

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL
No. 500-11-062362-237
DATE: October 27, 2023

PRESIDING : THE HONOURABLE KAREN M. ROGERS, J.S.C.

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT* OF:
ÉBÉNISTERIE ST-URBAIN LTÉE.**

-and-

WOODLORE INTERNATIONAL INC.

-and-

EURO-RITE CABINETS LTD.

Debtors

-and-

**THE REGISTRAR FOR THE REGISTER OF PERSONAL AND MOVABLE REAL RIGHTS
(QUÉBEC)**

-and-

WILLIAM M. MELNIK

-and-

THE MELNIK FAMILY TRUST 2043

-and-

TAYCO OFFICE FURNISHINGS INC

-and-

9501-8388 QUÉBEC INC.

-and-

9501-8412 QUÉBEC INC.

Mis-en-Cause

-and-

RAYMOND CHABOT INC.

Monitor

APPROVAL AND REVERSE VESTING ORDER

- [1] **ON READING** the Monitor's *Application for the Issuance of an Approval and Vesting Order and a Fourth Amended and Restated Initial Order* (the "**Application**"), the affidavit and the exhibits in support thereof, as well as the "*Quatrième rapport du contrôleur portant sur l'état des affaires et des finances de Groupe EBSU*" (the "**Report**") of Raymond Chabot Inc. (the "**Monitor**"), acting as monitor of Ébénisterie St-Urbain Ltée, Woodlore International Inc. and Euro-Rite Cabinets Ltd. (collectively, the "**Debtors**" or the "**Companies**"), pursuant to the Initial Order dated May 12, 2023, as amended and restated on May 24, 2023, June 16, 2023 and October 6, 2023 (the "**Initial Order**");
- [2] **CONSIDERING** the notification of the Application to the service list;
- [3] **CONSIDERING** the submissions of counsel present at the hearing on the Application and the testimony of the Monitor's representative;
- [4] **CONSIDERING** the order approving a sale and investment solicitation process in respect of the Debtors, granted by this Court on June 16, 2023;
- [5] **GIVEN** the provision of the *Companies' Arrangement Act*, R.S.C. 1985, C-36, as amended (the "**CCAA**");
- [6] **GIVEN** that it is appropriate to issue an order approving, *inter alia*:
- (a) the subscription and transfer of assets and other transactions (collectively, the "**Transaction**") contemplated in the Investment Agreement (the "**Agreement**") entered into on October 24, 2023, between the Debtors and William M. Melnik ("**Melnik**"), the Melnik Family Trust 2043 ("**Melnik Trust**") and Tayco Office Furnishings Inc. ("**Tayco**"), and collectively with Melnik and Melnik Trust, the "**Investors**", a copy of which was communicated, *under seal*, as **Exhibit R-2** to the Application, and providing, *inter alia*, for the vesting of all the Excluded Assets and Excluded Contracts (as these terms are defined in the Agreement) in 9501-8388 Québec Inc. ("**ResidualCo. 1**") and the Excluded Liabilities (as defined in the Agreement) in 9501-8412 Québec Inc. ("**ResidualCo. 2**"); and
 - (b) the pre-closing reorganization steps contemplated in the Agreement and listed in paragraphs [14], [15] and [16] and of this Order (the "**Pre-Closing Reorganization**").

WHEREFORE, THE COURT:

- [7] **GRANTS** the Application;
- [8] **ORDERS** that, unless otherwise indicated or defined herein, capitalized terms used in this order (the "**Order**") shall have the meanings ascribed to them in the Agreement;

NOTIFICATION

- [9] **ORDERS** that any prior delay for the presentation of this Application is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof;

[10] **PERMITS** service of this Order at any time and place and by any means whatsoever;

APPROVAL OF THE TRANSACTION

[11] **ORDERS** and **DECLARES** that the Transaction is hereby approved, and the execution of the Agreement by each of the Debtors is hereby authorized and approved, with such non-material alterations, changes, amendments, deletions or additions thereto as may be agreed to by the parties thereto, but only with the consent of the Monitor;

[12] **AUTHORIZES** the Monitor, the Debtors and the Investors to perform all acts, sign all documents and take any necessary action to execute any agreement, contract, deed, provision, transaction or undertaking stipulated in the Agreement (Exhibit R-2) and any other ancillary document which could be required or useful to give full and complete effect thereto;

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

PRE-CLOSING REORGANIZATION

[14] **AUTHORIZES** and **RATIFIES** *nunc pro tunc* the incorporation by the Monitor of:

(c) ResidualCo. 1, a corporation under the *Business Corporations Act* (Québec), with authorized share capital consisting of a class of voting and fully participating common shares; and

(d) ResidualCo. 2, a corporation under the *Business Corporations Act* (Québec), with authorized share capital consisting of a class of voting and fully participating common shares.

[15] **AUTHORIZES** the Debtors, the Investors, the Monitor, ResidualCo 1 and ResidualCo 2 to implement and complete the Pre-Closing Reorganization in the manner, order and sequence specified in the Agreement with such alterations, changes, amendments, deletions or additions thereto by the Investors, with the prior consent of the Debtors and the Monitor, provided that such alterations, changes, amendments, deletions or additions do not reduce the consideration which the applicable stakeholders of the Debtors will benefit from as a result of the Transaction;

[16] **AUTHORIZES** the closing of the Transaction to take place in the following sequence:

(a) First, each Company shall file its Articles of Reorganization in order to: (i) amend the rights, privileges, restrictions and conditions attached to the Existing Shares in the capital of such Company to add an automatic redemption feature for no consideration which shall be deemed to be effected a moment in time prior to the issuance of the Subscribed Shares in accordance with the steps set forth in this Closing Sequence and the Approval and Reverse Vesting Order (the Deemed Redemption); (ii) create a new class of voting and participating common shares, unlimited in number, designated in each case as "Class "A" common shares" for issuance to the applicable Investor (such shares being the Subscribed Shares); (iii) pursuant to the Deemed Redemption of the Existing Shares, delete all previously authorized and unissued classes and series of shares in the capital of

such Company (other than the Class "A" common shares) and the rights, privileges, restrictions and conditions thereto, in order that, after giving effect to the foregoing, the class and maximum number of shares that such Company is authorized to issue shall consist of an unlimited number of Class "A" common shares; (iv) concurrently with the Deemed Redemption of the Existing Shares, cancel any and all agreements, contracts, plans, indentures, deeds, certificates, subscription rights, conversion rights, pre-emptive rights, voting rights, options (including stock option or share purchase or equivalent plans), trusts, warrants, or other documents or instruments governing, convertible or exchangeable into, and/or having been created or granted in connection with the share capital of each Company prior to the filing of the Articles of Reorganization, but excluding for greater certainty the Subscribed Shares issued pursuant to the steps set forth in this Order; (v) remove any and all directors and officers of such Company which were in office immediately prior to the Deemed Redemption; and (vi) provide that each of the foregoing amendments shall be deemed to take effect in the order in which they appear above;

- (b) Second, the Investors shall pay the unpaid portion of the cash portion of the Investment Amount to be held in escrow by the Monitor, on behalf of and for the benefit of the Debtors, and the entire Cash Consideration shall be dealt with in accordance with this Closing Sequence;
- (c) Third, shareholder of each of ResidualCo. 1 and ResidualCo. 2 shall be deemed to donate its shares in the capital of ResidualCo. 1 and ResidualCo. 2, respectively, for cancellation, and such shares shall be deemed cancelled immediately and the sole director of each of ResidualCo. 1 and ResidualCo. 2 shall be deemed to resign;
- (d) Fourth, the Companies shall be deemed to: (i) transfer to ResidualCo. 1 the Excluded Assets and the Excluded Contracts and ResidualCo. 1 shall issue the Excluded Assets and Contracts Promissory Note to the Companies; and (ii) transfer to ResidualCo. 2 the Excluded Liabilities, and the Companies shall issue the Excluded Liability Promissory Note to ResidualCo. 2, in each case, all pursuant to this Order;
- (e) Fifth, all Existing Shares as well as any agreement, contract, plan, indenture, trusts, deed, certificate, subscription rights, conversion rights, pre-emptive rights, voting rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing and/or having been created or granted in connection with the share capital of the Companies shall be deemed terminated and cancelled for no consideration in accordance with and pursuant to this Order;
- (f) Sixth, concurrently with the fifth step described above, each director and officer of each Company which was in office immediately prior to the Deemed Redemption shall be deemed to be removed from office effective as of the Deemed Redemption;
- (g) Seventh, concurrently with the fifth step described above, each of the Companies shall issue the applicable Subscribed Shares to the applicable Investor and such Investor shall subscribe for and purchase the applicable Subscribed Shares, and the Cash Consideration shall be released from escrow for the benefit of the

Companies, but shall continue to be held by the Monitor in escrow on the Companies' behalf to be distributed pursuant to the eighth step of this sequence; and

- (h) Eighth, the Monitor, on behalf and for the benefit of the Companies, shall satisfy the amount owing under the Excluded Liability Promissory Note using the Cash Consideration (including the Deposit), and the Companies irrevocably direct the Monitor to cause such payment to be made from the Cash Consideration (including the Deposit) held by the Monitor, subject to the completion of all other steps described in the Closing sequence, although such amounts shall continue to be held by the Monitor on behalf and for the benefit of, respectively, ResidualCo. 1 and ResidualCo. 2 for subsequent distribution to the Companies' creditors;

VESTING OF SUBSCRIBED SHARES AND TRANSFER OF EXCLUDED ASSETS, EXCLUDED CONTRACTS AND EXCLUDED LIABILITIES

- [17] **ORDERS and DECLARES** that upon the issuance of a Monitor's certificate substantially in the form appended as **Schedule "A"** hereto (the "**Closing Certificate**") all rights, title and interest in and to the Subscribed Shares shall vest absolutely and exclusively in and with the Investors, free and clear of and from any and all claims, liabilities (direct, indirect, absolute or contingent), obligations, interests, prior claims, security interests (whether contractual, statutory or otherwise), liens, charges, hypothecs, mortgages, pledges, deemed trusts, assignments, judgments, executions, writs of seizure or execution, notices of sale, options, adverse claims, levies, rights of first refusal or other pre-emptive rights in favour of third parties, restrictions on transfer of title, or other claims or encumbrances, whether or not they have attached or been perfected, registered, published or filed and whether secured, unsecured or otherwise (collectively, the "**Encumbrances**") including without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order; (ii) all charges, security interests or claims evidenced by registrations pursuant to *Civil Code of Québec* on movable or immovable property, the *Personal Property Security Act* (Ontario), and the *Personal Property Security Act* (British Columbia) or any other personal property registry system; and, **ORDERS** that all of the Encumbrances affecting or relating to the Subscribed Shares be expunged and discharged as against the Subscribed Shares, in each case effective as of the applicable time and date of the Closing Certificate;
- [18] **ORDERS and DECLARES** that, upon the issuance of the Closing Certificate, the following steps will take place or be deemed to take place in the sequence set forth in the Agreement or in any other agreement or document related to the Agreement:
 - (a) All rights, title and interest of the Companies in the Excluded Assets, listed on **Schedule "B"**, shall vest absolutely and exclusively in ResidualCo. 1 and all Encumbrances (as defined above) that were attached to the Excluded Assets immediately prior to the transfer of the Excluded Assets to ResidualCo.1 shall continue to attach to such Excluded Assets with the same nature and priority as they had immediately prior to the transfer of the Excluded Assets to ResidualCo. 1;
 - (b) All rights and obligation of the Companies pursuant to the Excluded Contracts, listed on **Schedule "C"**, shall be transferred to, assumed by and vest absolutely and exclusively in ResidualCo. 1, and all Encumbrances that were attached to the Excluded Contracts immediately prior to the transfer of the Excluded Contracts to

ResidualCo. 1 shall continue to attach to such Excluded Contracts with the same nature and priority as they had immediately prior to the transfer of the Excluded Assets to ResidualCo. 1; and

- (c) All Excluded Liabilities shall vest absolutely and exclusively in ResidualCo. 2, which is authorized to assume the Excluded Liabilities, listed on **Schedule "D"**, without consideration so that the Excluded Liabilities shall become obligations and liabilities of ResidualCo. 2, and not obligations or liabilities of the Companies, which shall be fully and finally discharged from the Excluded Liabilities.

[19] **ORDERS** that this Order constitutes the only authorization required by the Companies, ResidualCo 1 and ResidualCo 2, to proceed with vesting the Excluded Assets, the Excluded Contracts and the Excluded Liabilities in ResidualCo. 1 or ResidualCo. 2, as the case may be, and that no authorization from directors, shareholders or any regulatory authority, as the case may be, is required in connection with the foregoing;

[20] **ORDERS** and **DECLARES** that as of the date of issuance of the Closing Certificate:

- (a) All rights, title and interest in and to the Retained Assets shall remain in and with the Companies, free and clear of and from any Encumbrances, including without limiting the generality of the foregoing (i) any encumbrances or charges created by the Initial Order; (ii) all charges, security interests or claims evidenced by registrations pursuant to *Civil Code of Québec* on movable or immovable property, the *Personal Property Security Act* (Ontario), and the *Personal Property Security Act* (British Columbia) or any other personal property registry system but excluding, however, the permitted encumbrances, easements and restrictive covenants listed on **Schedule "E"**, the "**Permitted Encumbrances**"; and, **ORDERS** that all of the Encumbrances affecting or relating to the Retained Assets, other than the Permitted Encumbrances, be expunged and discharged as against the Retained Assets, in each case effective as of the applicable time and date of the Closing Certificate;
- (b) The commencement, prosecution, continuation or assertion, whether directly, indirectly, derivatively or otherwise, by any Person of any demand, claim, action, counterclaim, cross-claim, suit, arbitration, grievance, judgement or other right or remedy, including set-off (each, a "**Claim**") against one or more of the Companies in connection with the Excluded Assets, the Excluded Contracts and the Excluded Liabilities, whether before a court, administrative tribunal, arbitrator, other dispute resolver or otherwise, and whether such Claims are direct, indirect, absolute or contingent, exist today or arise in the future, shall be permanently restrained and enjoined, and the Companies and the Investors shall be released from all Claims, obligations or other Encumbrances relating to the Excluded Assets, Excluded Contracts and Excluded Liabilities. For greater certainty, any Person shall be forever barred from initiating or pursuing any Claim against the Companies, the Investors, the Subscribed Shares or the Retained Assets in any manner whatsoever, in connection with the Excluded Assets, the Excluded Contracts, the Excluded Liabilities or in connection with any other debts, claims or obligations discharged pursuant to this Order; Such prohibition shall not, however, preclude the rights of the Canada Revenue Agency (the "**CRA**") or of the Agence du revenu du Québec (the "**ARQ**") to effect compensation as provided in section [22] hereof;
- (c) Subject to the payment of the Cure Costs by the Investors or, where applicable, by

EBSU, on the Closing Date, or, where applicable, upon the terms of the distinct agreements contemplated at Section 2.6 of the Agreement (R-2), all Retained Contracts listed on **Schedule "F"** shall remain in full force and effect and all co-contracting parties to the Retained Contracts shall be deemed to have waived all rights and remedies resulting from any change of control of the Companies, any actual or potential default caused by the insolvency of the Issuers or the filing by the latter of the CCAA Proceedings or any direct or indirect consequence of the foregoing or of this Order and unless otherwise specified in the Agreement;

- (d) ResidualCo 1 and ResidualCo 2 shall be added as Debtors in these CCAA Proceedings and any reference in any Order of this Court in respect of these CCAA Proceedings to a "Debtor" or the "Debtors" shall refer to ResidualCo 1 and ResidualCo 2, *mutandis mutandis* and, for greater certainty, each of the CCAA Charges (defined in the Initial Order) shall also constitute a charge on the property of ResidualCo and ResidualCo 2; and
- (e) The Companies shall no longer be subject to the CCAA Proceedings, and shall be deemed to be released from the purview of the Initial Order, and all other Orders of this Court in respect of these CCAA Proceedings, save and except for this Order the provisions of which (as they relate to the Companies) shall continue to apply in all respects.

[21] **ORDERS** that nothing herein shall waive, compromise or discharge any obligation of the Companies or the Investors with respect to the Retained Liabilities listed on Schedule **Schedule "G"**, including any liabilities arising out of or in connection with the performance of the Retained Contracts, all subject to the rights of the Companies to defend against any Retained Liabilities, to exercise any right of set-off against any Retained Liabilities and to contest the existence, validity or quantum of any Retained Liabilities;

[22] **ORDERS** and **DECLARES** that, subject to the provisions of section [20], the reverse vesting structure of the Transaction, as approved by this Order, shall not affect the rights (if any) of CRA, ARQ or the Debtors pursuant to section 21 of the CCAA, as it relates to any and all claims existing or arising from events which occurred prior to the issuance of the Closing Certificate or occurred pursuant to the terms of this Order and/or in connection with the Transaction;

[23] **ORDERS** and **DIRECTS** the Monitor to issue the Closing Certificate and to file it with the Court as soon as practicable upon the occurrence of the closing of the Transaction;

CANCELLATION OF SECURITY REGISTRATIONS

[24] **ORDERS** the Quebec Personal and Movable Real Rights Registrar, upon presentation of the required form with a true copy of this Order and the Closing Certificate, to strike the registrations listed in **Schedule "H"** in connection with the Retained Assets in order to allow the transfer to the Investors of the Retained Assets free and clear of such registrations;

[25] **ORDERS** that upon the issuance of the Closing Certificate, the Companies shall be authorized to take all such steps as may be necessary to effect the discharge of all Encumbrances registered against the Retained Assets, including those Encumbrances listed in **Schedule "I"**, including filing such financing change statements in the OPRR as may be necessary, from any registration filed against the Companies in the OPRR,

provided that the Companies shall not be authorized to effect any discharge that would have the effect of releasing any collateral other than the Retained Assets, and the Companies shall be authorized to take any further steps by way of further application to this Court;

- [26] **ORDERS** that upon the issuance of the Closing Certificate, the Companies shall be authorized to take all such steps as may be necessary to effect the discharge of all Encumbrances registered against the Retained Assets, including those Encumbrances listed at **Schedule "J"**, including filing such financing change statements in BC PPR as may be necessary, from any registration filed against the Companies in the BC PPR, provided that the Companies shall not be authorized to effect any discharge that would have the effect of releasing any collateral other than the Retained Assets, and the Companies shall be authorized to take any further steps by way of further application to this Court. For greater clarity, the term "**Retained Assets**" refers to the assets described in **Schedule "K"** hereto;

INVESTMENT AMOUNT

- [27] **ORDERS** that the Investment Amount shall be paid by the Investors to the Monitor, on behalf and for the benefit of the Companies and ResidualCo. 2, in accordance with the terms of the Agreement, and shall be distributed in accordance with applicable legislation;
- [28] **ORDERS** that for the purposes of determining the nature and priority of the Encumbrances, the Investment Amount shall stand in the place and stead of all the assets of the Companies, and that upon payment of the Investment Amount by the Investors, all Encumbrances except for the Permitted Encumbrances shall attach to the Investment Amount with the same priority as they had with respect to the assets of the Companies immediately prior to the Transaction, as if these assets had remained in the possession or control of the person having that possession or control immediately prior to the Transaction;

RETAINED CONTRACTS

- [29] **ORDERS** that all Cure Costs payable in accordance with the Agreement, if any, shall be paid by the Debtors or the Investors to the relevant counterparty to each Retained Contract on or before the Closing Date or such later date as may be agreed to by the Investors, the Monitor and the relevant counterparty to a Retained Contract;
- [30] **ORDERS** that, subject to the payment of the Cure Costs, all Retained Contracts shall remain in full force and effect, and following the Closing Date, no Person who is a counterparty to any such Retained Contracts (a "**Retained Contracts Counterparty**") may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right, entitlement or remedy (including any right of set-off) or make any demand under or in respect of such Retained Contracts and no automatic termination will have any validity or effect, by reason of:
- (a) Any circumstance that existed or event that occurred on or prior to the Closing Date that would have entitled such Retained Contracts Counterparty to enforce those rights or remedies or caused an automatic termination to occur, including any monetary defaults or defaults or events of default arising as a result of the insolvency of any Debtor or the cessation of the Debtors' normal course of business operations;

- (b) The insolvency of any Debtor or the fact that relief in respect of the Debtors was granted under the CCAA;
- (c) Any releases, discharges, cancellations, transactions or other steps taken or effected pursuant to the Transaction; or
- (d) Any change of control of the Debtors arising from the implementation of the Transaction, or any anti-assignment or similar provision restricting assignment or requiring the consent of any Person to an assignment or change of control in a Retained Contract and, for greater certainty, the Transaction and its implementation shall be deemed not to constitute a change in ownership or change in control under any Retained Contract.

[31] **ORDERS** that, notwithstanding anything in this Order or in the Agreement, none of EBSU's obligations towards Rona Inc. (the "**Rona Debt**"), as set forth and confirmed in the agreement dated October 26, 2023 (the "**Rona Debt Agreement**"), shall be compromised, released, vested out, limited or otherwise affected by this Order and that the Rona Debt is, and shall remain, a binding and enforceable obligation of EBSU, up until and following the issuance of the Closing Certificate, and shall be repaid in accordance with the terms of the Rona Debt Agreement;

PROTECTION OF PERSONAL INFORMATION

[32] **ORDERS** that, pursuant to sub-section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or any similar provision of any applicable provincial legislation, the Companies are authorized and permitted to disclose and transfer to the Investors all human resources and payroll information in the Companies' records pertaining to the Companies' past and current employees. The Investors shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Companies;

VALIDITY OF THE TRANSACTION

[33] **ORDERS** that notwithstanding:

- (i) the pendency of these proceedings;
- (ii) any petition for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* ("**BIA**") and any order issued pursuant to any such petition or the provisions of any federal or provincial legislation; and
- (iii) any assignment in bankruptcy made in respect of ResidualCo 1 and/or ResidualCo 2;

the implementation of the Transaction, including the issuance of the Subscribed Shares, the transfer of the Excluded Assets, the Excluded Contracts and the Excluded Liabilities contemplated in this Order are to be binding on any trustee in bankruptcy that may be appointed and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, as against the Companies, the

Investors, the Monitor, ResidualCo 1 and ResidualCo 2;

BANKRUPTCY OF RESIDUALCO. 1 AND RESIDUALCO. 2

[34] **AUTHORIZES** the Monitor, upon issuance of the Closing Certificate, to:

- (a) to perform all acts, sign all documents and take any necessary action with the Superintendent of Bankruptcy to make a voluntary assignment of the property of ResidualCo. 1 and ResidualCo. 2 for the benefits of the creditors; and
- (b) act as trustee in the bankruptcy of ResidualCo. 1 and ResidualCo. 2.

RELEASES

[35] **ORDERS** that effective upon the issuance of the Closing Closing Certificate, (i) any director, officer, employee, legal counsel or advisor of ResidualCo 1 and ResidualCo 2, (ii) the Monitor and its directors, officers, employees, legal counsel and advisors and (iii) the Investors and their respective directors, officers, employees, legal counsel and advisors and (the Persons listed in (i) to (iii) being collectively, the "**Released Parties**"), shall be deemed to be forever irrevocably released and discharged from any and all present and future Claims based in whole or in part on any act or omission, transaction, offer, investment proposal, dealing, statutory declaration under the *Business Corporations Act* (Québec) or *Canada Business Corporations Act* as permitted pursuant to the terms of this Order, or other occurrence existing or taking place prior to the issuance of the Closing Certificate or completed pursuant to the terms of this Order and/or in connection with the Transactions, in respect of the Debtors or their assets, business or affairs, or prior dealings with the Debtors, wherever or however conducted or governed, the administration and/or management of the Debtors and these proceedings (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, and are not vested nor transferred to ResidualCo 1 or ResidualCo 2 or to any other entity and are extinguished, provided that nothing in this paragraph shall waive, discharge, release, cancel or bar:

- (a) any claim of Fiera Private Debt Fund VI LP or its partners and affiliates based on any personal or corporate guarantee entered into by the Debtors or their directors, officers, and employees; or
- (b) any liability arising out of the fraud gross negligence or willful misconduct of the Released Party or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA;

[36] **ORDERS** that **DECLARES** that, at the Closing Time and without limiting the provisions of paragraph [13] hereof, the Companies and the Investors shall be deemed released from any and all Claims with respect to any Taxes (including penalties and interest thereon) of, or that relate to the Companies, including without limiting the generality of the foregoing all taxes or claims that could be assessed against the Companies or the Investors (including their affiliates and any predecessor corporations) in connection with third parties or the Companies (provided, as it relates to the Companies, such release shall not apply to (i) Transaction Taxes, or (ii) Taxes in respect of the business and operations conducted by the Companies after the Closing Time);

THE MONITOR

- [37] **APPROVES** the activities of the Monitor through the date of the present order in connection with these restructuring proceedings and the activities, which are described in the Monitor's report filed at the Application hearing as well as in the Monitor's testimony at the hearing;
- [38] **DECLARES** that the Monitor has fulfilled its obligations under the CCAA and in accordance with the orders of this Court through the date of the present order in connection with these restructuring proceedings and the activities, which are described in the Monitor's reports filed in the present matter and the Monitor's testimony given at the hearing;
- [39] **DECLARES** that subject to other orders of this Court, nothing herein contained shall require the Monitor to occupy or to take control, or to otherwise manage all or any part of the Retained Assets, the Excluded Assets or of the Subscribed Shares (or of any other assets of the Debtors). The Monitor shall not, as a result of this Order, be deemed to be in possession of any of the Retained Assets or the Excluded Assets within the meaning of environmental legislation, the whole pursuant to the terms of the CCAA; and **DECLARES** that the Monitor, its employees and representatives shall not be deemed directors of ResidualCo 1 or ResidualCo 2, *de facto* or otherwise;
- [40] **DECLARES** that the Monitor, its employees, and representatives are not deemed directors, officers or fiduciaries of the Debtors, ResidualCo 1 or ResidualCo 2, *de facto* or otherwise, and that they are not liable for any action taken in accordance with this Order. Subject to the foregoing, the Monitor and its representatives are authorized, for administrative purposes only, to take all actions necessary in order to give effect to this Order, to act in lieu and in the place of the board of directors of the Debtors, ResidualCo 1 and ResidualCo 2;
- [41] **DECLARES** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except by leave of the Court. The entities related to the Monitor or belonging to the same group as the Monitor shall benefit from the protection arising under the present paragraph;

GENERAL

- [42] **ORDERS** that the Investors, the Companies or the Monitor shall be authorized to take all steps as may be necessary to effect the discharge of the Encumbrances;
- [43] **ORDERS** that Exhibit R-2 and the Schedules attached to the Report (Exhibit R-5), in support of the Application be kept confidential and under seal until the earlier of a) the closing of the Transaction; or b) further order of this Court;
- [44] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada;
- [45] **DECLARES** that the Monitor shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement the Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Monitor

as may be deemed necessary or appropriate for that purpose;

[46] **ORDERS** the provisional execution of the present Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.

THE WHOLE WITHOUT COSTS.


The Honourable Karen M. Rogers, J.C.S.

SCHEDULE "A"
DRAFT CLOSING CERTIFICATE OF THE MONITOR

CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
Commercial Division

File: No: 500-11-062362-237

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT OF:
ÉBÉNISTERIE ST-URBAIN LTÉE.

-and-

WOODLORE INTERNATIONAL INC.

-and-

EURO-RITE CABINETS LTD.

Debtors

-and-

THE REGISTRAR FOR THE REGISTER OF
PERSONAL AND MOVABLE REAL RIGHTS
(QUÉBEC)

-and-

WILLIAM M. MELNIK

-and-

THE MELNIK FAMILY TRUST 2043

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-and-

9501-8412 QUÉBEC INC.

Mis-en-cause

-and-

RAYMOND CHABOT INC.

Monitor

CLOSING CERTIFICATE OF THE MONITOR

RECITALS:

WHEREAS on May 12, 2023, the Superior Court of Quebec (the "**Court**") issued an Initial Order (as amended and restated subsequently on May 24, 2023, on June 16, 2023, and on October 6, 2023, the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act* (the "**Act**") in respect of Ébénisterie St-Urbain Ltée, Woodlore International Inc., and Euro-Rite Cabinets Ltd (the "**Debtors**");

WHEREAS pursuant to the terms of the Initial Order, Raymond Chabot Inc. (the "**Monitor**") was appointed Monitor of the Debtors;

WHEREAS on October 27, 2023, the Court issued an Order (the "**Approval and Reverse Vesting Order**") thereby, *inter alia*, approving the subscription and transfer of assets and other transactions (collectively, the "**Transaction**") contemplated under the Investment Agreement (the "**Agreement**") entered into, on October 24, 2023, between the Debtors and William M. Melnik ("**Melnik**"), the Melnik Family Trust 2043 ("**Melnik Trust**") and Tayco Office Furnishings Inc. ("**Tayco**"), and collectively with Melnik and Melnik Trust, the "**Investors**"), a copy of which was filed, under seal, in the Court record, with such alterations, changes, amendments, deletions or additions thereto, as may be agreed to with the consent of the Monitor; and

WHEREAS the Approval and Reverse Vesting Order contemplates the issuance of this Closing Certificate of the Monitor once the (a) the Agreement has been executed and delivered; and (b) the Investment Amount (as defined in the Agreement) has been paid by the Investors; and (c) and all the conditions to the closing of the Transaction have been satisfied or waived by the parties thereto.

THE MONITOR CERTIFIES THAT IT HAS BEEN ADVISED BY THE COMPANIES AND THE INVESTORS AS TO THE FOLLOWING:

- (a) the Agreement has been executed and delivered;
- (b) the Investment Amount (as defined in the Agreement) payable upon the closing of the Transaction and all applicable taxes have been paid; and
- (c) all conditions to the closing of the Transaction have been satisfied or waived by the parties thereto.

This Closing Certificate was issued by the Monitor at _____ [TIME] on ____ [DATE].

Raymond Chabot Inc. in its capacity as court-appointed Monitor, and not in its personal capacity.

Name: _____

Title: _____

SCHEDULE "B"
EXCLUDED ASSETS

1. All cash, cash equivalents and short-term investments and any amounts held in escrow;
2. All bank accounts of the Companies, except the National Bank of Canada account number 0006-02761-0432521 belonging to EBSU, and Royal Bank of Canada account numbers 03252-1265958 and 03252-4007951,
3. The Excluded Contracts; and
4. All claims by and among 2848024 Ontario Inc. (now Woodlore International Inc, "**Woodlore**") and William James Phillips Senior and William James Phillips Junior (collectively, the "**Phillips**") in connection with facts arising prior to the Closing of the Transaction, including in respect of the Balance of Sale proceeds owing under the Share Purchase Agreement by and among Woodlore, as Purchaser, and the Phillips, as Sellers, as well as the claims outlined in the Purchaser's Claims Notice dated September 22, 2022, as well as the Sellers' Claim Response dated September 30, 2022 (collectively, the "**Woodlore Claims**"). For greater certainty, notwithstanding any of the other terms of the present order or the Investment Agreement, all the Woodlore Claims shall be transferred to and vest exclusively in ResidualCo. 1.

SCHEDULE "C"
EXCLUDED CONTRACTS

Other than those as set out in Schedule "F" (*Retained Contracts*), all Contracts of the Companies, including the following:

1. Manufacture Agreement dated January 21, 2018 between Woodlore International, Inc. and Krueger Corporation, Inc.;
2. Master Purchasing Agreement dated December 6, 2016 between Knoll, Inc. and/or Knoll North America Corp., and Woodlore International Incorporated;
3. Any capital lease between Woodlore International Inc. and Hewlett-Packard Financial Services Canada Company;
4. Lease between Woodlore International Inc. and Penske Truck Leasing Canada Inc., with respect to a SN 3ALACWFD9NDNJ1220 / 2022 / FREIGHTLINER M2.

SCHEDULE "D"
EXCLUDED LIABILITIES

Other than the Retained Liabilities, all Liabilities, including the following:

- (a) any and all Liability relating to any change of control provision that may arise in connection with the change of control contemplated by the Transactions and to which the Companies may be bound as at the Closing Time;
- (b) all Liabilities related to any Employee of the Companies up accruing or becoming due for the period ending on or prior to the Closing Time, including as a bonus, remuneration, incentive, severance payments, termination payment damages for wrongful dismissal, back-pay, Governmental Orders, indemnities in lieu of notice, indemnities in lieu of notice of collective dismissal, or otherwise pursuant to any agreement or contract or otherwise;
- (c) any and all Taxes (excluding the Transaction Taxes) payable by the Companies with respect to any Taxation period ending on or prior to the Closing Date (including any pre-Closing portion of a Taxation period ending after the Closing Date);
- (d) all Liabilities related to or in respect of the Companies' Affiliates;
- (e) all Liabilities arising or accruing under an Excluded Contract;
- (f) all Legal Proceedings commenced as against the Companies prior and up to the Closing or commenced after the Closing but pertaining to events which occurred prior to the Closing; and
- (g) any Liabilities which are not Retained Liabilities as specifically set out on Schedule D.

SCHEDULE "E"
PERMITTED ENCUMBRANCES

I. Registrations under the Quebec Personal and Movable Real Rights Registry (RDPRM)

Ébénisterie St-Urbain Ltée

- Rights resulting from a lease and assignment of rights registered under registration number 20-11-25013-0006 pursuant to a private writing dated October 28, 2020 between Kubota Canada Ltd., as assignee, Brosseau et Lamarre Inc., as lessor, and Ebenisterie St-Urbain Ltée, as lessee, with respect to a 2020 KUBOTA #F2690 12967 2020 KUBOTA *RCK72P-F39 14163 2020 KUBOTA *GCK72-F39 10516.
- Rights of ownership of the Lessor (Leasing) registered under registration number 21-0184830-0001 pursuant to a private writing dated March 2, 2021 between RCAP Leasing Inc., as lessor, and Ebenisterie St-Urbain Ltée, as lessee, with respect to a 2021-02 AFPAC Model 6030 Vertical Press SN PV760301C00397.
- Rights of ownership of the Lessor (Leasing) registered under registration number 21-0409577-0004 pursuant to a private writing dated April 20, 2021 between De Lage Landen Financial Services Canada Inc., as lessor, and Ebenisterie St-Urbain Ltée, as lessee, with respect to a 2021 YALE ERC050VGN48TE083 CHARIOT ELEVATEUR n/s A968N25547V.
- Rights of ownership of the Lessor (Leasing) registered under registration number 21-0483293-0005 pursuant to a private writing dated May 5, 2021 between De Lage Landen Financial Services Canada Inc., as lessor, and Ebenisterie St-Urbain Ltée, as lessee, with respect to a (i) 2021 YALE ERC065VGN48TQ092 CHARIOT ELEVATEUR n/s A968N25671V, (ii) 2021 YALE ERC065VGN48TQ092 CHARIOT ELEVATEUR n/s A968N25672V, and (iii) 2021 YALE ERP040VTN48TE084 CHARIOT ELEVATEUR n/s G807N16130V.
- Rights of ownership of the Lessor (Leasing) registered under registration number 21-0745686-0001 pursuant to a private writing dated July 6, 2021 between De Lage Landen Financial Services Canada Inc., as lessor, and Ebenisterie St-Urbain Ltée, as lessee, with respect to a (i) 2021 YALE NR035DC CHARIOT ELEVATEUR n/s C295N01663V, and (ii) 2021 YALE NR035DC CHARIOT ELEVATEUR n/s C295N01649V.
- Rights of ownership of the Lessor (Leasing) registered under registration number 21-1003669-0001 pursuant to a private writing dated September 15, 2021 between De Lage Landen Financial Services Canada Inc., as lessor, and Ebenisterie St-Urbain Ltée, as lessee, with respect to a 2021 YALE GLP120VX CHARIOT ELEVATEUR n/s K813V06743V.
- Rights of ownership of the Lessor (Leasing) registered under registration number 22-0027943-0001 pursuant to a private writing dated January 07, 2022 between De Lage Landen Financial Services Canada Inc., as lessor, and Ebenisterie St-Urbain Ltée, as lessee, with respect to a 2021 YALE ERP040VT CHARRIOT ELEVATEUR n/s G807N16698V.
- Rights resulting from a lease and assignment of rights registered under registration number 22-1320822-0001 pursuant to a private writing dated November 25, 2022 between Société de Location GM Financial Canada Ltée, as assignee, Ste-Marie Automobiles Ltée, as lessor, and

Ebenisterie St-Urbain Ltee, as lessee, with respect to a 3GTPUAEK1NG674938 / 2022 / GMC TRUCKS SIERRA 1500 4WD.

- Rights of ownership of the Lessor (Leasing) registered under registration number 23-0213121-0002 pursuant to a private writing dated February 21, 2023 between De Lage Landen Financial Services Canada Inc., as lessor, and Ebenisterie St-Urbain Ltee, as lessee, with respect to a YALE ERC050VG, N/S A968N28791X.

Woodlore International Inc.

None.

Euro-Rite Cabinets Ltd

None.

II. Registrations under the Ontario Personal Property Registry (OPPR)

Ébénisterie St-Urbain Ltée

None.

Woodlore International Inc.

None

Euro-Rite Cabinets Ltd

None.

III. Registration under the British Columbia Personal Property Security Registry (BC PPR)

Ébénisterie St-Urbain Ltée

None.

Woodlore International Inc.

None.

Euro-Rite Cabinets Ltd

- PPSA Registration under registration number 048558M pursuant to a PPSA security agreement dated February 7, 2020 between Euro-Rite Cabinets Ltd Inc., as debtor, and Hewlett-Packard Financial Services Canada Company, as secured party, with respect to all present and future goods, software and other personal property now or after financed or leased by secured party to debtor.
- PPSA Registration for Possession under S. 30 of the Sale of Goods Act (British Columbia) granted by Euro-Rite Cabinets Ltd., as debtor, in favour of HSBC Bank Canada, Leasing Division, as secured party, with respect to a 2013 WEEKE OPTIMAT ABD050 CNC DRILL AND DOWELL INSERTION MACHINE AND ONE 2017 HOMAG OPTIMAT NBP084

VANTECH 480 CNC ROUTER W/SWEEP (PERTAINING TO HSBC BANK CANADA LEASE NO. 31054025).

- PPSA Registration for Possession under S. 30 of the Sale of Goods Act (British Columbia) granted by Euro-Rite Cabinets Ltd., as debtor, in favour of HSBC Bank Canada, Leasing Division, as secured party, with respect to a COMPUTER SOFTWARE PRJ IMPLEMENTATION AND MANAGEMENT (PERTAINING TO HSBC BANK CANADA LEASE NO. 31054026).

SCHEDULE "F"
RETAINED CONTRACTS

1. the Business Premises Leases;
2. all agreements with the following third parties:
 - a. For EBSU:
 - i. Rona Inc.;
 - ii. Home Hardware Inc.;
 - iii. Lowes Company of Canada;
 - iv. Home Depot;
 - v. BMR;
 - vi. Patrick Morin; and
 - vii. Coop Fédérée;
 - b. For ERC:
 - i. Rona;
 - ii. Slegg;
 - iii. Timbr-Mart;
 - iv. Fed Coop; and
 - v. Home Hardware
3. all leases or leasing agreements of machinery and equipment in which a Company is a lessee Related to the Business, including capital leases (the "**Equipment Leases**"); and
4. all unfilled orders received by the Companies in connection with the Business;

and no other Contract other than as specifically set out hereon, and, in each case, excluding any Contract listed as an Excluded Contracts.

SCHEDULE "G"
RETAINED LIABILITIES

All Transaction Taxes.

All Liabilities under or relating to the performance of a Retained Contract.

The Investors shall not assume and shall not be responsible to pay, perform or discharge any of the Liabilities other than as listed on this Schedule "G".

SCHEDULE "H"

ENCUMBRANCES REGISTERED UNDER THE QUEBEC PERSONAL AND MOVABLE REAL RIGHTS REGISTRY (RDPRM) TO BE DELETED, RELEASED AND DISCHARGED

. Ébénisterie St-Urbain Ltée

- Conventional movable hypothec without delivery registered under the registration number 21-0322795-0001 pursuant to a private writing dated April 1, 2021 between Investissement Quebec, as holder, and Ebenisterie St-Urbain Ltee, as grantor, with respect to the universality of the movable property of the grantor.
- Conventional movable hypothec without delivery registered under the registration number 21-0808481-0001 pursuant to a private writing dated July 22, 2021 between HSBC Bank Canada, as holder, and Ebenisterie St-Urbain Ltee, as grantor, with respect to the universality of the grantor's movable property, and related registration numbers 21-0854998-0001 (Cession of Rank by Investissement Québec in favour of HSBC Bank Canada); 21-0854998-0002 (Cession of Rank by Investissement Québec and HSBC Bank Canada in favour of Investissement Québec and HSBC Bank Canada) and 23-0543086-0001 (Prior Notice of Intention to Exercise Hypothecary Right).
- Conventional movable hypothec without delivery registered under the registration number 21-0815247-0001 pursuant to a private writing dated July 22, 2021 between HSBC Bank Canada, as holder, and Ebenisterie St-Urbain Ltee, as grantor, with respect to the grantor's Account, Term Deposits and Credit Balances and all titles, documents, records, certificates and receipts evidencing them or relating thereto, and related registration numbers 23-0531005-0001 (Rectification of Registration correcting the hypothec amount to read \$40,000,000.00.) and 23-0543086-0002 (Prior Notice of Intention to Exercise Hypothecary Right).
- CONVENTIONAL MOVABLE HYPOTHEC WITHOUT DELIVERY registered under the registration number 22-0830997-0001 pursuant to a private writing dated July 28, 2022 between Fiera Private Debt Fund VI LP, as holder, and Ebenisterie St-Urbain Ltee, as grantor, with respect to the universality of the grantor's movable property.

Woodlore International Inc.

- Conventional movable hypothec without delivery registered under the registration number 21-0815248-0001 pursuant to a private writing dated July 22, 2021 between HSBC Bank Canada, as holder, and 2848024 Ontario Inc. (now Woodlore International Inc.), as grantor, with respect to the grantor's Account, Term Deposits and Credit Balances and all titles, documents, records, certificates and receipts evidencing them or relating thereto.
- Rights resulting from a lease registered under registration number 21-0502665-0014 pursuant to a private writing between Penske Truck Leasing Canada Inc., as lessor, and Woodlore International Inc., as lessee, with respect to a SN 3ALACWFD9NDNJ1220 / 2022 / FREIGHTLINER M2.

Euro-Rite Cabinets Ltd

None.

SCHEDULE "I"

ENCUMBRANCES REGISTERED UNDER THE UNDER THE ONTARIO PERSONAL PROPERTY REGISTRY (OPPR) TO BE DELETED, RELEASED AND DISCHARGED

. Ébénisterie St-Urbain Ltée

None.

Woodlore International Inc.

- PPSA Registration under registration number 20230824 1047 1031 0372 granted by Woodlore International Inc. in favour of His Majesty in Right of Ontario Represented by the Minister of Finance, with respect to inventory, equipment, accounts and other.
- PPSA Registration under registration number 20210730 1021 1590 8902 granted by Woodlore International Inc. in favour of William James Phillips Sr., with respect to inventory, equipment and accounts, motor vehicle included.
- PPSA Registration under registration number 20210722 1242 1862 3249 granted by 2848024 Ontario Inc. (now Woodlore International Inc.) in favour of HSBC Bank Canada, and related registration number 20210805 1400 1590 9564 (Amendment), with respect to inventory, equipment, accounts, other, motor vehicle included.
- PPSA Registration under registration number 20210728 1440 1862 3598 granted by 2848024 Ontario Inc. in favour of HSBC Bank Canada, with respect to inventory, equipment, accounts, other, motor vehicle included.
- PPSA Registration under registration number 20210722 1243 1862 3250 granted by Woodlore International Inc. in favour of HSBC Bank Canada, with respect to inventory, equipment, accounts, other, motor vehicle included.
- PPSA Registration under registration number 20210722 1243 1862 3251 granted by Woodlore Holdings Inc. (now Woodlore International Inc.) in favour of HSBC Bank Canada, and related registration number 20210805 1605 1590 9604 (Amendment), with respect to inventory, equipment, accounts, other, motor vehicle included.
- PPSA Registration under registration number 20210114 1024 1590 1430 granted by Woodlore International Inc. in favour of Business Development Bank of Canada, and related registration numbers (i) 20210813 1826 1590 0673 (Subordination) and (ii) 20230124 0934 2611 3427 (Amendment), with respect to inventory, equipment, accounts, other, motor vehicle included.
- PPSA Registration under registration number 20210512 1002 1462 2617 granted by Woodlore International Inc. in favour of Penske Truck Leasing Canada Inc., with respect to a 2022 FREIGHTLINER M2 (VIN: 3ALACWFD9NDNJ1220).
- PPSA Registration under registration number 20200529 1627 8077 9954 granted by Woodlore International Inc. in favour of Hewlett-Packard Financial Services Canada Company, with respect to equipment financed or leased by the secured party to the debtor.

Euro-Rite Cabinets Ltd

- PPSA Registration under registration number 20220728 1242 1590 3688 granted by 1359523 B.C. Ltd. (now Euro-Rite Cabinets Ltd.) in favour of Fiera Private Debt Fund VI LP and Fiera Private Debt Fund VI GP Inc., and related registration number 20220818 1310 1590 6507 (Amendment), with respect to inventory, equipment, accounts, other, motor vehicle included.
- PPSA Registration under registration number 20041028 1954 1531 5709 granted by Euro-Rite Cabinets Ltd. in favour of HSBC Bank Canada, and related registration numbers (i) 20050421 1954 1531 7812 (Amendment); (ii) 20091007 1451 1530 3646 (Renewal 5 years); and (iii) 20141024 1035 1529 2011 (Renewal 10 years), with respect to all debts, claims, demands, moneys and choses in action.
- PPSA Registration under registration number 20041028 1954 1531 5710 granted by Euro-Rite Cabinets Ltd. in favour of HSBC Bank Canada, and related registration numbers (i) 20050421 1450 1530 5478 (Amendment); (ii) 20091007 1451 1530 3647 (Renewal 5 years); and (iii) 20141024 1035 1529 2012 (Renewal 10 years), with respect to all of the debtor's present and after acquired personal property, and an uncrystallized floating charge on land.

SCHEDULE "J"

ENCUMBRANCES REGISTERED UNDER THE BRITISH COLUMBIA PERSONAL PROPERTY SECURITY REGISTRY (BC PPR) TO BE DELETED, RELEASED AND DISCHARGED

. Ébénisterie St-Urbain Ltée

None.

Woodlore International Inc.

- PPSA Registration under registration number 963541M pursuant to a PPSA security agreement dated May 12, 2021 between Woodlore International Inc., as debtor, and Penske Truck Leasing Canada Inc., as secured party, with respect to a 2022 FREIGHTLINER M2 (VIN: 3ALACWFD9NDNJ1220).

Euro-Rite Cabinets Ltd

- PPSA Registration under registration number 8241502 pursuant to a PPSA security agreement dated May 6, 1999 between Euro-Rite Cabinets Ltd., as debtor, and Hong Kong Bank of Canada, with respect to all of the debtor's present and after acquired personal property, including motor vehicles, and related registration numbers (i) 8466512 (Add vehicle collateral), (ii) 320845A (Add general collateral), (iii) 658100B (Renewal 5 years), (iv) 492206D (Amendment), (v) 912736E (Renewal 5 years), and (vi) 905343H (Renewal 10 years)..
- PPSA Registration under registration number 868241F pursuant to a PPSA security agreement dated November 17, 2010 between Euro-Rite Cabinets Ltd., as debtor, and HSBC Bank Canada, with respect to the entire right, title, claim and interest of the debtor in and to all monies, and related registration number 953941I (*Renewal*).
- PPSA Registration under registration number 152946J pursuant to a PPSA security agreement dated March 7, 2016 between Euro-Rite Cabinets Ltd., as debtor, and HSBC Bank Canada, with respect to all bills, documents of title, chattel paper, securities, intangibles, transportation documents, insurance policies and other documents or instruments representing or relating to the purchase, storage, preparation, sale or shipment of and other dealings with good and the goods represented thereby, etc.
- PPSA Registration under registration number 887642N pursuant to a PPSA security agreement dated July 28, 2022 between Euro-Rite Cabinets Ltd. (fka 1359523 B.C. Ltd.), as debtor, and Fiera Private Debt Fund VI LP and Fiera Private Debt Fund VI GP Inc., as secured parties, with respect to all present and after-acquired personal property of the debtor, and related registration number 927339N (*Amendment*).
- PPSA Registration under registration number 903937N pursuant to a PPSA security agreement dated August 5, 2022 between Euro-Rite Cabinets Ltd. (fka 1359523 B.C. Ltd.), as debtor, and HSBC Bank Canada, as secured party, with respect to all present and after-acquired personal property of the debtor, and without limitation, all fixtures, crops, and licences, and an uncrystallized floating charge on land, and related registration number 927434N (*Amendment*).

SCHEDULE "K"
DEFINITION OF "RETAINED ASSETS"

The following assets:

- (a) the leasehold interest of Woodlore in 150 and 160 Delta Park Blvd, Brampton, ON L6T 5T6 (the "**Ontario Premises**") pursuant to a lease with Sherriff Corporation or its assignee used by Woodlore in connection with the Business (the "**Ontario Leases**");
- (b) the leasehold interest of EBSU in 226, Principale Street, Saint-Louis-de Gonzague, Québec J0S 1T0 (the "**Gonzague Premises**") pursuant to a lease with Logistech Immobiliere Manufacturiere Inc used by EBSU in connection with the Business (the "**Gonzague Lease**");
- (c) the leasehold interest of EBSU in 1290 boulevard Gerard- Cadieux , Salaberry-de-Vallefield, Quebec (the "**Valleyfield Premises**") pursuant to a lease with Societe en Commandite 400 Rang St- Joseph , as amended, used by EBSU in connection with the Business (the "**Valleyfield Lease**");
- (d) the leasehold interest of ERC in 212 – 19400 Airport Way, Pitt Meadows, British Columbia V3Y 0E2 (the "**BC Premises**", and together with the Ontario Premises, the Gonzague Premises and the Valleyfield Premises the "**Business Premises**") pursuant to a lease with RPMG Holdings Ltd. used by ERC in connection with the Business (the "BC Leases", and together with the Ontario Leases, the Gonzague Lease and the Valleyfield Lease , the "**Business Premises Leases**");
- (e) all plant, structures, erections, improvements, appurtenances and fixtures situate on or forming part of the Business Premises which are considered tenant fixtures or which is used by the Business being acquired by the Investor;
- (f) all fixed machinery and fixed equipment situate on or forming part of the Business Premises which are considered tenant fixtures or which is used by the Business being acquired by the Investor;
- (g) all other machinery and equipment and all vehicles, tools, spare parts, handling equipment, furniture, furnishings, computer hardware, computer servers, and peripheral equipment, supplies and accessories of the Companies and/or used in connection with the Business including:
 - (i) IMA 4.0 Continuous Wood Panel Processing Centre, and all related accessories, software, manuals and spare parts;
 - (ii) 4.0 Thermo Laminator line and all of its components including the Almax Press, paint booths, the Wemhoner press line and all related accessories, software, manuals and spare parts; and
 - (iii) HOMAG flow through panel processing line and all related accessories, software, manuals and spare parts.
- (h) all inventories of stock-in-trade and merchandise, including materials, supplies, work-in-progress, finished goods, tooling, service parts and purchased finished goods Related to

the Business (including those advanced and/or in the possession of suppliers, customers and other third parties);

- (i) all new and unused production, shipping and packaging supplies of the Business;
- (j) all:
 - (i) accounts receivable of the Business;
 - (ii) prepayments, prepaid charges, deposits, sums and fees Related to the Business, including any HST input tax credit;
 - (iii) reserves made as required by Applicable Law in respect of inchoate or statutory liens or hypothecs of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of the construction, maintenance, repair or operation of real or personal property, movable or immovable property;
 - (iv) pledges or deposits under workers' compensation, social security or similar Law;
 - (v) all causes of action which arise from loss, damage or facts occurring prior to Closing and any insurance proceeds or claims payable for losses or damages incurred prior to Closing;
 - (vi) all proceeds of any or all of the foregoing received or receivable after the Closing Date; and
 - (vii) all proceeds of any or all of the foregoing received or receivable after the Closing Date,
 - (viii) all Books and Records available to the Companies as of the Closing Date;
- (k) all rights and interests of the Companies under Retained Contracts;
- (l) all intangible property Related to the Business, including:
 - (i) any and all software;
 - (ii) product, engineering or design representations and developments including those made in AutoCad, SolidWorks, SolidCad, Giza, CAP, CET, Project Matrix, etc.; and
 - (iii) all trademarks, patents and all other unregistered, registered or registrable intellectual property,
- (m) all goodwill Related to the Business, including:
 - (i) all telephone numbers used in connection with the Business;
 - (ii) all domains, websites and email addresses used in connection with the Business;
 - (iii) all social media accounts used in connection with the Business; and
 - (iv) the names "Woodlore", "Ébénisterie St-Urbain" and "Euro-Rite Cabinets", and any other name or business tradename used in connection with the Business;

- (n) all certifications, permits, licences and registrations Related to the Business;
- (o) all rights and interests under or pursuant to all warranties, representations and guarantees, express, implied or otherwise, of or made by suppliers or others Related to the Business;
- (p) all records of sales, customer lists and supplier lists of or used in Related to the Business;
- (q) all plans and specifications in the Companies' possession or under its control relating to the plant, buildings, structures, erections, improvements, appurtenances and fixtures situate on or forming part of the Premises including all such electrical, mechanical and structural drawings related thereto as are in the possession or under the control of the Companies; and
- (r) all personnel records, inspection records and other records, books, documents and data bases recorded or stored by means of any device, including in electronic form, Related to the Business and which are in possession of the Companies as of the Closing, and related to the Employees who will be offered employment by the Investors after Closing.