreement will be the Winning Bid and the Vendor shall seek, as expeditiously as possible, approval of the Court to consummate the Transaction contemplated by the Agreement, but in no event longer than ten (10) Business Days following the expiry of the Bid Deadline.
  11. Return of Deposits. The deposits submitted with all Qualified Bids (except the Winning Bid), shall be held in escrow by the Trustee until five (5) Business Days after the date of the completion of the Auction and returned to those Prospective Purchasers thereafter. If the Winning Bid terminates pursuant to its terms or fails to close because of the Vendor's breach or failure to perform under the terms of the Winning Bid, the Trustee shall return the deposit submitted with such bid to the bidder that submitted the Winning Bid (the "**Winning Bidder**") forthwith. If the Winning Bidder fails to complete the approved sale because of its breach or failure to perform under the terms of the Winning Bid, the Trustee shall not have any obligation to return the deposit submitted with the Winning Bid and such deposit shall be retained by the Trustee as liquidated damages and the Purchaser shall be entitled to submit a new bid for the Purchased Assets, which the Trustee shall be at liberty to but not obligated to, accept on terms to be agreed upon between the Parties.
  12. Modifications. Subject to the Sale Process Order, the Trustee shall have the right to adopt such other rules for the Sale Process, that, in its sole discretion, will better promote the goals of the Sale Process.



Schedule "G"  
Excluded Assets

This is **Exhibit "B"** to the affidavit of  
Ghulam Memon sworn before me via  
~~Zoom~~ this 26<sup>th</sup> day of October, 2020

*FaceTime*

A handwritten signature in blue ink, consisting of stylized, cursive letters that appear to be 'RBR'.

A Commissioner, etc.

## Corporate Profile / Profil corporatif

Date and time of Corporate Profile (YYYY-MM-DD)	2020-08-31 4:21 PM	(AAAA-MM-JJ) Date et heure du Profil corporatif
---	--------------------	---

CORPORATE INFORMATION	RENSEIGNEMENTS CORPORATIFS
Corporate name	Dénomination
FUN AND FITNESS TRAMPOLINES INC.	
Corporation number	915573-2
	Numéro de société ou d'organisation
Governing legislation	Régime législatif
Canada Business Corporations Act (CBCA) - 2015-01-16 Loi canadienne sur les sociétés par actions (LCSA) - 2015-01-16	
Status	Statut
Active Active	

REGISTERED OFFICE ADDRESS	ADRESSE DU SIÈGE
700 - 444 St. Mary Avenue Winnipeg MB R3C 3T1 Canada	


ANNUAL FILINGS	DÉPÔTS ANNUELS									
Anniversary date (MM-DD)	01-16									
	(MM-JJ) Date anniversaire									
Filing period (MM-DD)	01-16 to/au 03-17									
	(MM-JJ) Période de dépôt									
Status of annual filings	Statut des dépôts annuels									
<table> <tr> <td>Overdue</td> <td>2020</td> <td>En retard</td> </tr> <tr> <td>Overdue</td> <td>2019</td> <td>En retard</td> </tr> <tr> <td>Filed</td> <td>2018</td> <td>Déposé</td> </tr> </table>		Overdue	2020	En retard	Overdue	2019	En retard	Filed	2018	Déposé
Overdue	2020	En retard								
Overdue	2019	En retard								
Filed	2018	Déposé								
Date of last annual meeting (YYYY-MM-DD)	2018-01-24									
	(AAAA-MM-JJ) Date de la dernière assemblée annuelle									
Type	Type									
Non-distributing corporation with 50 or fewer shareholders Société n'ayant pas fait appel au public et comptant 50 actionnaires ou moins										



DIRECTORS		ADMINISTRATEURS
<b>Minimum number</b>	1	<b>Nombre minimal</b>
<b>Maximum number</b>	10	<b>Nombre maximal</b>
<b>Current number</b>	3	<b>Nombre actuel</b>
Memon Ghulam Junaid Ahmed Kamran Ali	1645 Lee Boulevard, Winnipeg MB R3Y 1S3, Canada c/o 1645 Lee Boulevard, Winnipeg MB R3Y 1S3, Canada c/o 1645 Lee Boulevard, Winnipeg MB R3Y 1S3, Canada	

CORPORATE HISTORY		HISTORIQUE CORPORATIF
<b>Corporate name history (YYYY-MM-DD)</b>		<b>(AAAA-MM-JJ) Historique de la dénomination</b>
2015-01-16 to present / à maintenant	FUN AND FITNESS TRAMPOLINES INC.	
<b>Certificates issued (YYYY-MM-DD)</b>		<b>(AAAA-MM-JJ) Certificats émis</b>
Certificate of Incorporation	2015-01-16 Certificat de constitution en société	
Amendments details are only available for amendments effected after 2010-03-20. Some certificates issued prior to 2000 may not be listed.	Seuls les renseignements concernant les modifications effectuées après 2010-03-20 sont disponibles. Certains certificats émis avant 2000 pourraient ne pas être listés.	
<b>Documents filed (YYYY-MM-DD)</b>		<b>(AAAA-MM-JJ) Documents déposés</b>

<b>The Corporate Profile sets out the most recent information filed with and accepted by Corporations Canada as of the date and time set out on the Profile.</b>	<b>Le Profil corporatif fait état des renseignements fournis et acceptés par Corporations Canada à la date et à l'heure indiquées dans le profil.</b>
--	---

This is **Exhibit "C"** to the affidavit of  
Ghulam Memon sworn before me via  
~~Zoom~~ this 26<sup>th</sup> day of October, 2020  
*Factum*  
  
A Commissioner, etc.



Crowe Soberman Inc.

**Crowe Soberman Inc.**  
**Licensed Insolvency Trustee**  
**Member Crowe Global**

2 St. Clair Avenue East, Suite 1100  
Toronto, ON M4T 2T5  
416 929 2500  
416 929 2555 Fax  
1 877 929 2501 Toll Free  
www.crowesobermaninc.com

October 6, 2020

**TO THE CREDITORS OF FUN AND FITNESS TRAMPOLINES INC.**

Please be advised that FUN AND FITNESS TRAMPOLINES INC. filed a **Notice of Intention to Make a Proposal** on October 3, 2020 under the **Bankruptcy and Insolvency Act**. A copy of this Notice is enclosed herewith.

This is a procedure whereby a debtor, with creditor and Court approval, reorganizes its financial affairs. Our role as Trustee in this matter is to assist the debtor with the development of the Proposal, to liaise with creditors so as to fully explain the Proposal to them and to support and facilitate the decision-making process which creditors will ultimately undertake, ending with their acceptance or rejection of the Proposal.

All liabilities, actual and contingent, of FUN AND FITNESS TRAMPOLINES INC. as at October 3, 2020 are subject to the Proposal mentioned above and are fixed by Section 62(1.1) of the **Bankruptcy and Insolvency Act** as at that date.

All creditors are **STAYED** from commencing or continuing any actions as against FUN AND FITNESS TRAMPOLINES INC. until the Proposal is dealt with by the creditors.

FUN AND FITNESS TRAMPOLINES INC. has thirty (30) days from the date of filing the **Notice of Intention to Make a Proposal** (subject to Court approved extensions of this time period) to lodge a Proposal with us so that we may file it with the Official Receiver.

We will be calling a meeting of creditors to consider the Proposal within twenty-one (21) days of the date on which the Proposal is filed. You will receive Notice of the meeting along with all other necessary documents including the proof of claim form, voting letter, at least ten days in advance of the meeting.

Please feel free to contact our office if you require any further information with respect to this matter.

**CROWE SOBERMAN INC.**  
**Licensed Insolvency Trustee**  
**acting in re: the Proposal**  
**of FUN AND FITNESS TRAMPOLINES INC.**

Per: Fei Xue  
Fei (Fay) Xue, Estate Administrator



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of Ontario  
Division No. 08 - Waterloo  
Court No. 35-2677628  
Estate No. 35-2677628

In the Matter of the Notice of Intention to make a  
proposal of:

**FUN AND FITNESS TRAMPOLINES INC.**

Insolvent Person

**CROWE SOBERMAN INC.**

Licensed Insolvency Trustee

---

Date of the Notice of Intention: October 03, 2020

---

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: October 05, 2020, 11:49

E-File/Dépôt Electronique

Official Receiver

Federal Building - London, 451 Talbot Street, Suite 303, London, Ontario, Canada, N6A5C9, (877)376-9902





District of: Ontario  
Division No. 05 - London  
Court No.  
Estate No.

- FORM 33 -  
Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

In the matter of the proposal of  
FUN AND FITNESS TRAMPOLINES INC.  
of the City of Kitchener, in the Regional Municipality of Waterloo  
in the Province of Ontario

Take notice that:

1. I, FUN AND FITNESS TRAMPOLINES INC., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Crowe Soberman Inc., LIT of 2 St. Clair Ave East, Suite 1100, Toronto, ON, M4T 2T5, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Toronto in the Province of Ontario, this 2nd day of October 2020.



\_\_\_\_\_  
FUN AND FITNESS TRAMPOLINES INC.  
Insolvent Person

To be completed by Official Receiver:

\_\_\_\_\_  
Filing Date

\_\_\_\_\_  
Official Receiver

District of: Ontario  
 Division No. 05 - London  
 Court No.  
 Estate No.

- FORM 33 -

Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of  
**FUN AND FITNESS TRAMPOLINES INC.**  
 of the City of Kitchener, in the Regional Municipality of Waterloo  
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
6845127 Manitoba Ltd.	2550 Winthrop Cres, Mississauga ON L5K 2A7		11,000.00
7159901 Manitoba Ltd.	117-349 Novavista Dr, Winnipeg MB R2N 3A1		30,250.00
7367547 Manitoba Ltd.	106-110 Killamey Garden, Winnipeg MB R3T 3B8		13,750.00
Ahmed 786 Holding Corp	322 Stanbalie Dr, Winnipeg MB R3Y 0R6		13,750.00
BDO Canada LLP	1000 de la Gauchetière Ouest, Bureau 200, Montréal QC H3B 4W5		10,804.00
Beconridge Development	200-90 Tiverton Court, Markham ON L3R 9V0		214,772.00
Center Edge Software	5050 Durham Rd, Roxboro, NC 27574 USA		5,970.00
CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9	819436593RT0001	19,985.00
CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9	819436593RC0001	80,000.00
CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9	Non-resident tax	11,645.00
Fateh and Sons	p.o.box 96, 291 Queens St W Virde MB R0M 2C0		27,500.00
Gulam Farid Memon MPC	1685 Lee Blvd, Winnipeg MB R3Y 1S3		222,750.00

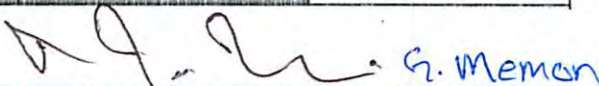
District of: Ontario  
 Division No. 05 - London  
 Court No.  
 Estate No.

- FORM 33 -


Notice of Intention To Make a Proposal  
 (Subsection 50.4(1) of the Act)

In the matter of the proposal of  
**FUN AND FITNESS TRAMPOLINES INC.**  
 of the City of Kitchener, in the Regional Municipality of Waterloo  
 in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Husnain 786 Holding Corp	3 Manipogo Bay, Winnipeg MB R2N 3A1		27,500.00
Imran and Adnan Holding Corp	100-1 Neckenrose Court, Brampton ON L6Y 6G2		5,500.00
Kamran Ali Holding	2424 Pine Glen Rd, Oakville ON L6M 0G9		123,750.00
Memon, Gulam	1685 Lee Blvd, Winnipeg MB R3Y 1S3		25,000.00
Muhammad Ali Holding	140-1225 st. Mary Rod, Winnipeg MB R2M 5E5		60,500.00
Raza 786 Holding Company	12 Manipogo Bay, Winnipeg MB R3Y 0R6		13,750.00
RBC Royal Bank / Banque Royale c/o BankruptcyHighway.com	PO Box 57100 Etobicoke ON M8Y 3Y2	4516-0700-1246-9195	23,092.32
RBC Royal Bank c/o BankruptcyHighway.com Razel Bowen	PO Box 57100 Etobicoke ON M8Y 3Y2	001 14566-31593982-001	300,928.00
RBC Royal Bank c/o BankruptcyHighway.com Razel Bowen	PO Box 57100 Etobicoke ON M8Y 3Y2	4514-0500-0276-2173	39,980.00
RBC Royal Bank c/o BankruptcyHighway.com Razel Bowen	PO Box 57100 Etobicoke ON M8Y 3Y2	4516-0700-1246-7819	24,766.00
Shabana Medical Corporation Jamal, Shabana	360 Willow Creek Rd, Winnipeg MB R3Y 1P5		35,000.00
<b>Total</b>			<b>1,341,942.32</b>

  
 FUN AND FITNESS TRAMPOLINES INC.  
 Insolvent Person

This is **Exhibit "D"** to the affidavit of  
Ghulam Memon sworn before me via  
~~Zoom~~ this 26<sup>th</sup> day of October, 2020  
*FaceTime*



A Commissioner, etc.



## Enquiry Result

File Currency: 22OCT 2020



All Pages ▾



Show All Pages

**Note: All pages have been returned.**

Type of Search	Business Debtor								
Search Conducted On	FUN AND FITNESS TRAMPOLINES INC.								
File Currency	22OCT 2020								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	709675704	1	3	1	5	04SEP 2021			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
709675704		001	2		20150904 1409 6005 3065	P PPSA	06		
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	FUN AND FITNESS TRAMPOLINES INC.								
	Address			City	Province	Postal Code			
	1685 LEE BOULEVARD			WINNIPEG	MB	R3Y 1S3			
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
	29MAR1966	GHULAM		F	MEMON				
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
	1685 LEE BOULEVARD			WINNIPEG	MB	R3Y 1S3			
Secured Party	Secured Party / Lien Claimant								
	NATIONAL LEASING GROUP INC.								
	Address			City	Province	Postal Code			
	1525 BUFFALO PLACE			WINNIPEG	MB	R3T 1L9			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X						
Motor Vehicle Description	Year	Make		Model		V.I.N.			
General Collateral Description	General Collateral Description								
	ALL TELEPHONE SYSTEMS AND VOIP OF EVERY NATURE OR KIND DESCRIBED IN LEASE NUMBER 2733095, BETWEEN THE SECURED PARTY, AS LESSOR AND THE DEBTOR AS LESSEE, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ALL								
Registering Agent	Registering Agent								
	Address			City	Province	Postal Code			

CONTINUED

<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	FUN AND FITNESS TRAMPOLINES INC.					Motion Record Page No. 73			
<b>File Currency</b>	22OCT 2020								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
	709675704	1	3	2	5	04SEP 2021			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
709675704		002	2		20150904 1409 6005 3065				
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>	<b>V.I.N.</b>			
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
	ATTACHMENTS, ACCESSORIES AND SUBSTITUTIONS.								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		

END OF FAMILY

<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	FUN AND FITNESS TRAMPOLINES INC.					Motion Record Page No. 74			
<b>File Currency</b>	22OCT 2020								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
	732758445	2	3	3	5	10OCT 2022			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
732758445		01	001		20171010 1043 1529 9354	P PPSA	5		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	FUN AND FITNESS TRAMPOLINES INC.								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	150 GATEWAY PARK DRIVE				KITCHENER	ON	N2P 2J4		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	ROYAL BANK OF CANADA								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	7101 PARC AVENUE, 5TH FLOOR				MONTREAL	QC	H3N 1X9		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
		X	X	X	X	X			
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>	<b>V.I.N.</b>			
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	CANADIAN SECURITIES REGISTRATION SYSTEMS								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	4126 NORLAND AVENUE				BURNABY	BC	V5G 3S8		

END OF FAMILY

<b>Type of Search</b>	Business Debtor								
<b>Search Conducted On</b>	FUN AND FITNESS TRAMPOLINES INC.					Motion Record Page No. 75			
<b>File Currency</b>	22OCT 2020								
	<b>File Number</b>	<b>Family</b>	<b>of Families</b>	<b>Page</b>	<b>of Pages</b>	<b>Expiry Date</b>	<b>Status</b>		
	733346415	3	3	4	5	26OCT 2022			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
<b>File Number</b>	<b>Caution Filing</b>	<b>Page of</b>	<b>Total Pages</b>	<b>Motor Vehicle Schedule</b>	<b>Registration Number</b>	<b>Registered Under</b>	<b>Registration Period</b>		
733346415		01	002		20171026 1435 1530 7284	P PPSA	5		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	FUN AND FITNESS TRAMPOLINES INC.								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	150 GATEWAY PARK DRIVE				KITCHENER	QC	N2P 2J4		
<b>Individual Debtor</b>	<b>Date of Birth</b>	<b>First Given Name</b>			<b>Initial</b>	<b>Surname</b>			
<b>Business Debtor</b>	<b>Business Debtor Name</b>					<b>Ontario Corporation Number</b>			
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
<b>Secured Party</b>	<b>Secured Party / Lien Claimant</b>								
	ROYAL BANK OF CANADA								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	7101 PARC AVENUE, 5TH FLOOR				MONTREAL	QC	H3N 1X9		
<b>Collateral Classification</b>	<b>Consumer Goods</b>	<b>Inventory</b>	<b>Equipment</b>	<b>Accounts</b>	<b>Other</b>	<b>Motor Vehicle Included</b>	<b>Amount</b>	<b>Date of Maturity or</b>	<b>No Fixed Maturity Date</b>
					X				
<b>Motor Vehicle Description</b>	<b>Year</b>	<b>Make</b>			<b>Model</b>	<b>V.I.N.</b>			
<b>General Collateral Description</b>	<b>General Collateral Description</b>								
	PRIORITY AGREEMENT DATED OCTOBER 12, 2017 BETWEEN BANK OF MONTREAL/ BANQUE DE MONTREAL AND ROYAL BANK OF CANADA REGARDING PPSA REGISTRATION NO. 20171010104315299354 FILE NUMBER NO.732758445 FOR								
<b>Registering Agent</b>	<b>Registering Agent</b>								
	CANADIAN SECURITIES REGISTRATION SYSTEMS								
	<b>Address</b>				<b>City</b>	<b>Province</b>	<b>Postal Code</b>		
	4126 NORLAND AVENUE				BURNABY	BC	V5G 3S8		

CONTINUED

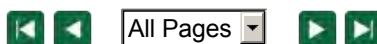


Type of Search	Business Debtor								
Search Conducted On	FUN AND FITNESS TRAMPOLINES INC.					Motion Record Page No. 76			
File Currency	22OCT 2020								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	733346415	3	3	5	5	26OCT 2022			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
733346415		02	002		20171026 1435 1530 7284				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	Address			City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description OUR CUSTOMER FUN AND FITNESS TRAMPOLINES INC.								
Registering Agent	Registering Agent								
	Address			City	Province	Postal Code			

LAST PAGE

**Note: All pages have been returned.**

[BACK TO TOP](#)



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[ServiceOntario Contact Centre](#)

This is **Exhibit "E"** to the affidavit of  
Ghulam Memon sworn before me via  
~~Zoom~~ this 26<sup>th</sup> day of October, 2020

*FaceTime*

A handwritten signature in blue ink, consisting of stylized initials that appear to be 'R.R.R.' followed by a flourish.

A Commissioner, etc.

# Invoice Payment Options

SkyZone Kitchener o/b  
Fun & Fitness Trampolines Inc.  
150 Gateway Park Drive  
Kitchener, ON N2P 2J4

Policy Payments ID	1786888
Account No.	
Invoice Date	December 13, 2019
Balance Due	\$98,820.00
Currency	\$CAD

So as not to affect your coverage please return payment or notify your broker that you wish to renew your monthly pay plan. Please mail to:

ALIGNED Insurance Inc.  
380 Jamieson Parkway  
Suite 11  
Cambridge, ON N3C 4N4  
Tel: (866) 287-0448

### A. Payment in full

Send cheque or money order for \$98,820.00. Make all cheques payable to ALIGNED Insurance Inc.. Payment is due the effective date of the insurance coverage.

### B. Credit Card

To complete your payment by credit card go to [www.PolicyPayments.com/ALIGNED](http://www.PolicyPayments.com/ALIGNED) and enter ID: 1786888 and follow directions on screen. An administration fee may apply.

### C. Monthly Installments

TOTAL PREMIUMS INCL. TAX	DOWN PAYMENT	11 INSTALLMENTS OF	FINANCE CHARGE	FLAT RATE*	APPLICATION FEE
\$98,820.00	\$8,547.93	\$8,480.55	\$3,013.98	3.05%	\$0.00

\* The flat rate represents an annual percentage of [6.62%] and is calculated by dividing the finance charge by the total premium. This amount is booked on a declining balance and accrues interest from the effective dates of the policy. Interest under this Agreement is stated at an annual rate, calculated monthly.

Transactions related to this payment plan will appear on your bank statement as FIRST INSURANCE.

The down payment of \$8,547.93 is to be paid immediately upon receipt of contract. The amount financed is \$90,272.07 plus finance charges of \$3,013.98 which is to be paid by Pre-authorized Chequing (attach VOID cheque) in 11 installments of \$8,480.55 per month starting 20 January, 2020.

Note: Past due installments will be withdrawn immediately upon receipt of the contract and VOID cheque. If requested the down payment may also be collected by Pre-authorization Chequing.

#### Processing note to broker:

To proceed with renewal of the monthly payment plan log in to FIRST InSite at <https://ficdn.first-quotes.com/Login.aspx> and submit renewal.

- No client signature is required for this renewal
- Notice of acceptance will be issued to the client and brokerage once renewal is submitted

This is **Exhibit "F"** to the affidavit of  
Ghulam Memon sworn before me via  
~~Zoom~~ this 26<sup>th</sup> day of October, 2020

*FaceTime*

A Commissioner, etc.



Gary Rivard, Senior Lawyer  
Direct Line: 514-397-6838  
gary.rivard@bcf.ca

Montreal, September 24, 2020

BY EMAIL  
WITHOUT PREJUDICE

M<sup>re</sup> Joël Turgeon  
Goldman Sloan Nash & Haber LLP  
480 University Avenue  
Suite 1600  
Toronto (Ontario) M5G 1V2

Re : Royal Bank of Canada and Montreal Trampoline Incorporated, Laval Trampoline Incorporated and Fun & Fitness Trampoline Inc. (collectively, the “**Debtors**”)  
Our file: 37079-1916

---

Dear confrère,

As discussed in our recent telephone conversation, you will find attached hereto the Notices of the intention to enforce securities under section 244 of the *Bankruptcy and Insolvency Act* (the “**244 Notices**”) regarding the Debtors.

We understand that you have received instructions from your clients to acknowledge receipt of same in lieu of formal service at their place of business in the Province of Québec given the fact that they have shut down their operations.

Notwithstanding the foregoing, we also expect to receive a signed copy of the acknowledgment and waiver attached to the 244 Notices and return a copy of same to the undersigned at your earliest convenience.

Furthermore, we have been in contact with the landlords for the premises located in Dorval and Laval, Québec, in order to inform them of the situation and the rights of our client. Both landlords have informed us that, for the moment, given the fact that their clients have not filed for bankruptcy and that the leases have not been terminated, that your clients remain in full possession of the premises and that it was difficult for them to give the Bank access in order to conduct an inventory and valuation of the assets, which were abandoned by your clients.

In the circumstances, we request your clients’ immediate cooperation in order to give the Bank’s representative immediate access to the premises so that all arrangements to that effect may be made without further delay. This is specifically stipulated in the security documents granted by your clients or in the relevant leasing documents.

We also remind your clients that they have obligations as Debtors or as guarantors of the various debts to cooperate with the Bank in order to insure the maximum realization of the assets subject to its security.

We therefore expect that you will contact your clients and revert to us without delay so we can make the necessary arrangements to take an inventory and obtain a valuation of the assets.



BCF Business Law  
25th Floor  
1100 René-Lévesque BLVD. W.  
Montreal, Quebec H3B 5C9  
T. 514 397-8500  
F. 514 397-8515

BCF Business Law  
Complexe Jules-Dallaire, T1  
2828 Laurier BLVD., 12th Floor  
Quebec, Quebec G1V 0B9  
T. 418 266-4500  
F. 418 266-4515

bcf.ca

In the meantime, we remain yours truly.

**BCF LLP**

A handwritten signature in black ink, appearing to read "Gary Rivard", is centered within a light beige rectangular background.

Gary Rivard

GR/ne

**NOTICE OF INTENTION TO ENFORCE SECURITY**  
**(Section 244(1) of the Bankruptcy and Insolvency Act and Rule 124 of the**  
**Bankruptcy and Insolvency Rules)**

WITHOUT PREJUDICE  
BY EMAIL

TO: **FUN AND FITNESS TRAMPOLINES INC.** (the “Insolvent person”)  
2100, aut. Félix-Leclerc  
Dorval (Québec) H9P 2N4

**TAKE NOTICE** that:

1. **ROYAL BANK OF CANADA** intends to enforce the following securities on the assets of the Insolvent person which are further described in Schedule « A » attached hereto;
2. The securities that will be enforced are as follows:
  - a) General Security Agreement dated October 25, 2017 filed and recorded in the Province of Ontario under Registration Numbers 20171010104315299354 (file #732758445) and 20171026 143515307284 (file #733346415).  
  
 (“Security”)
3. The amount of indebtedness secured by the Security is, as of September 16, 2020, **\$347,741.35** in principal plus interests and fees, the whole further to a Loan Agreement dated October 5, 2017, consented to the Insolvent Person. This amount is furthermore subject to further interest and fees and is also subject to readjustment.
4. The secured creditor shall not enforce the security in respect to which the present notice is sent until the expiry of ten (10) days, unless the Insolvent person consents to an earlier enforcement of the Security.

SIGNED in Montreal (Quebec), this 17 day of September, 2020

**ROYAL BANK OF CANADA**

By : 

**Me Gary Rivard**

Gary.rivard@bcf.ca

BCF LLP

1100, René-Lévesque Blvd. W., 25th Floor

Montréal (Québec) H3B 5C9

telephone : 514 397-6838

fax : 514-397-8515

Attorneys for Royal Bank of Canada

Our reference : 37079-1916



**ACKNOWLEDGMENT AND CONSENT**  
(Bankruptcy and Insolvency Act, Section 244(1))

**TO: ROYAL BANK OF CANADA**

**FUN AND FITNESS TRAMPOLINES INC.** hereby acknowledges having received a copy of the present Notice and hereby renounce to any right to received further services or notification of the present Notice.

**FUN AND FITNESS TRAMPOLINES INC.** further consents to the earlier and immediate enforcement of the Security mentioned in the present Notice, the whole in accordance with section 244(2) BIA, and hereby expressly waives the ten (10) day delay notice period set forth in the aforesaid notice.

DATED this \_\_\_\_ day of September, 2020

**FUN AND FITNESS TRAMPOLINES INC.**

Per: \_\_\_\_\_  
Name:  
Title: President

**SCHEDULE « A »**

PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 09/16/2020  
TIP73505 DISPLAY 1C REGISTRATION - SCREEN 1 13:05:28  
ACCOUNT : 009313-0001 FAMILY : 2 OF 3 ENQUIRY PAGE : 3 OF 5  
FILE CURRENCY : 15SEP 2020  
SEARCH : BD : FUN AND FITNESS TRAMPOLINES INC.

00 FILE NUMBER : 732758445 EXPIRY DATE : 10OCT 2022 STATUS :  
01 CAUTION FILING : PAGE : 01 OF 001 MV SCHEDULE ATTACHED :  
REG NUM : 20171010 1043 1529 9354 REG TYP: P PPSA REG PERIOD: 5  
02 IND DOB : IND NAME:  
03 BUS NAME: FUN AND FITNESS TRAMPOLINES INC.

04 ADDRESS : 150 GATEWAY PARK DRIVE OCN :  
CITY : KITCHENER PROV: ON POSTAL CODE: N2P 2J4  
05 IND DOB : IND NAME:  
06 BUS NAME:

07 ADDRESS : OCN :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
ROYAL BANK OF CANADA

09 ADDRESS : 7101 PARC AVENUE, 5TH FLOOR  
CITY : MONTREAL PROV: QC POSTAL CODE: H3N 1X9  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 X X X X X  
YEAR MAKE MODEL V.I.N.

11  
12  
GENERAL COLLATERAL DESCRIPTION

13  
14  
15  
16 AGENT: CANADIAN SECURITIES REGISTRATION SYSTEMS  
17 ADDRESS : 4126 NORLAND AVENUE  
CITY : BURNABY PROV: BC POSTAL CODE: V5G 3S8

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PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 09/16/2020  
TIP73505 DISPLAY 1C REGISTRATION - SCREEN 1 13:05:28  
ACCOUNT : 009313-0001 FAMILY : 3 OF 3 ENQUIRY PAGE : 4 OF 5  
FILE CURRENCY : 15SEP 2020  
SEARCH : BD : FUN AND FITNESS TRAMPOLINES INC.

00 FILE NUMBER : 733346415 EXPIRY DATE : 26OCT 2022 STATUS :  
01 CAUTION FILING : PAGE : 01 OF 002 MV SCHEDULE ATTACHED :  
REG NUM : 20171026 1435 1530 7284 REG TYP: P PPSA REG PERIOD: 5  
02 IND DOB : IND NAME:  
03 BUS NAME: FUN AND FITNESS TRAMPOLINES INC.

OCN :  
04 ADDRESS : 150 GATEWAY PARK DRIVE  
CITY : KITCHENER PROV: QC POSTAL CODE: N2P 2J4  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :  
ROYAL BANK OF CANADA

09 ADDRESS : 7101 PARC AVENUE, 5TH FLOOR  
CITY : MONTREAL PROV: QC POSTAL CODE: H3N 1X9  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 X  
YEAR MAKE MODEL V.I.N.

11  
12  
GENERAL COLLATERAL DESCRIPTION  
13 PRIORITY AGREEMENT DATED OCTOBER 12, 2017 BETWEEN BANK OF MONTREAL/  
14 BANQUE DE MONTREAL AND ROYAL BANK OF CANADA REGARDING PPSA  
15 REGISTRATION NO. 20171010104315299354 FILE NUMBER NO.732758445 FOR  
16 AGENT: CANADIAN SECURITIES REGISTRATION SYSTEMS  
17 ADDRESS : 4126 NORLAND AVENUE  
CITY : BURNABY PROV: BC POSTAL CODE: V5G 3S8

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PSSME02 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 09/16/2020  
TIP73505 DISPLAY 1C REGISTRATION - SCREEN 1 13:05:28  
ACCOUNT : 009313-0001 FAMILY : 3 OF 3 ENQUIRY PAGE : 5 OF 5  
FILE CURRENCY : 15SEP 2020  
SEARCH : BD : FUN AND FITNESS TRAMPOLINES INC.

00 FILE NUMBER : 733346415 EXPIRY DATE : 26OCT 2022 STATUS :  
01 CAUTION FILING : PAGE : 02 OF 002 MV SCHEDULE ATTACHED :  
REG NUM : 20171026 1435 1530 7284 REG TYP: REG PERIOD:  
02 IND DOB : IND NAME:  
03 BUS NAME:

OCN :  
04 ADDRESS :  
CITY : PROV: POSTAL CODE:  
05 IND DOB : IND NAME:  
06 BUS NAME:

OCN :  
07 ADDRESS :  
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS :  
CITY : PROV: POSTAL CODE:  
CONS. MV DATE OF OR NO FIXED  
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE  
10 YEAR MAKE MODEL V.I.N.

11  
12  
GENERAL COLLATERAL DESCRIPTION  
13 OUR CUSTOMER FUN AND FITNESS TRAMPOLINES INC.  
14

15  
16 AGENT:  
17 ADDRESS :  
CITY : PROV: POSTAL CODE:

LAST SCREEN

PSSME01 PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM 09/16/2020  
TIP73505 ENQUIRY REQUEST 13:05:28

FILE CURRENCY 15SEP 2020  
CHANGE ACCOUNT (Y/N) : ACCOUNT NUMBER : 009313 0001 ACCOUNT CODE : ESCVFDE

SEARCH TYPE (BD,IN,IS,MV) :  
SEARCH CRITERIA :

SUB-SEARCH  
RETRIEVE REGISTRATIONS RECORDED SINCE (DDMMYYYY) :  
RESPONSE TYPE (V,P) : V RESPONSE LANGUAGE (E,F) : E PICK-UP CODE :  
RESPONSE MAILING ADDRESS  
NAME :  
:  
ADDRESS :  
CITY : PROV :  
POSTAL CODE :  
PRINT RESPONSE LOCALLY (Y/N) : N  
ENQUIRY FOR "FUN AND FITNESS TRAMPOLINES INC." ENDED

**TO:**  
**FUN AND FITNESS TRAMPOLINES INC.**

**FROM:**  
**ROYAL BANK OF CANADA**

**Notice of Intention to Enforce Securities  
(Section 244(1) of the Bankruptcy and  
Insolvency Act and Rule 124 of the  
Bankruptcy and Insolvency Rules)**

**FUN AND FITNESS TRAMPOLINES INC.**  
2100, aut. Félix-Leclerc  
Dorval (Québec) H9P 2N4

**Me Gary Rivard**  
gary.rivard@bcf.ca


**Our file: 37079-1916**



1100 René-Lévesque Blvd. West, 25<sup>th</sup> Floor  
MONTREAL, QUEBEC, CANADA  
H3B 5C9  
Tel: (514) 397-6838  
Fax: (514) 397-8515

**BB 7462**

This is **Exhibit "G"** to the affidavit of  
Ghulam Memon sworn before me via  
~~Zoom~~ this 26<sup>th</sup> day of October, 2020  
Facsimile



A Commissioner, etc.

## FUN AND FITNESS TRAMPOLINES INC.

## Cash Flow Projection

For the period from October 26, 2020 to January 18, 2021 (C\$, Unaudited)

For The Week Beginning	26-Oct	2-Nov	9-Nov	16-Nov	23-Nov	30-Nov	7-Dec	14-Dec	21-Dec	28-Dec	4-Jan	11-Jan	18-Jan	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Opening Cash Balance</b>	<b>3,549</b>	<b>8,444</b>	<b>39,045</b>	<b>59,319</b>	<b>28,383</b>	<b>36,561</b>	<b>31,622</b>	<b>72,493</b>	<b>40,448</b>	<b>40,827</b>	<b>39,539</b>	<b>60,092</b>	<b>48,025</b>	<b>3,549</b>
<b>Receipts</b>														
Store Sales	11,902	11,250	11,023	10,432	10,342	10,432	10,432	10,232	10,321	15,543	14,321	10,231	10,320	146,781
DIP Facility Advances (Note 1)	20,000	-	30,000	-	30,000	-	20,000	-	20,000	-	-	20,000	-	140,000
COVID-19 Federal Wage Subsidy	-	-	-	17,750	-	-	-	17,500	-	-	-	17,750	-	53,000
Rent Subsidy	-	28,395	-	-	-	-	28,395	-	-	-	28,395	-	-	85,184
<b>Total Receipts</b>	<b>31,902</b>	<b>39,645</b>	<b>41,023</b>	<b>28,182</b>	<b>40,342</b>	<b>10,432</b>	<b>58,827</b>	<b>27,732</b>	<b>30,321</b>	<b>15,543</b>	<b>42,716</b>	<b>47,981</b>	<b>10,320</b>	<b>424,965</b>
<b>Disbursements</b>														
Payroll and source deductions	11,200		11,356		11,560		11,500		11,900		12,201		12,450	82,167
Royalties		1,621		1,502		1,454		1,446		1,810		1,719		9,552
Rent				47,300		47,300		47,300		47,300		47,300		141,900
HST	1,047	963	933	856	844	856	856	830	842	1,521	1,362	830	842	12,582
Utilities - Gas & Hydro	1,700		1,700		1,700		1,700		1,700		1,700		1,700	11,900
Utilities - Phone & Internet	210	210	210	210	210	210	350	350	350	350	350	350	350	3,710
Authorized/Mercury debit and credit	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	15,600
Office and maintenance	50	50	50	50	50	50	350	350	350	350	350	350	350	2,750
Interest & Bank Charges	50	50	50	50	50	50	50	50	50	50	50	50	50	650
Professional Fees		3,000	3,000	3,000	3,000	3,000		3,000	3,000		3,000	3,000		27,000
Liability Insurance				8,600		8,600		8,600					8,600	25,800
Management fee	4,000					4,000				4,000				12,000
Marketing	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	15,600
Centredge annual fee installmen	2,600					2,600				2,600				7,800
Centredge Monthly fee			300					300				300		900
Socks and Stickers	3,000				3,000					3,000				9,000
Birthday supplies				3,000				3,000				3,000		9,000
Food Costs	750	750	750	750	750	750	750	750	750	750	750	750	750	9,750
<b>Total Disbursements</b>	<b>27,007</b>	<b>9,043</b>	<b>20,749</b>	<b>59,118</b>	<b>32,164</b>	<b>15,370</b>	<b>17,956</b>	<b>59,777</b>	<b>29,942</b>	<b>16,831</b>	<b>22,163</b>	<b>60,049</b>	<b>27,492</b>	<b>397,661</b>
<b>Net cash inflow/(outflow)</b>	<b>4,895</b>	<b>30,601</b>	<b>20,274</b>	<b>(30,936)</b>	<b>8,178</b>	<b>(4,938)</b>	<b>40,870</b>	<b>(32,045)</b>	<b>379</b>	<b>(1,288)</b>	<b>20,553</b>	<b>(12,068)</b>	<b>(17,172)</b>	<b>27,304</b>
<b>Closing Cash Balance (Note 1)</b>	<b>8,444</b>	<b>39,045</b>	<b>59,319</b>	<b>28,383</b>	<b>36,561</b>	<b>31,622</b>	<b>72,493</b>	<b>40,448</b>	<b>40,827</b>	<b>39,539</b>	<b>60,092</b>	<b>48,025</b>	<b>30,853</b>	<b>30,853</b>

## Note:

1- In the event of a deficit, the DIP Investor will invest the funds as needed



# TAB 3

Estate No. 35-2677628

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE • ) FRIDAY, THE 30<sup>th</sup>  
 )  
JUSTICE • ) DAY OF OCTOBER, 2020  
 )

**IN THE MATTER OF THE NOTICE OF INTENTION TO  
MAKE A PROPOSAL OF FUN AND FITNESS  
TRAMPOLINES INC., A CORPORATION  
INCORPORATED UNDER THE CANADIAN BUSINESS  
CORPORATIONS ACT**

**ORDER  
(Approval of Sale Process)**

**THIS MOTION**, made by Fun and Fitness Trampolines Inc. (“**FFT**”), pursuant to Section 65.13 of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”), for an order, among other things, **(i)** approving a “stalking horse” sale process substantially on the terms set out in Schedule “A” hereto (the “**Sale Process**”), **(ii)** approving the “stalking horse” asset purchase agreement (the “**Stalking Horse APA**”) entered into on October 26 , 2020 between the FFT and 2786323 Ontario Inc., (the “**Purchaser**”), for the purpose of constituting a stalking horse bid under the Sale Process, and **(iii)** approving the break fee (the “**Break Fee**”) set out in Section 6.4 of the Stalking Horse APA, was heard this day via teleconference due to the COVID-19 pandemic.

**ON READING** the Motion Record of FFT, the first report of Crowe Soberman Inc., in its capacity as proposal trustee of FFT (the “**Trustee**”), dated October • , 2020 (the “**First Report**”) and the Appendices thereto, and on hearing the submissions of counsel for FFT, counsel for the Proposal Trustee, no one else appearing although duly served as appears from the Affidavit of Service of [NAME] sworn [DATE], filed:

## **SERVICE**

1. **THIS COURT ORDERS** that the timing and method of service of the Notice of Motion, the Motion Record and the First Report is hereby abridged and validated and this Motion is properly returnable today.

2. **THIS COURT ORDERS** that FFT, the Trustee and/or their lawyers are at liberty to serve or distribute this Order and any other materials and orders as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding true copies thereof by electronic message to FFT's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation and notice requirements within the meaning of section 3(c) of the *Electronic Commerce Protection Regulations*, SOR/2013-221.

## **APPROVAL OF SALE PROCESS AND STALKING HORSE APA**

3. **THIS COURT ORDERS** that the Sale Process is hereby approved and the Trustee is hereby authorized and directed to take such steps as it deems necessary or advisable (subject to the terms of the Sale Process) to carry out the Sale Process, subject to prior approval of this Court being obtained before completion of any transaction(s) under the Sale Process.

4. **THIS COURT ORDERS** that the execution, delivery, entry into, compliance with, and performance by FFT of the Stalking Horse APA be and is hereby ratified, authorized and approved.

5. **THIS COURT ORDERS** that the Break Fee set out in Section 6.4 of the Stalking Horse APA is approved and that the Stalking Horse APA is hereby approved solely for the purposes of standing as the Stalking Horse Bid in the Sale Process, provided that if the Purchaser is the successful bidder under the Sale Process, implementation of the transaction contemplated by the Stalking Horse APA will be subject to the Court's approval upon further motion by FFT.

6. **THIS COURT ORDERS** that FFT and the Trustee their respective employees, advisors, agents or other representatives ("**Representatives**") shall have no personal or corporate liability in connection with the Sale Process.

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Trustee, FFT and their Representatives are hereby authorized and permitted to disclose and transfer to each potential bidder (the “**Bidders**”) and to their Representatives, if requested by such Bidders, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in FFT’s records pertaining to FFT’s past and current employees, but only to the extent desirable or required to negotiate or attempt to complete a sale pursuant to the Sale Process (a “**Sale**”). Each Bidder or Representative to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Sale, and if it does not complete a Sale, shall return all such information to the Trustee, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Trustee. The Successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the transaction(s) contemplated in the Winning Bid(s) (as defined in the Sale Process), shall be entitled to use the personal information provided to it that is related to the assets acquired pursuant to the Sale Process in a manner that is in all material respects identical to the prior use of such information by FFT, and shall return all other personal information to the Trustee, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Trustee.

**GENERAL**

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or the United States, to give effect to this Order and to assist FFT, the Trustee, the Purchaser and their respective 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 FFT and to the Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Trustee in any foreign proceeding, or to assist FFT and the Trustee and their respective agents in carrying out the terms of this Order.

9. **THIS COURT ORDERS** that each of FFT, the Trustee and the Purchaser shall be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

10. **THIS COURT ORDERS** that this Order is effective from today's date and is not required to be entered.

---



## Schedule “A” – Sale Process

1. Definitions. All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Stalking Horse APA
2. Advertisement. Not later than five (5) Business Days after the Sale Process Order is granted, the Trustee shall advertise for sale the Purchased Assets in The **National Post (National Edition)** and distribute a teaser document to potential interested parties.
3. Due Diligence. Not later than five (5) Business Days after the Sale Process Order is granted, the Trustee shall make available to prospective purchasers (collectively, the “**Prospective Purchasers**”), upon receipt of an executed confidentiality agreement from a Prospective Purchaser, access to a data room containing information reasonably required by Prospective Purchasers to consider submitting an offer for the Purchased Assets and facilitate the conduct of due diligence by the Prospective Purchasers. The Purchaser may have access to the data room.
4. Bid Deadline. Any offers to purchase the Purchased Assets must be submitted in writing to and received by the Proposal Trustee at Crowe Soberman Inc., 2 St. Clair Ave. East, Suite 1100 Toronto, ON M4T 2T5, attention: Hans Rizarri, or by email at hans.rizarri@crowesoberman.com, by 5:00pm (Toronto time) on November 30, 2020 (the “**Bid Deadline**”)
5. Qualified Bid. The Trustee in its sole discretion shall determine whether any offers are “**Qualified Bids**”. A Qualified Bid shall mean an offer to purchase substantially all of the Purchased Assets which is substantially the same or better than the Agreement, provided that no offer shall qualify as a Qualified Bid unless it meets, among other things, the following minimum criteria:
  - a. the Prospective Purchaser and the representatives thereof who are authorized to appear and act on its behalf must be sufficiently identified and written evidence of the offeror’s chief officer or other appropriate senior executive’s approval of the contemplated transaction must be submitted with the offer;
  - b. the offer must be submitted in writing and include a blackline of the offer to the Agreement, reflecting the Prospective Purchaser’s proposed changes and a written commitment to close on the terms and conditions set forth therein;
  - c. the offer must be accompanied by a deposit in the form of certified cheque payable to the Proposal Trustee which is equal to at least 10% of the aggregate purchase price payable under the offer;
  - d. the offer must be open for acceptance by the Vendor until five (5) Business Days after the Auction (as hereinafter defined) or later;
  - e. the offer must be on terms no less favourable and no more burdensome or conditional than the Agreement and shall not contain any provisions for a break fee or expense reimbursement;
  - f. the offer must not contain any contingency relating to due diligence or financing or any other material conditions precedent to the offeror’s obligation to complete the transaction that are not otherwise contained in the Agreement;



12. Modifications. Subject to the Sale Process Order, the Trustee shall have the right to adopt such other rules for the Sale Process, that, in its sole discretion, will better promote the goals of the Sale Process.

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF FUN AND FITNESS TRAMPOLINES INC., A  
CORPORATION INCORPORATED UNDER THE CANADIAN  
BUSINESS CORPORATIONS ACT**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**Proceeding commenced in LONDON**

**ORDER  
(Approval of Sale Process)**

**GOLDMAN SLOAN NASH & HABER LLP**  
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**Joël Turgeon** (Member of the Bar of Quebec;  
Ontario Student-at-Law)

Lawyers for Fun and Fitness Trampolines Inc.

# TAB 4



**Estate No. 35-2677628**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE • ) FRIDAY, THE 30th  
JUSTICE • ) DAY OF OCTOBER, 2020

**IN THE MATTER OF THE NOTICE OF INTENTION TO  
MAKE A PROPOSAL OF FUN AND FITNESS  
TRAMPOLINES INC., A CORPORATION  
INCORPORATED UNDER THE CANADIAN BUSINESS  
CORPORATIONS ACT**

**ORDER  
(Administrative Order)**

**THIS MOTION**, made by Fun and Fitness Trampolines Inc. (“**FFT**”), pursuant to Section 65.13 of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”), for an order, among other things, extending the time for the Trustee (as defined below) to file with the Official Receiver, on behalf of FFT, a proposal to creditors pursuant to the *Bankruptcy and Insolvency Act* (the “**BIA**”), was heard this day via teleconference due to the COVID-19 pandemic.

**ON READING** the Motion Record of FFT, the first report of Crowe Soberman Inc., in its capacity as proposal trustee of FFT (the “**Trustee**”), dated October • , 2020 (the “**First Report**”) and the Appendices thereto, and on hearing the submissions of counsel for FFT, counsel for the Proposal Trustee, no one else appearing although duly served as appears from the Affidavit of Service of [NAME] sworn [DATE], filed:

## **SERVICE**

1. **THIS COURT ORDERS** that the timing and method of service of the Notice of Motion, the Motion Record and the First Report is hereby abridged and validated and this Motion is properly returnable today.

2. **THIS COURT ORDERS** that FFT, the Trustee and/or their lawyers are at liberty to serve or distribute this Order and any other materials and orders as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding true copies thereof by electronic message to FFT's creditors or other interested parties and their advisors.

For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation and notice requirements within the meaning of section 3(c) of the *Electronic Commerce Protection Regulations*, SOR/2013-221.

## **EXTENSION OF TIME TO FILE A PROPOSAL**

3. **THIS COURT ORDERS** that, pursuant to Section 50.4(9) of the BIA, the period within which FFT may file a proposal be and is hereby extended to December 17, 2020.

## **ADMINISTRATION CHARGE**

4. **THIS COURT ORDERS** that an Administration Charge over the property of FFT securing the professional fees and disbursements of counsel for FFT, the Trustee and the Trustee's counsel, in the amount of \$50,000 be and hereby is granted and approved.

5. **THIS COURT ORDERS** that the Administration Charge shall constitute a charge on the property and such Administration Charge shall rank first in priority on the property of FFT.

## **SEALING**

6. **THIS COURT ORDERS** that Confidential Exhibit "1" to the Affidavit of Ghulam Memon, sworn October 26 , 2020, be and hereby are sealed pending completion of a transaction to sell the assets of FFT as evidenced by the filing of a Certificate by the Trustee, or pending further Court Order..

**GENERAL**

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or the United States, to give effect to this Order and to assist FFT, the Trustee, the Purchaser and their respective 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 FFT and to the Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Trustee in any foreign proceeding, or to assist FFT and the Trustee and their respective agents in carrying out the terms of this Order.

8. **THIS COURT ORDERS** that each of FFT, the Trustee and the Purchaser shall be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

9. **THIS COURT ORDERS** that this Order is effective from today's date and is not required to be entered.

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**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF FUN AND FITNESS TRAMPOLINES INC., A  
CORPORATION INCORPORATED UNDER THE CANADIAN  
BUSINESS CORPORATIONS ACT**

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**Proceeding commenced in LONDON**

**ORDER  
(Administrative Order)**

**GOLDMAN SLOAN NASH & HABER LLP**  
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# TAB 5



Estate No. 35-2677628

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF FUN AND FITNESS TRAMPOLINES INC., A  
CORPORATION INCORPORATED UNDER THE CANADIAN  
BUSINESS CORPORATIONS ACT**

**SERVICE LIST  
(as at Oct. 26, 2020)**

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**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF FUN AND FITNESS TRAMPOLINES INC., A  
CORPORATION INCORPORATED UNDER THE CANADIAN  
BUSINESS CORPORATIONS ACT**

Estate No. 35-2677628

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**Proceedings commenced in London, Ontario**

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**MOTION RECORD  
(Extension of Time to File a Proposal,  
and Approval of Stalking Horse Sales Process)  
(returnable October 30, 2020)**

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