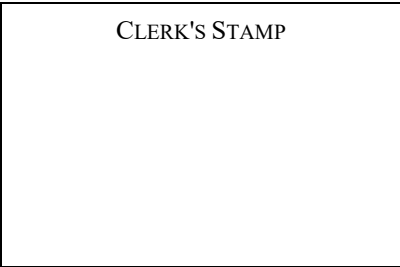


FORM 7
[RULE 3.8]



COURT FILE NUMBER 2001-07942
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

**IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C.
1985, c. C-36, as amended**

**AND IN THE MATTER OF THE PLAN OF
COMPROMISE OR ARRANGEMENT OF
KORITE INTERNATIONAL INC.**

DOCUMENT **APPLICATION (RE: STAY EXTENSION)**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT **BENNETT JONES LLP**
Barristers and Solicitors
4500 Bankers Hall East
855-2nd Street SW
Calgary, Alberta T2P 4K7

Attention: Chris Simard / Kelsey Meyer
Telephone No.: 403-298-4485 / 403-298-3323
Fax No.: 403-265-7219
Client File No.: 76784-6

NOTICE TO THE RESPONDENTS

This application is made against you. You are a respondent.
You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Date: Thursday, November 5, 2020
Time: 10:30 a.m.
Where: Calgary Courts Centre
601 – 5th Street SW, Calgary, AB T2P 5P7
Before: The Honourable Madam Justice K. M. Horner
as scheduled on the Commercial List

Go to the end of this document to see what you can do and when you must do it.

Remedy Claimed or Sought:

1. The applicant, Korite International Inc. ("**Korite**" or the "**Applicant**") is seeking an Order, pursuant to *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), substantially in the form attached hereto as **Schedule "A"** including the following relief, *inter alia*:
 - (a) abridging the time for service of this Application and supporting materials to the time actually given and deeming service of the Application and supporting materials to be good and sufficient;
 - (b) extending the stay of proceedings, as ordered and defined in paragraph 13 of the Third Amended and Restated Initial Order granted herein by this Honourable Court on September 23, 2020, to December 11, 2020 (the "**Extension of the Stay Period**"); and
 - (c) such further and other relief as this Honourable Court deems appropriate.

Grounds for making this Application

2. On June 30, 2020, the Applicant was granted certain relief under the CCAA pursuant to the Initial Order granted by the Honourable Madam Justice Horner (the "**Initial Order**"), which, among other things, granted a stay of proceedings in favour of Korite until and including July 10, 2020 (the "**Stay Period**").
3. Pursuant to the Initial Order, BDO Canada Limited (the "**Monitor**") was appointed Monitor of the Applicant.
4. On July 9, 2020, the Applicant was granted certain relief under the CCAA pursuant to an Amended and Restated Initial Order granted by the Honourable Madam Justice B.E.C. Romaine, and the Stay Period was extended to and including September 23, 2020.
5. On July 21, 2020, the Applicant was granted certain relief under the CCAA pursuant to a Second Amended and Restated Initial Order granted by the Honourable Madam Justice G.A. Campbell, and the Stay Period remained extended to and including September 23,

2020. Madam Justice Campbell also granted an Order approving a sale and investment solicitation process (the "**SISP**").

6. On September 23, 2020, the Applicant was granted certain relief under the CCAA pursuant to a Third Amended and Restated Initial Order, and, among other things, the Stay Period was further extended to and including November 6, 2020.
7. Since the granting of the Initial Order, Korite has taken significant steps to advance the restructuring, including but not limited to:
 - (a) cooperating with the Monitor to facilitate its monitoring of Korite's business and operations;
 - (b) communicating with various stakeholder groups and/or their advisors, including counsel for Canadian Imperial Bank of Commerce ("**CIBC**"), the Vendor Creditors (as defined in the Affidavit of Tim A. Bowman sworn June 24, 2020 in these proceedings), trade creditors, employees, contractors and others;
 - (c) working with the Monitor and Assurgo Enterprises Inc. ("**Assurgo**") to pursue the SISP which was approved by this Honourable Court on July 21, 2020; and
 - (d) continuing to operate and manage the business and operations of Korite in the ordinary course, subject to the terms of the Initial Order, as amended from time to time.
8. The timeline pursuant to the SISP originally contemplated a final bid deadline of October 9, 2020 (the "**Final Bid Deadline**"), and a final agreement deadline of October 16, 2020 (the "**Final Agreement Deadline**"), with Korite's application to this Court for approval of the contemplated transaction as soon as reasonably practicable thereafter, and closing of a successful transaction(s) within ten days of the approval order becoming a final order.
9. Pursuant to Sections 32 and 38 of the SISP, on the recommendation of Assurgo, and with the support of CIBC and the Vendor Creditors' Representative, on or around October 7, 2020, the Applicant and the Monitor extended:

- (a) the Final Bid Deadline to October 19, 2020 (the "**Extended Final Bid Deadline**"); and
 - (b) the Final Agreement Deadline to October 30, 2020 (the "**Extended Final Agreement Deadline**").
10. Multiple bids were received by the Extended Final Bid Deadline. The Applicant requires further time to negotiate and seek this Honourable Court's approval of a final agreement(s). The Applicant is advised that the Monitor and CIBC are supportive of the requested stay extension in order to permit this to occur.
 11. The Applicant, Assurgo, the Monitor, CIBC and the Vendor Creditors' Representative are in agreement that the Extended Final Agreement Deadline should be further extended to November 26, 2020 (the "Further Extended Final Agreement Deadline") to permit sufficient time for Korite to undertake and conclude, in a manner that promotes the best interests of Korite and all of its stakeholders, negotiations with the Qualified Bidders (as defined in the SISP) that submitted bids to acquire Korite's business as a going concern.
 12. Upon the further extension of the Extended Final Agreement Deadline, such that the new deadline for the execution of any Final Agreement(s) is the Further Extended Final Agreement Deadline, the requested extension of the Stay Period will correspond to the SISP timeline, such that, if the proposed extension of the Stay Period is approved, the Final Agreement(s) (as defined in the SISP) and Court approval of any transaction(s) resulting from the SISP would occur prior to December 11, 2020.
 13. Korite is working in good faith and with due diligence in these proceedings, it is in the best interests of the Korite and all of its stakeholders that the Stay Period be extended, no creditors will be materially prejudiced by the requested extension of the Stay Period, and it is appropriate in the circumstances to extend the Stay Period.

Affidavits or other evidence to be used in support of this application:

14. The Affidavit of Tim A. Bowman sworn the 24th day of June, 2020, filed;
15. The Affidavit No. 6 of Tim A. Bowman sworn the 26th day of October, 2020, filed;

16. The Fourth Report of the Monitor, to be filed; and
17. Such further and other evidence as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

18. The *Companies' Creditors Arrangement Act*, RSC 1985 c C-36 as amended (the "CCAA"); and
19. Such further and other Acts and regulations as counsel may advise.

Any irregularity complained of or objection relied on:

20. None.

How the application is proposed to be heard or considered:

21. Before the Honourable Madam Justice K. M. Horner in an application in Chambers on the Commercial List as scheduled.

WARNING

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

SCHEDULE "A"

Clerk's Stamp:



COURT FILE NUMBER
COURT
JUDICIAL CENTRE OF

2001-07942
COURT OF QUEEN'S BENCH OF ALBERTA
CALGARY

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.
C-36, as amended

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
KORITE INTERNATIONAL INC.

DOCUMENT

ORDER (STAY EXTENSION)

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT:

BENNETT JONES LLP
Barristers and Solicitors
4500, 855 – 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Chris Simard and Kelsey Meyer
Telephone No.: 403-298-4485 / 403-298-3323
Fax No.: 403-265-7219
Client File No.: 76784.6

**DATE ON WHICH ORDER WAS
PRONOUNCED:**

Thursday, November 5, 2020

**NAME OF JUDGE WHO MADE
THIS ORDER:**

The Honourable Madam Justice K. M. Horner

LOCATION OF HEARING:

Calgary Courts Centre
601 – 5th Street SW, Calgary, AB T2P 5P7

UPON the application of Korite International Inc. (the "**Applicant**"); **AND UPON** having read the Notice of Application; the Affidavit of Tim A. Bowman sworn June 24, 2020 and the Affidavit No. 6 of Tim A. Bowman sworn October 26, 2020, all filed; the Affidavit of Service of Allison Badger, to be filed; the Third Amended and Restated Initial Order, dated

September 23, 2020 (the "**Third Amended and Restated Initial Order**"); **AND UPON** reading the Fourth Report of the Monitor dated October 1, 2020; **AND UPON** hearing from counsel for the Applicant, counsel for Canadian Imperial Bank of Commerce ("**CIBC**"), counsel for the Monitor and counsel for other interested parties appearing at the application;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this order (the "**Order**") is hereby abridged and deemed good and sufficient and this application is properly returnable today.

INTERPRETATION

2. Unless otherwise stated, capitalized terms used but not otherwise defined in this Order shall have the meaning ascribed to such terms in the Third Amended and Restated Initial Order.

EXTENSION OF STAY

3. The Stay Period, as ordered and defined in paragraph 13 of the Third Amended and Restated Initial Order granted on September 23, 2020, is hereby extended until and including December 11, 2020.

SERVICE OF ORDER

4. Korite shall serve this Order on the persons listed on the service list by any of email, facsimile, courier, registered mail, regular mail, or personal delivery, and no persons other than those on the service list are required to be served with a copy of this Order.

J.C.Q.B.A. or Clerk of the Court