

COURT FILE NUMBER Q.B. No. 1884 of 2019

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE SASKATOON



IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36,
AS AMENDED (the "CCAA")

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT FOR THE CREDITORS OF
CONTOUR REALTY INC.

AND IN THE MATTER OF THE RECEIVERSHIP OF 101098672 SASKATCHEWAN LTD., MORRIS
INDUSTRIES LTD., MORRIS SALES AND SERVICE LTD., and MORRIS INDUSTRIES (USA) INC.

SALE APPROVAL AND VESTING ORDER
(Yorkton Plant Lands)

Before the Honourable Mr. Justice R.S. Smith in chambers the 30th day of September, 2021.

On the application of Alvarez & Marsal Canada Inc. in its capacity as the Court-appointed monitor (the "**Monitor**") within these proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act*, RSC 1985, c c-36 (the "**CCAA**") by 101098672 Saskatchewan Ltd., Morris Industries Ltd., Morris Sales and Service Ltd., Contour Realty Inc. and Morris Industries (USA) Inc. (collectively, "**Morris Group**") pursuant to the Initial Order of the Honourable Mr. Justice R.S. Smith granted in the CCAA Proceedings on January 8, 2020 (the "**Initial Order**"), the Amended and Restated Initial Order of the Honourable Mr. Justice R.S. Smith granted in the CCAA Proceedings on January 16, 2020 (the "**ARI Order**") and pursuant to the Order (Enhancement of Monitor's Powers) of the Honourable Mr. Justice R.W. Elson granted in the CCAA Proceedings on February 18, 2020 (the "**EMP Order**"), and upon hearing from counsel for other interested parties, and upon reading the Notice of Application of the Monitor dated September 27, 2021 (the "**Notice of Application**"), the Eighteenth Report of the Monitor dated September 27, 2021 (the "**Eighteenth Report**"), and a proposed Draft Order, all filed, and the pleadings and proceedings had and taken herein:

The Court Orders:

SERVICE

1. Service of the Notice of Application on behalf of the Monitor and the materials filed in support thereof (collectively, the "**Application Materials**") shall be and is hereby deemed to be good and valid and, further, shall be and is hereby abridged, such that service of such Application Materials is deemed to be timely and sufficient.

APPROVAL OF TRANSACTION

2. The sale transaction (the "**Transaction**") contemplated by an Asset Purchase Agreement (the "**Sale Agreement**") between Contour Realty Inc. ("**Contour**") and Butter Gate Holding Corp. (the "**Purchaser**") dated September 27, 2021 for the sale to the Purchaser (or its nominee) of the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**") is declared to be commercially reasonable and in the best interests of Morris Group and its creditors and other stakeholders and is hereby authorized and approved, with such minor amendments as the Monitor may deem necessary.

3. The Monitor, on behalf of Contour, is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable (including any steps necessary or desirable to satisfy and/or comply with any applicable laws, regulations or orders of any courts, tribunals, regulatory bodies or administrative bodies in any jurisdiction in which the Purchased Assets may be located) for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchaser (or its nominee), subject to such amendments as the Monitor, on behalf of Contour, and the Purchaser may agree upon, provided that any such amendments do not materially affect the "**Purchase Price**" (as defined in the Sale Agreement).

VESTING OF PROPERTY

4. Upon the Monitor determining that the Transaction has closed to its satisfaction and on terms substantially as approved by this Honourable Court pursuant to this Order, the Monitor shall deliver to the Purchaser (or its nominee) a Monitor's certificate substantially in the form set out in **Schedule "A"** hereto (the "**Monitor's Certificate**").

5. The Monitor may rely on written notices from the Purchaser regarding fulfillment or, if applicable, waiver of conditions to closing of the Transaction under the Sale Agreement and shall have no liability with respect to the delivery of the Monitor's Certificate.

6. Upon delivery of the Monitor's Certificate all of Contour's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on **Schedule "B"** hereto shall, save and except for the encumbrances listed in **Schedule "C"** hereto (the "**Permitted Encumbrances**"), vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, interests, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, judgments, enforcement charges, levies, charges, or other financial or monetary claims (collectively, "**Encumbrances**") and all rights of others, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the ARI Order;
- (b) all charges, security interests or claims evidenced by registrations pursuant to *The Personal Property Security Act, 1993*, SS 1993, c P-6.2, or any other personal property registry system; and
- (c) those Encumbrances listed in **Schedule "D"** hereto;

and, for greater certainty, this Court orders that all of the Encumbrances (save and except for the Permitted Encumbrances) affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

7. Upon delivery of the Monitor's Certificate to the Purchaser, the Monitor shall be and is hereby authorized to effect such discharges or revisions in the Saskatchewan Personal Property Registry as may be reasonably required to conclude the Transaction.
8. Pursuant to section 109 of *The Land Titles Act, 2000*, SS 2000, c L-5.1 and section 12 of *The Queen's Bench Act, 1998*, SS 1998, c Q-1.01 the Saskatchewan Registrar of Titles shall be and is hereby directed:
 - (a) to accept an application (the "**Land Titles Application**") to surrender the existing title to the real property legally described as:

Surface Parcel #143106757, Reference Land Description: Blk/Par Z Plan No. 67Y09630 Extension 0, As described on Certificate of Title 67Y09630

(the "**Real Property**")

and to set up a new title to such Real Property in the name of the Purchaser (or its nominee) as owner free and clear of any and all Encumbrances, save and except for the Permitted Encumbrances as set out in **Schedule "C"**; and

(b) for greater certainty, to discharge all interests described in **Schedule "D"** hereto.

9. Any and all registration charges and fees payable in regard to the Land Titles Application shall be to the account of the Purchaser.
10. For the purposes of determining the nature and priority of the Encumbrances:
 - (a) the net proceeds from the sale of the Purchased Assets (the "**Net Sale Proceeds**") shall stand in the place and stead of the Purchased Assets; and
 - (b) from and after the delivery of the Monitor's Certificate to the Purchaser, all Encumbrances and all rights of others shall attach to the Net Sale 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 closing of the Transaction.
11. The Purchaser (and its nominee, if any) shall, by virtue of the completion of the Transaction, have no liability of any kind whatsoever in respect of any Claims against Morris Group.
12. Morris Group and all persons who claim by, through or under Morris Group in respect of the Purchased Assets, save and except for the persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely barred and foreclosed from all estate, right, title, interest, royalty, rental and equity of redemption of the Purchased Assets and, to the extent that any such person remains in possession or control of any of the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
13. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by Morris Group, or any person claiming by or through or against Morris Group.
14. Immediately after the closing of the Transaction, the holders of the Permitted Encumbrances shall have no claim whatsoever against the Monitor or Morris Group.
15. Forthwith after the delivery of the Monitor's Certificate to the Purchaser (or its nominee), the Monitor shall file a copy of the Monitor's Certificate with the Court, and shall serve a copy of the Monitor's Certificate on the recipients listed in the Service List maintained with respect to these proceedings.
16. [Intentionally Deleted].
17. Notwithstanding:
 - a) the pendency of these proceedings;

- b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of any member of Morris Group and any bankruptcy order issued pursuant to such applications;
- c) any assignment in bankruptcy made in respect of any member of Morris Group; and
- d) the provisions of any federal statute, provincial statute or any other law or rule of equity

the vesting of any of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order and the obligations of Contour under the Sale Agreement, shall be binding on any trustee in bankruptcy that may be appointed in respect of any member of Morris Group and shall not be void or voidable by creditors of Morris Group, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 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.

18. The Transaction is exempt from any requirement under any applicable federal or provincial law to obtain shareholder approval and is exempt from the application of any bulk sales legislation in any Canadian province or territory.

MISCELLANEOUS MATTERS

19. The Monitor, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction, including, without limitation, an application to the Court to deal with interests which are registered against title to the Real Property after the time of the granting of this Order.
20. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, Australia or in the United States of America to give effect to this Order and to assist the Monitor 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 as to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.
21. Service of this Order on any party not attending this application is hereby dispensed with. Parties attending this application shall be served in accordance with the Electronic Case Information and Service Protocol adopted in the ARI Order.

ISSUED at Saskatoon, Saskatchewan, this 30 day of September 2021


(Deputy) Local Registrar

CONTACT INFORMATION AND ADDRESS FOR SERVICE:

Name of firm:	MLT Aikins LLP
Lawyer in charge of file:	Jeffrey M. Lee, Q.C. and Paul Olfert
Address of firm:	Suite 1201, 409 – 3 rd Avenue South, Saskatoon SK S7K 5R5
Telephone number:	306.975.7100
Email address:	JMLee@mltaikins.com / POlfert@mltaikins.com
File No:	35572.3

SCHEDULE "A"
FORM OF MONITOR'S CERTIFICATE

COURT FILE NUMBER Q.B. No. 1884 of 2019

**COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY**

JUDICIAL CENTRE SASKATOON

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c C-36,
AS AMENDED (the "CCAA")**

**AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT FOR THE CREDITORS OF
CONTOUR REALTY INC.**

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INDUSTRIES LTD., MORRIS SALES AND SERVICE LTD., and MORRIS INDUSTRIES (USA) INC.**

MONITOR'S CERTIFICATE

RECITALS

- A. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Approval and Vesting Order (Yorkton Plant Lands) dated September 27, 2021.
- B. Pursuant to the Amended and Restated Initial Order of the Honourable Mr. Justice R.S. Smith granted in these proceedings on January 16, 2020 (the "**ARI Order**"), Alvarez and Marsal Canada Inc. was appointed monitor (the "**Monitor**") within these proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act*, RSC 1985, c c-36 (the "**CCAA**") by 101098672 Saskatchewan Ltd., Morris Industries Ltd., Morris Sales and Service Ltd., Contour Realty Inc. ("**Contour**") and Morris Industries (USA) Inc. (collectively, "**Morris Group**");
- C. Pursuant to the Order (Enhancement of Monitor's Powers) of the Honourable Mr. Justice R.W. Elson granted in the CCAA Proceedings on February 18, 2020 (the "**EMP Order**"), the Monitor was empowered to carry out certain powers and to exercise certain rights for and on behalf of Morris Group in the manner more specifically described therein;
- D. Pursuant to the Sale Approval and Vesting Order (Yorkton Plant Lands) granted within the CCAA Proceedings on September 27, 2021 (the "**Sale Approval and Vesting Order**"), the Court approved an Asset Purchase Agreement dated [Date] (the "**Sale Agreement**") between Contour, on one hand, and Butter Gate Holding Corp. (the "**Purchaser**"), on the other, and provided for the vesting in the Purchaser of the right, title and interest of Contour in and to the Purchased Assets, which vesting is to be effective with respect to such Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the purchase price for the Purchased Assets; and (ii) that the conditions to closing as set out in Sections 9.1 and 11.2-11.4 of the Sale Agreement have been satisfied or waived by the Monitor and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Monitor has received the Purchase Price for the Purchased Assets payable on the closing date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Sections 9.1 and 11.2-11.4 of the Sale Agreement have been satisfied or waived by the Monitor and the Purchaser;
3. The Transaction has been completed to the satisfaction of the Monitor; and
4. This Certificate was delivered by the Monitor at **[Time]** on **[Date]**.

ALVAREZ & MARSAL CANADA INC., in its capacity as Monitor of the undertaking, property and assets of Contour Realty Inc., and not in its personal capacity.

Per; _____
Name:
Title:

SCHEDULE "B"
PURCHASED ASSETS

Those lands in the City of Yorkton, in the Province of Saskatchewan, which are legally described as follows:

1. Surface Parcel #143106757, Reference Land Description: Blk/Par Z Plan No. 67Y09630 Extension 0, As described on Certificate of Title 67Y09630

SCHEDULE "C"
PERMITTED ENCUMBRANCES

1. Interest Register #107332815, CNV Caveat in favour of Canadian National Railway Company
2. Interest Register #114417480, Power Corporation Act Easement (s. 23) in favour of Saskatchewan Power Corporation

SCHEDULE "D"
ENCUMBRANCES TO BE DISCHARGED

1. Interest Register #104790089, CNV Caveat in favour of Bank of Montreal
2. Interest Register #104790113, CNV Caveat in favour of Bank of Montreal
3. Interest Register #112913029, Mortgage in favour of Bank of Montreal