

I hereby certify this to be a true copy of
the original Order
Dated this 14 day of Dec 2020
Umneet
for Clerk of the Court



COURT FILE NUMBER 2001-07942
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE OF 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 (ASSIGNMENT OF ASSUMED
CONTRACTS)**

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: Kelsey Meyer
Telephone No.: 403-298-3323
Fax No.: 403-265-7219
Client File No.: 76784.6

**DATE ON WHICH ORDER WAS
PRONOUNCED:** Friday, December 11, 2020

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

The Honourable Mr. Justice D. B. Nixon

LOCATION OF HEARING:

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

UPON the application of Korite International Inc. ("Korite" or the "Applicant"); AND
UPON having read the Application and the Affidavit No. 7 of Tim A. Bowman sworn December

3, 2020, filed; the Affidavit of Service of Allison Endersby affirmed December 7, 2020, to be filed; the Initial Order dated June 30, 2020 (the "**Initial Order**"); the Third Amended and Restated Initial Order dated September 23, 2020 (the "**TARIO**"); the Fifth Report of BDO Canada Limited as the court-appointed monitor of the Applicant (the "**Monitor**") dated December 4, 2020, filed (the "**Fifth Report**"); and the Confidential Supplement to the Fifth Report; **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; **AND UPON** having granted, on this day, an Order (the "**AVO**") approving the sale of certain of the assets, undertakings and properties of Korite (the "**Purchased Assets**") pursuant to the Asset Purchase Agreement (the "**APA**") between Korite, as vendor, and Korite International Limited Partnership, a limited partnership formed under the laws of the Province of Alberta, as purchaser (the "**Purchaser**") dated December 1, 2020 (the "**Transaction**");

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 TARIO.

ASSIGNMENT OF ASSUMED CONTRACTS

3. Upon delivery by the Monitor to Korite and the Purchaser of the Monitor's Certificate (as defined in the AVO), all of the rights and obligations of Korite under and to the Assumed Contracts (as defined in the APA) listed on **Schedule "A"** hereto (the "**Assigned Contracts**") shall be assigned, conveyed and transferred to, and assumed by, the Purchaser pursuant to section 11.3 of the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**").

4. The assignment of the Assigned Contracts and any Additional Assigned Contracts (as defined herein) is declared valid and binding upon all of the counterparties to the Assigned Contracts or any Additional Assigned Contract notwithstanding any restriction, condition or prohibition contained in any such Assigned Contract relating to the assignment thereof, including any provision requiring the consent of any party to the assignment.
5. The assignment and transfer of the Assigned Contracts and any Additional Assigned Contracts shall be subject to the provisions of the AVO directing that all of Korite's right, title and interest in the Purchased Assets shall vest absolutely in the Purchaser free and clear of all Encumbrances (as defined in the AVO) other than Permitted Encumbrances (as defined in the AVO) in accordance with the provisions of the AVO.
6. No counterparty under any Assigned Contract or any Additional Assigned Contract, nor any other person, upon the assignment and transfer to, and assumption by, the Purchaser of the Assigned Contracts or any Additional Assigned Contract hereunder shall make or pursue any demand, claim, action or suit or exercise any right or remedy under any Assigned Contract or any Additional Assigned Contract against the Purchaser relating to:
 - (a) Korite having sought or obtained relief under the CCAA;
 - (b) the insolvency of Korite; or
 - (c) any failure by Korite to perform a non-monetary obligation under any Assigned Contract,and all such counterparties and persons shall be forever barred and estopped from taking such action. For greater certainty, nothing herein shall limit or exempt the Purchaser in respect of obligations accruing, arising or continuing after the Closing Date (as defined in the APA) under the Assigned Contracts other than in respect of items (a) – (c) above.

CURE COSTS

7. All monetary defaults in relation to the Assigned Contracts or any Additional Assigned Contract existing prior to the Closing Date, if any, other than those arising by reason only of the insolvency of Korite, the commencement of these CCAA proceedings or the failure

to perform a non-monetary obligation under any Assigned Contract, shall be paid by the Purchaser to the applicable counterparty on the Closing Date (or to the Monitor in trust on Closing for distribution to the applicable counterparty as soon as practicable thereafter).

ADDITIONAL ASSIGNMENTS

8. Following the date of this Order, including, for greater certainty, following the Closing, Korite is authorized to provide to the counterparty or counterparties to any additional Assigned Contract not listed in Schedule "A" hereto which is to be assigned to the Purchaser pursuant to the APA and in respect of which counterparty consent is required thereunder but not obtained (each an "**Additional Assigned Contract**") a notice of the assignment to and assumption by the Purchaser of such Additional Assigned Contract (each an "**Additional Assignment Notice**").
9. Any counterparty to an Additional Assigned Contract who receives an Additional Assignment Notice shall have seven (7) Business Days from the date of such Additional Assignment Notice (the "**Objection Deadline**") to provide notice to the Monitor and Korite of any objection it has to such assignment to and assumption by the Purchaser of the applicable Additional Assigned Contract.
10. If the Monitor and Korite do not receive any notice of objection to the assignment to and assumption by the Purchaser of an Additional Assigned Contract by the Objection Deadline, Korite shall be authorized to assign such Additional Assigned Contract to the Purchaser subject to paragraphs 3 to 7, inclusive, of this Order, which shall apply *mutatis mutandis* to the assignment and assumption of any Additional Assigned Contracts without any further Court order.
11. The applicable date of assignment and assumption of any Additional Assigned Contracts shall be the later of the date of service of the Additional Assignment Notice or delivery of the Monitor's Certificate (as defined in the AVO).
12. If a notice of an objection to the assignment to and assumption by the Purchaser of an Additional Assigned Contract is received by the Monitor and Korite from the counterparty

to such Additional Assigned Contract by the Objection Deadline, Korite is authorized to schedule an application with the Court for the resolution of such objection.

MISCELLANEOUS MATTERS

13. For greater certainty and without limiting the terms of the AVO, notwithstanding:
 - (a) the pendency of these proceedings and any declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**"), in respect of Korite, and any bankruptcy order issued pursuant to any such applications;
 - (c) any assignment in bankruptcy made in respect of Korite; and
 - (d) the provisions of any federal or provincial statute;

the vesting of the Assigned Contracts and any Additional Assigned Contracts in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Korite and shall not be void or voidable by creditors of Korite, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, 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.

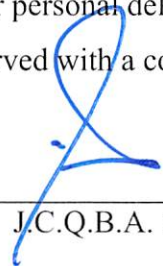
14. Notwithstanding any other provision of this Order, Korite shall continue to be entitled to exercise all of its rights to set-off (or any other contractual rights) and apply any and all post-filing amounts to which Korite owes or may come to owe to any party, as the case may be, as against any amounts that are owed by such party to Korite.
15. Korite and the Monitor shall be at liberty to apply for further advice, assistance and direction as may be necessary or desirable in order to give full force and effect to the terms of this Order, including without limitation, as necessary to effect the transfer of the

Assigned Contracts or any Additional Assigned Contracts, the interpretation of this Order or the implementation thereof, and for any further order that may be required, on notice to any party likely to be affected by the order sought on such notice as this Court required.

16. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories, the United States of America or in any other foreign jurisdiction, to act in aid of and to be complementary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist Korite, the Monitor 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 order and to provide such assistance to Korite and the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist Korite and its agents in carrying out the terms of this Order.

SERVICE OF ORDER

17. 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

SCHEDULE "A"

Contract Counterparty	Description of Services Delivered to Vendor pursuant to Contract	Amount Payable to such Counterparty in connection with Contract	Tax Payable in connection with Contract	Payment Schedule	Contract Type
Liberty Security Systems	Security Monitoring	\$ 167.97	\$ 8.40	quarterly	written
Mezzo Interactive	Advertising Signage	\$ 600.00	\$ 30.00	monthly	verbal
Shaw Cable	Cable & Internet	\$ 180.00	\$ 9.00	monthly	written
Shaw Business	Telephone	\$ 1,035.10	\$ 51.76	monthly	written
Telus Mobility	Cellphone	\$ 80.44	\$ 4.02	approx monthly	verbal
Rogers wireless	Cellphone	\$ 132.88	\$ 6.64	monthly	verbal
Britech Janitorial	Cleaning Services	\$ 390.00	\$ 19.50	monthly	verbal
Storage Mart	Storage	\$ 283.96	\$ 14.20	monthly	verbal