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 OF 101098672 SASKATCHEWAN LTD., MORRIS INDUSTRIES LTD., MORRIS SALES AND SERVICE LTD., CONTOUR REALTY INC., and MORRIS INDUSTRIES (USA) INC.

AFFIDAVIT OF SANDY HAYER

I, Sandy Hayer, of the City of Calgary, in the Province of Alberta, MAKE OATH AND SAY THAT:

1. I am Senior Manager, Special Accounts Management Unit at Bank of Montreal ("**BMO**" or the "**Lender**"), the applicant creditor herein. As such, I have personal knowledge of the matters deposed to herein, except where stated to be based on information and belief, in which case I verily believe the same to be true.

2. I have reviewed BMO's records relevant to Morris Industries Ltd. ("**Morris Industries**"), Morris Sales & Service Ltd. ("**S&S**"), Contour Realty Inc. ("**Contour**"), 101098672 Saskatchewan Ltd. ("**672**") and Morris Industries (USA) Inc. ("**Morris USA**", and together with Morris Industries, S&S, Contour, 672 and Morris USA the "**Morris Group**" or the "**Debtors**"). BMO is both the senior secured lender of the Morris Group and the Interim Lender in these CCAA proceedings.

3. I have read BMO's Application to lift the stay of proceedings (the "**Stay**") and the statements made therein are, to my own knowledge, true. I swear this Affidavit in support of BMO's Application to lift the Stay and subsequently bring an application (the "**Bankruptcy Application**") to seek bankruptcy orders with respect to each member of the Morris Group (collectively, the "**Bankruptcy Orders**").

4. I have satisfied myself that I am possessed of sufficient information and knowledge to swear this Affidavit on behalf of BMO.

5. Capitalized terms not otherwise defined herein have the meaning set forth in my affidavit sworn February 13, 2020 and filed in these CCAA proceedings.

The Morris Group

6. Details on the Morris Group's operations and structure are set forth in the First Report of Alvarez & Marsal Canada Inc. ("**A&M**") in its capacity as the court-appointed Monitor of the Morris Group (in such capacity, the "**Monitor**").

The Loan Agreements

7. BMO extended credit facilities and related services to the Morris Group pursuant to a number of commitment letters and loan agreements (the "**Loan Agreements**"). As at January 2, 2020, the members of the Morris Group were indebted to BMO under the respective Loan Agreements as follows:

   (a) Morris Industries was indebted to BMO in the amount of $22,455,856.64;

   (b) S&S was indebted to BMO in the amount of $18,948,450.41;

   (c) Contour was indebted to BMO in the amount of $2,319,999.72; and

   (d) Morris USA, 672, S&S and Contour have guaranteed some or all of the foregoing amounts and are indebted to BMO in the amounts guaranteed which are all greater than $1,000.00,

   (collectively, the "**Indebtedness**").

8. On January 4, 2020, BMO demanded repayment of the Indebtedness and provided notice of the foregoing defaults and notices of intention to enforce its Security pursuant to section 244(1) of the BIA (the "**Demands**"). Attached hereto and collectively marked as **Exhibit "A"** are copies of the Demands.

9. Notwithstanding receipt of the Demands by the individual members of the Morris Group, either in their capacity as direct borrowers or as guarantors, each of those parties has failed, neglected or refused to pay the Indebtedness to BMO.

10. Attached hereto and collectively marked as **Exhibits "B"** are copies of payout statements dated June 11, 2020, from BMO confirming the amount of the Indebtedness.

11. In addition, BMO is the Interim Lender in these proceedings. As of June 15, 2020, BMO is owed an additional $5,900,000.00, plus accrued interest, in that capacity.

The Security

12. Each member of the Morris Group has granted to BMO security in all of its present and after acquired personal property and real property pursuant to a number of security agreements and mortgages.

13. BMO's personal property security is registered at the personal property registries of Alberta, Saskatchewan and Manitoba, and BMO's real property security is registered against the titles to the real property owned by the Morris Group.

The Guarantees

14. Each of Morris USA, 672, S&S and Contour has guaranteed the repayment of the obligations of Morris Industries under the Loan Agreements and each of S&S, 672, Morris USA and Morris Industries has guaranteed the repayment of the obligations of Contour under the Loan Agreements.

The SISP

15. BMO, the Monitor and the Morris Group entered into a Confidentiality and Non-Disclosure Agreement dated March 2, 2020 (the "**NDA**") to, among other things, enable BMO to review the bids submitted in the SISP Process in its capacities as senior-secured and Interim Lender.

16. As detailed in the Sixth Report of the Monitor (the "**Sixth Report**"), the Monitor did not initially obtain an acceptable offer derived from the SISP Process and, as a result, the Monitor continued to explore other options and alternatives, including further discussions with bidders who previously expressed an interest in the SISP. I understand that the Monitor is optimistic that the SFLP LOI (as defined in the Sixth Report) will result in a binding transaction.

17. I understand that all or substantially all of the property of the Morris Group will be liquidated in these proceedings and the Morris Group will not be presenting a plan of compromise or arrangement pursuant to the provisions of the CCAA.

18. While the NDA prohibits BMO from disclosing any Confidential Information (as defined in the NDA), based on my review of the information provided, I am confident that the SISP and SFLP LOI will not result in the Indebtedness being repaid in full, and BMO will suffer shortfall well in in excess of $1,000.00.

Lifting the Stay

19. BMO will suffer hardship if it is not permitted to lift the Stay for the limited and express purpose of bringing the Bankruptcy Application, including, without limitation, due to the certain material shortfall on the recovery of its Indebtedness.

The Bankruptcy Application and Bankruptcy Orders

20. I am informed by David LeGeyt of Burnet, Duckworth & Palmer LLP ("**BD&P**"), counsel to BMO, that BMO has a *prima facie* case and will satisfy the provisions of s.43(1) of the BIA, namely that each member of the Morris Group:

    (a) is justly and truly indebted to BMO in excess of $1,000.00; and

    (b) has committed an "act of bankruptcy" within the meaning of the BIA and in the six month period preceding the Bankruptcy Application, namely each of them:

        (i) has evidenced to its creditors that it is insolvent; and

        (ii) is unable to pay its liabilities as they generally become due.

21. On June 2, 2020, BD&P wrote to counsel for the Monitor confirming BMO's intention to proceed with the Bankruptcy Application. A copy of that letter is attached hereto and marked as **Exhibit "C"**.

22. As previously stated, I estimate the value of the security granted by the Morris Group to be significantly less than the Indebtedness and the interim financing provided by BMO and, as such, the unsecured portion of the Indebtedness owed to BMO by each of the Bankrupt(s) will exceed $1,000.00 as contemplated by s.43(2) of the BIA.

Trustee

23. I verily believe that A&M is qualified and prepared to act as Trustee in Bankruptcy with respect to each member of the Morris Group and will consent to do so.

24. I swear this Affidavit in support of the Application by BMO to lift the Stay and the Bankruptcy Application and for no other or improper purpose.

SWORN BEFORE ME at the City of Calgary, in the Province of Alberta this 23rd day of July, 2020.	)	
	)	
	)	
	)	
A Notary Public in and for the Province of Alberta		**Sandy Hayer**

Ryan E. Algar
Barrister and Solicitor

THIS IS EXHIBIT "A" REFERRED TO IN THE AFFIDAVIT OF SANDY HAYER.

SWORN BEFORE ME THIS 23RD DAY OF JULY, 2020.

A Notary Public in and for the Province of Alberta

Ryan E. Algar
Barrister and Solicitor

Burnet,
Duckworth
& Palmer LLP
Law Firm

Reply to: David LeGeyt
Direct Phone: **(403) 260-0210**
Direct Fax: **(403) 260-0332**
dlegeyt@bdplaw.com

Assistant: Annie Gillis-Tapp
Direct Phone: **403-267-1611**
Our File: 75453-4

VIA COURIER & EMAIL - kadair@morris-industries.com

January 4, 2020

Contour Realty Inc.
600, 105 – 21st Street East
Saskatoon, SK
S7K 0B3

Contour Realty Inc.
2131 Airport Drive
Saskatoon, SK
S7L 7E1

Attention: Kevin Adair

Re: Bank of Montreal re: Contour Realty Inc. ("Contour")

We are counsel to Bank of Montreal ("**BMO**") in connection with a commitment letter dated August 29, 2013 between BMO, as lender, and Contour, as borrower (the "**Contour Loan Agreement**"). Reference is also made to the following security:

- a general security agreement (Saskatchewan) dated August 23, 2013 granted by Contour in favour of BMO;
- a specific assignment of lease dated August 29, 2013, granted by Contour in favour of BMO; and
- a power of attorney to transfer stock or bonds dated August 29, 2013;

(together, the "**Security**").

Contour is in default of the Contour Loan Agreement and the Security, and all amounts owing to BMO under the Contour Loan Agreement are immediately due and payable. The defaults of Contour include but are not limited to (i) failure to make payments to BMO when due, (ii) committing an act of bankruptcy and becoming insolvent, and (iii) defaulting under other Contour debt agreements.

On behalf of BMO, we hereby demand repayment of all amounts due and owing by Contour to BMO under the Contour Facilities Agreement and Security, namely the amount of CAD$2,319,999.72 as of January 2, 2020, 2019, plus all accrued and accruing interest and legal costs on a solicitor and own client fully indemnity basis (the "**Indebtedness**").

Please note that the Indebtedness will continue to accrue interest at the rates agreed to, and costs and expenses will continue to be incurred by BMO for which Contour will be responsible, until payment of all amounts owing is received by either certified cheque or bank draft at the following address:

9750035.5

Bank of Montreal
c/o Burnet, Duckworth & Palmer LLP
2400, 525-8th Avenue SW
Calgary, Alberta
T2P 1G1

Attention: David LeGeyt

If full payment, as set forth above, is not received by close of business on January 14, 2020, BMO will take whatever steps it deems appropriate to seek repayment of the said amount. To this end we enclose for service upon Contour a Notice of Intention to Enforce Security ("**NOI**") in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). If Contour is prepared to waive the ten day notice period, please endorse the Consent and Waiver located on page 2 of the NOI and return to the undersigned.

For your information, demands will be issued on the guarantors in respect of Contour's indebtedness.

Please note that BMO reserves the right to proceed against Contour: (i) prior to the time stipulated above in the event that it determines that its position has been further jeopardized; and (ii) anytime, or from time to time after any dates stipulated above have passed, and in either case without the necessity of serving a new demand for payment.

If you have any questions, please contact the undersigned.

Yours truly,

BURNET, DUCKWORTH & PALMER LLP

David LeGeyt

DLG/agt

Encl.

cc: Sandy Hayer & Stanley Julien, BMO – Via Email
Ian Sutherland, McDougall Gauley LLP – Via Email

9750035.5

FORM 86

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada))

To: Contour Realty Inc., an insolvent person (the "**Debtor**").

TAKE NOTICE THAT:

1. Bank of Montreal ("**BMO**"), a secured creditor of the Debtor, intends to enforce its security on the property of the Debtor as set out below:

   (a) all present and after acquired real and personal property of the Debtor; and

   (b) all proceeds of the foregoing collateral.

2. The security to be enforced is in the form of:

   (a) a general security agreement (Saskatchewan) dated August 23, 2013;

   (b) a specific assignment of lease dated August 29, 2013; and

   (c) a power of attorney to transfer stock or bonds dated August 29, 2013;

   (the "**Security**").

3. The total amount of indebtedness secured by the Security is, as of January 2, 2020, the sum of CAD$2,319,999.72, plus all accrued and accruing interest and legal costs.

BMO will not have the right to enforce its Security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at the City of Calgary, in the Province of Alberta, this 4th day of January, 2020.

BURNET, DUCKWORTH & PALMER LLP,
solicitors and agents for Bank of Montreal

Per: _____
David LeGeyt

9750035.5

CONSENT AND WAIVER

THE UNDERSIGNED hereby:

Acknowledges receipt of the Notice of Intention to Enforce Security;

Waives the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and

Consents to the immediate enforcement by Bank of Montreal of the Security referred to herein.

DATED this _____ day of _____, 2020.

CONTOUR REALTY INC.

Per: _____
Name:
Title:

Burnet,
Duckworth
& Palmer LLP
Law Firm

Reply to: David LeGeyt
Direct Phone: **(403) 260-0210**
Direct Fax: **(403) 260-0332**
dlegeyt@bdplaw.com

Assistant: Annie Gillis-Tapp
Direct Phone: **403-267-1611**
Our File: 75453-4

VIA COURIER & EMAIL - kadair@morris-industries.com

January 4, 2020

Morris Industries (USA) Inc.
2131 Airport Drive
Saskatoon, SK
S7L 7E1

Attention: Kevin Adair

Re: Bank of Montreal – Morris Industries (USA) Inc. ("Morris USA")

We are counsel to Bank of Montreal ("**BMO**") in connection with the credit facilities provided by our client to or on account of Contour Realty Inc. ("**Contour**"), and the obligations outstanding between Morris USA and BMO, including pursuant to:

a) a continuing unlimited guarantee dated August 23, 2013 by Morris USA to BMO;

b) a general security agreement dated August 29, 2013;

c) a postponement and subordination agreement dated August 23, 2013 by Morris USA to BMO; and

d) a postponement and subordination of all intercompany loans made as of August 23, 2013 by Contour's guarantors (Morris Industries Ltd. Morris Sales & Service Ltd., 101097867 Saskatchewan Ltd., 101098672 Saskatchewan Ltd. and Morris USA) to BMO.

Contour is in default of its obligations to BMO and BMO has today demanded repayment from Contour in the amount of and CAD$2,319,999.72, plus all accrued and accruing interest and legal costs (the "**Indebtedness**"). Morris USA has guaranteed repayment of the Indebtedness. Accordingly, BMO hereby demands payment from Morris USA in the amount of CAD$2,319,999.72 as of January 2, 2020.

The Indebtedness will continue to accrue interest at the rates agreed to and costs until payment of all amounts owing is received. Payment may be made by way of certified cheque or bank draft to the following address:

Bank of Montreal
c/o Burnet, Duckworth & Palmer LLP
2400, 525-8th Avenue SW
Calgary, Alberta
T2P 1G1

Attention: David LeGeyt

If full payment, as set forth above, is not received by close of business on January 14, 2020, BMO will take whatever steps it deems appropriate to seek repayment of the said amount. To this end we enclose for service

BD&P
2400, 525-8th Avenue SW, Calgary, Alberta, Canada T2P 1G1 Phone: 403-260-0100 Fax: 403-260-0332 **www.bdplaw.com**
Frank L. Burnet Q.C. (1890-1982) | Thomas J. Duckworth Q.C. (1925-2007) | James S. Palmer C.M., A.O.E., Q.C., LL.D. (1928-2013)
The Hon. W. Kenneth Moore C.M., Q.C., LL.D., Counsel (1925-2016)

upon Morris USA a Notice of Intention to Enforce Security ("**NOI**") in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). If Morris USA is prepared to waive the ten day notice period, please endorse the Consent and Waiver located on page 2 of the NOI and return to the undersigned.

Please note that BMO reserves the right to proceed against Morris USA: (i) prior to the time stipulated above in the event that it determines that its position has been further jeopardized; and (ii) anytime, or from time to time after any dates stipulated above have passed, and in either case without the necessity of serving a new demand for payment.

If you have any questions, please contact the undersigned.

Yours truly,

BURNET, DUCKWORTH & PALMER LLP

fw: David LeGeyt

DLG/agt

Encl.

cc: Sandy Hayer & Stanley Julien, BMO – Via Email
Ian Sutherland, McDougall Gauley LLP – Via Email

FORM 86

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada))

To: Morris Industries (USA) Inc., an insolvent person (the "**Debtor**").

TAKE NOTICE THAT:

1. Bank of Montreal ("**BMO**"), a secured creditor of the Debtor, intends to enforce its security on the property of the Debtor as set out below:

   (a) all present and after acquired real and personal property of the Debtor; and

   (b) all proceeds of the foregoing collateral.

2. The security that is to be enforced is in the form of:

   (a) a general security agreement dated August 29, 2013;

   (b) a postponement and subordination agreement made as of August 23, 2013; and

   (c) a postponement and subordination of all intercompany loans made as of August 23, 2013;

   (the "**Security**").

3. The total amount of indebtedness secured by the Security is, as of January 2, 2020, the sum of CAD$2,319,999.72, plus all accrued and accruing interest and legal costs.

BMO will not have the right to enforce its Security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at the City of Calgary, in the Province of Alberta, this 4th day of January, 2020.

BURNET, DUCKWORTH & PALMER LLP,
solicitors and agents for Bank of Montreal

Per: _____
David LeGeyt

9764634.5

CONSENT AND WAIVER

THE UNDERSIGNED hereby:

Acknowledges receipt of the Notice of Intention to Enforce Security;

Waives the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and

Consents to the immediate enforcement by Bank of Montreal of the Security referred to herein.

DATED this _____ day of _____, 2020.

MORRIS INDUSTRIES (USA) INC.

Per: _____
Name:
Title:

Burnet,
Duckworth
& Palmer LLP
Law Firm

Reply to: David LeGeyt
Direct Phone: **(403) 260-0210**
Direct Fax: **(403) 260-0332**
dlegeyt@bdplaw.com

Assistant: Annie Gillis-Tapp
Direct Phone: **403-267-1611**
Our File: 75453-4

VIA COURIER & EMAIL - kadair@morris-industries.com

January 4, 2020

101098672 Saskatchewan Ltd.
600, 105 – 21st Street East
Saskatoon, SK
S7K 0B3

101098672 Saskatchewan Ltd.
Suite 200, 374 3rd Avenue South
Saskatoon, SK
S7K 1M5

Attention: Kevin Adair

Re: Bank of Montreal – 101098672 Saskatchewan Ltd. ("672")

We are counsel to Bank of Montreal ("**BMO**") in connection with the credit facilities provided by our client to or on account of Contour Realty Inc. ("**Contour**"), and the obligations outstanding between 672 and BMO, including pursuant to:

a) a continuing unlimited guarantee made as of August 23, 2013 by 672 to BMO;

b) a general security agreement dated August 23, 2013;

c) a postponement and subordination agreement made as of August 23, 2013 by 672 to BMO;

d) a postponement and subordination of all intercompany loans made as of August 23, 2013 by Contour's guarantors (Morris Industries Ltd. Morris Sales & Service Ltd., 101097867 Saskatchewan Ltd.,672 and Morris Industries (USA) Inc.) to BMO; and

e) a hypothecation of negotiable collateral for all loans dated August 23, 2013 wherein 672 hands BMO the securities enumerated in the document as a pledge to secure all advances made to Contour or 672 and to cover any indebtedness which is or may be due by Contour or 672 to BMO.

Contour is in default of its obligations to BMO and BMO has today demanded repayment from Contour in the amount of and CAD$2,319,999.72, plus all accrued and accruing interest and legal costs (the "**Indebtedness**"). 672 has guaranteed repayment of the Indebtedness. Accordingly, BMO hereby demands payment from 672 in the amount of CAD$2,319,999.72 as of January 2, 2020.

The Indebtedness will continue to accrue interest at the rates agreed to and costs until payment of all amounts owing is received. Payment may be made by way of certified cheque or bank draft to the following address:

9764629.5

Bank of Montreal
c/o Burnet, Duckworth & Palmer LLP
2400, 525-8th Avenue SW
Calgary, Alberta
T2P 1G1

Attention: David LeGeyt

If full payment, as set forth above, is not received by close of business on January 14, 2020, BMO will take whatever steps it deems appropriate to seek repayment of the said amount. To this end we enclose for service upon 672 a Notice of Intention to Enforce Security ("**NOI**") in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). If 672 is prepared to waive the ten day notice period, please endorse the Consent and Waiver located on page 2 of the NOI and return to the undersigned.

Please note that BMO reserves the right to proceed against 672: (i) prior to the time stipulated above in the event that it determines that its position has been further jeopardized; and (ii) anytime, or from time to time after any dates stipulated above have passed, and in either case without the necessity of serving a new demand for payment.

If you have any questions, please contact the undersigned.

Yours truly,

BURNET, DUCKWORTH & PALMER LLP

David LeGeyt

DLG/agt

Encl.

cc: Sandy Hayer & Stanley Julien, BMO – Via Email
Ian Sutherland, McDougall Gauley LLP – Via Email

9764629.5

FORM 86

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada))

To: 101098672 Saskatchewan Ltd., an insolvent person (the "**Debtor**").

TAKE NOTICE THAT:

1. Bank of Montreal ("**BMO**"), a secured creditor of the Debtor, intends to enforce its security on the property of the Debtor as set out below:

   (a) all present and after acquired real and personal property of the Debtor; and

   (b) all proceeds of the foregoing collateral.

2. The security that is to be enforced is in the form of:

   (a) a general security agreement dated August 23, 2013;

   (b) a postponement and subordination agreement made as of August 23, 2013;

   (c) a postponement and subordination of all intercompany loans made as of August 23, 2013; and

   (d) a hypothecation of negotiable collateral for all loans dated August 23, 2013;

   (the "**Security**").

3. The total amount of indebtedness secured by the Security is, as of January 2, 2020, the sum of CAD$2,319,999.72, plus all accrued and accruing interest and legal costs.

BMO will not have the right to enforce its Security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at the City of Calgary, in the Province of Alberta, this 4th day of January, 2020.

BURNET, DUCKWORTH & PALMER LLP,
solicitors and agents for Bank of Montreal

Per: _____
David LeGeyt

9764629.5

CONSENT AND WAIVER

THE UNDERSIGNED hereby:

Acknowledges receipt of the Notice of Intention to Enforce Security;

Waives the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and

Consents to the immediate enforcement by Bank of Montreal of the Security referred to herein.

DATED this _____ day of _____, 2020.

101098672 SASKATCHEWAN LTD.

Per: _____
Name:
Title:

Burnet,
Duckworth
& Palmer LLP
Law Firm

Reply to: David LeGeyt
Direct Phone: **(403) 260-0210**
Direct Fax: **(403) 260-0332**
dlegeyt@bdplaw.com

Assistant: Annie Gillis-Tapp
Direct Phone: **403-267-1611**
Our File: 75453-4

VIA COURIER & EMAIL - kadair@morris-industries.com

January 4, 2020

101097867 Saskatchewan Ltd.
Suite 200, 374 3rd Avenue South
Saskatoon, SK
S7K 1M5

Attention: Kevin Adair

Re: Bank of Montreal – 101097867 Saskatchewan Ltd. ("867")

We are counsel to Bank of Montreal ("**BMO**") in connection with the credit facilities provided by our client to or on account of Contour Realty Inc. ("**Contour**"), and the obligations outstanding between 867 and BMO, including pursuant to:

a) a continuing unlimited guarantee made as of August 23, 2013 by 867 to BMO;

b) a general security agreement dated August 23, 2013;

c) a postponement and subordination agreement made as of August 23, 2013 by 867 to BMO; and

d) a postponement and subordination of all intercompany loans made as of August 23, 2013 by Contour's guarantors (Morris Industries Ltd. Morris Sales & Service Ltd., 867, 101098672 Saskatchewan Ltd. and Morris Industries (USA) Inc.) to BMO.

Contour is in default of its obligations to BMO and BMO has today demanded repayment from Contour in the amount of and CAD$2,319,999.72, plus all accrued and accruing interest and legal costs (the "**Indebtedness**"). 867 has guaranteed repayment of the Indebtedness. Accordingly, BMO hereby demands payment from 867 in the amount of CAD$2,319,999.72 as of January 2, 2020.

The Indebtedness will continue to accrue interest at the rates agreed to and costs until payment of all amounts owing is received. Payment may be made by way of certified cheque or bank draft to the following address:

Bank of Montreal
c/o Burnet, Duckworth & Palmer LLP
2400, 525-8th Avenue SW
Calgary, Alberta
T2P 1G1

Attention: David LeGeyt

If full payment, as set forth above, is not received by close of business on January 14, 2020, BMO will take whatever steps it deems appropriate to seek repayment of the said amount. To this end we enclose for service

BD&P
2400, 525-8th Avenue SW, Calgary, Alberta, Canada T2P 1G1 Phone: 403-260-0100 Fax: 403-260-0332 **www.bdplaw.com**
Frank L. Burnet Q.C. (1890-1982) | Thomas J. Duckworth Q.C. (1925-2007) | James S. Palmer C.M., A.O.E., Q.C., LL.D. (1928-2013)
The Hon. W. Kenneth Moore C.M., Q.C., LL.D., Counsel (1925-2016)

upon 867 a Notice of Intention to Enforce Security ("**NOI**") in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). If 867 is prepared to waive the ten day notice period, please endorse the Consent and Waiver located on page 2 of the NOI and return to the undersigned.

Please note that BMO reserves the right to proceed against 867: (i) prior to the time stipulated above in the event that it determines that its position has been further jeopardized; and (ii) anytime, or from time to time after any dates stipulated above have passed, and in either case without the necessity of serving a new demand for payment.

If you have any questions, please contact the undersigned.

Yours truly,

BURNET, DUCKWORTH & PALMER LLP

David LeGeyt

DLG/agt

Encl.

cc: Sandy Hayer & Stanley Julien, BMO – Via Email
Ian Sutherland, McDougall Gauley LLP – Via Email

FORM 86

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada))

To: 101097867 Saskatchewan Ltd., an insolvent person (the "**Debtor**").

TAKE NOTICE THAT:

1. Bank of Montreal ("**BMO**"), a secured creditor of the Debtor, intends to enforce its security on the property of the Debtor as set out below:

   (a) all present and after acquired real and personal property of the Debtor; and

   (b) all proceeds of the foregoing collateral.

2. The security that is to be enforced is in the form of :

   (a) a general security agreement dated August 23, 2013;

   (b) a postponement and subordination agreement made as of August 23, 2013; and

   (c) a postponement and subordination of all intercompany loans made as of August 23, 2013;

   (the "**Security**").

3. The total amount of indebtedness secured by the Security is, as of January 2, 2020, the sum of CAD$2,319,999.72, plus all accrued and accruing interest and legal costs.

BMO will not have the right to enforce its Security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at the City of Calgary, in the Province of Alberta, this 4th day of January, 2020.

BURNET, DUCKWORTH & PALMER LLP,
solicitors and agents for Bank of Montreal

Per: _____
David LeGeyt

9764616.4

CONSENT AND WAIVER

THE UNDERSIGNED hereby:

Acknowledges receipt of the Notice of Intention to Enforce Security;

Waives the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and

Consents to the immediate enforcement by Bank of Montreal of the Security referred to herein.

DATED this _____ day of _____, 2020.

101097867 SASKATCHEWAN LTD.

Per: _____
Name:
Title:

Burnet,
Duckworth
& Palmer LLP
Law Firm

Reply to: David LeGeyt
Direct Phone: **(403) 260-0210**
Direct Fax: **(403) 260-0332**
dlegeyt@bdplaw.com

Assistant: Annie Gillis-Tapp
Direct Phone: **403-267-1611**
Our File: 75453-4

VIA COURIER & EMAIL - kadair@morris-industries.com

January 4, 2020

Morris Industries Ltd.
2131 Airport Drive
Saskatoon, SK
S7L 7E1

Morris Industries Ltd.
374 3rd Avenue South
Saskatoon, SK
S7K 1M5

Attention: Kevin Adair

Re: Bank of Montreal – Morris Industries Ltd. ("Morris Industries")

We are counsel to Bank of Montreal ("**BMO**") in connection with the credit facilities provided by our client to or on account of Contour Realty Inc. ("**Contour**"), and the obligations outstanding between Morris Industries and BMO, including pursuant to

a) a continuing unlimited guarantee made as of August 23, 2013 by Morris Industries to BMO;

b) a general security agreement dated August 23, 2013;

c) a consent and assignment of security dated August 29, 2013 between BMO, in its capacity as lender, BMO, in its capacity as collateral agent, Farm Credit Canada, Morris Industries Ltd. and Contour;

d) a postponement and subordination agreement made as of August 23, 2013 by Morris Industries to BMO; and

e) a postponement and subordination of all intercompany loans made as of August 23, 2013 by Contour's guarantors (Morris Industries Ltd. S&S, 101097867 Saskatchewan Ltd., 101098672 Saskatchewan Ltd. and Morris Industries (USA) Inc.) to BMO.

Contour is in default of its obligations to BMO and BMO has today demanded repayment from Contour in the amount of and CAD$2,319,999.72 plus all accrued and accruing interest and legal costs (the "**Indebtedness**"). Morris Industries has guaranteed repayment of the Indebtedness. Accordingly, BMO hereby demands payment from Morris Industries in the amount of CAD$2,319,999.72 as of January 2, 2020.

The Indebtedness will continue to accrue interest at the rates agreed to and costs until payment of all amounts owing is received. Payment may be made by way of certified cheque or bank draft to the following address:

9764582.5

Bank of Montreal
c/o Burnet, Duckworth & Palmer LLP
2400, 525-8th Avenue SW
Calgary, Alberta
T2P 1G1

Attention: David LeGeyt

If full payment, as set forth above, is not received by close of business on January 14, 2020, BMO will take whatever steps it deems appropriate to seek repayment of the said amount. To this end we enclose for service upon Morris Industries a Notice of Intention to Enforce Security ("**NOI**") in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). If Morris Industries is prepared to waive the ten day notice period, please endorse the Consent and Waiver located on page 2 of the NOI and return to the undersigned.

Please note that BMO reserves the right to proceed against Morris Industries: (i) prior to the time stipulated above in the event that it determines that its position has been further jeopardized; and (ii) anytime, or from time to time after any dates stipulated above have passed, and in either case without the necessity of serving a new demand for payment.

If you have any questions, please contact the undersigned.

Yours truly,

BURNET, DUCKWORTH & PALMER LLP

for David LeGeyt

DLG/agt

Encl.

cc: Sandy Hayer & Stanley Julien, BMO – Via Email
Ian Sutherland, McDougall Gauley LLP – Via Email

9764582.5

FORM 86

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada))

To: Morris Industries Ltd., an insolvent person (the "**Debtor**").

TAKE NOTICE THAT:

1. Bank of Montreal ("**BMO**"), a secured creditor of the Debtor, intends to enforce its security on the property of the Debtor as set out below:

   (a) all present and after acquired real and personal property of the Debtor; and

   (b) all proceeds of the foregoing collateral.

2. The security that is to be enforced is in the form of:

   (a) a general security agreement dated August 23, 2013;

   (b) a consent and assignment of security dated August 29, 2013;

   (c) a postponement and subordination agreement dated August 23, 2013; and

   (d) a postponement and subordination of all intercompany loans dated August 23, 2013;

   (the "**Security**").

3. The total amount of indebtedness secured by the Security is, as of January 2, 2020, the sum of CAD$2,319,999.72, plus all accrued and accruing interest and legal costs.

BMO will not have the right to enforce its Security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at the City of Calgary, in the Province of Alberta, this 4th day of January, 2020.

BURNET, DUCKWORTH & PALMER LLP,
solicitors and agents for Bank of Montreal

Per: _____
David LeGeyt

9764582.5

CONSENT AND WAIVER

THE UNDERSIGNED hereby:

Acknowledges receipt of the Notice of Intention to Enforce Security;

Waives the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and

Consents to the immediate enforcement by Bank of Montreal of the Security referred to herein.

DATED this _____ day of _____, 2020.

MORRIS INDUSTRIES LTD.

Per: _____
Name:
Title:

Burnet,
Duckworth
& Palmer LLP
Law Firm

Reply to: David LeGeyt
Direct Phone: **(403) 260-0210**
Direct Fax: **(403) 260-0332**
dlegeyt@bdplaw.com

Assistant: Annie Gillis-Tapp
Direct Phone: **403-267-1611**
Our File: 75453-4

VIA COURIER & EMAIL - kadair@morris-industries.com

January 4, 2020

Morris Sales & Service Ltd.
2131 Airport Drive
Saskatoon, SK
S7L 7E1

Morris Sales & Service Ltd.
Suite 200, 374 3rd Avenue South
Saskatoon, SK
S7K 1M5

Attention: Kevin Adair

Re: Bank of Montreal – Morris Sales & Service Ltd. ("S&S")

We are counsel to Bank of Montreal ("**BMO**") in connection with the credit facilities provided by our client to or on account of Contour Realty Inc. ("**Contour**"), and the obligations outstanding between S&S and BMO, including pursuant to:

a) a continuing unlimited guarantee made as of August 23, 2013 by S&S to BMO;

b) a general security agreement dated August 23, 2013;

c) a postponement and subordination agreement made as of August 23, 2013 by S&S to BMO;

d) a postponement and subordination of all intercompany loans made as of August 23, 2013 by Contour's guarantors (Morris Industries Ltd. S&S, 101097867 Saskatchewan Ltd., 101098672 Saskatchewan Ltd. and Morris Industries (USA) Inc.) to BMO; and

e) an undertaking regarding discharge or subordination of registrations against S&S dated August 29, 2013.

Contour is in default of its obligations to BMO and BMO has today demanded repayment from Contour in the amount of and CAD$2,319,999.72, plus all accrued and accruing interest and legal costs (the "**Indebtedness**"). S&S has guaranteed repayment of the Indebtedness. Accordingly, BMO hereby demands payment of from S&S in the amount of CAD$2,319,999.72 as of January 2, 2020.

The Indebtedness will continue to accrue interest at the rates agreed to and costs until payment of all amounts owing is received. Payment may be made by way of certified cheque or bank draft to the following address:

Bank of Montreal
c/o Burnet, Duckworth & Palmer LLP
2400, 525-8th Avenue SW
Calgary, Alberta
T2P 1G1

Attention: David LeGeyt

9764608.4

If full payment, as set forth above, is not received by close of business on January 14, 2020, BMO will take whatever steps it deems appropriate to seek repayment of the said amount. To this end we enclose for service upon S&S a Notice of Intention to Enforce Security ("**NOI**") in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). If S&S is prepared to waive the ten day notice period, please endorse the Consent and Waiver located on page 2 of the NOI and return to the undersigned.

Please note that BMO reserves the right to proceed against S&S: (i) prior to the time stipulated above in the event that it determines that its position has been further jeopardized; and (ii) anytime, or from time to time after any dates stipulated above have passed, and in either case without the necessity of serving a new demand for payment.

If you have any questions, please contact the undersigned.

Yours truly,

BURNET, DUCKWORTH & PALMER LLP

for David LeGeyt

DLG/agt

Encl.

cc: Sandy Hayer & Stanley Julien, BMO – Via Email
Ian Sutherland, McDougall Gauley LLP – Via Email

FORM 86

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada))

To: Morris Sales & Service Ltd., an insolvent person (the "**Debtor**").

TAKE NOTICE THAT:

1. Bank of Montreal ("**BMO**"), a secured creditor of the Debtor, intends to enforce its security on the property of the Debtor as set out below:

   (a) all present and after acquired real and personal property of the Debtor; and

   (b) all proceeds of the foregoing collateral.

2. The security that is to be enforced is in the form of:

   (a) a general security agreement dated August 23, 2013;

   (b) a postponement and subordination agreement dated August 23, 2013;

   (c) a postponement and subordination of all intercompany loans dated August 23, 2013; and

   (d) an undertaking regarding discharge or subordination of registrations against S&S dated August 29, 2013;

   (the "**Security**").

3. The total amount of indebtedness secured by the Security is, as of January 2, 2020, the sum of CAD$2,319,999.72, plus all accrued and accruing interest and legal costs.

BMO will not have the right to enforce its Security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at the City of Calgary, in the Province of Alberta, this 4th day of January, 2020.

BURNET, DUCKWORTH & PALMER LLP,
solicitors and agents for Bank of Montreal

Per: _____
David LeGeyt

9764608.4

CONSENT AND WAIVER

THE UNDERSIGNED hereby:

Acknowledges receipt of the Notice of Intention to Enforce Security;

Waives the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and

Consents to the immediate enforcement by Bank of Montreal of the Security referred to herein.

DATED this _____ day of _____, 2020.

MORRIS SALES & SERVICE LTD.

Per: _____
Name:
Title:

Burnet,
Duckworth
& Palmer LLP
Law Firm

Reply to: David LeGeyt
Direct Phone: **(403) 260-0210**
Direct Fax: **(403) 260-0332**
dlegeyt@bdplaw.com

Assistant: Annie Gillis-Tapp
Direct Phone: **403-267-1611**
Our File: 75453-4

VIA COURIER & EMAIL - kadair@morris-industries.com

January 4, 2020

Morris Industries Ltd.
2131 Airport Drive
Saskatoon, SK
S7L 7E1

Attention: Kevin Adair

Re: Bank of Montreal – Morris Industries Ltd. ("Morris Industries")

We are counsel to Bank of Montreal ("**BMO**") in connection with a commitment letter dated June 28, 2019 between BMO, Morris Industries, and Morris Sales & Service Ltd. ("**S&S**") (the "**Morris Industries Loan Agreement**") which supersedes and replaces the prior loan agreement dated May 29, 2018. Reference is also made to the following security:

- a collateral agency and priority agreement between BMO and Farm Credit Canada as lenders and BMO in its capacity as Collateral Agent for BMO and Farm Credit Canada, dated March 31, 2011;
- a general security agreement (Saskatchewan) dated June 5, 2007 granted by Morris Industries in favour of BMO;
- a general security agreement (Manitoba) dated June 5, 2007 granted by Morris Industries in favour of BMO;
- hypothecation of negotiable collateral for all loans dated June 5, 2007 granted by Morris Industries in favour of BMO;
- pledge of fluctuating cash collateral dated December 31, 2007 granted by Morris Industries in favour of BMO;
- subrogation agreement dated June 5, 2007 made by, among others, Morris Industries and S&S in favour of BMO in respect of indebtedness owing to Morris Industries;
- subrogation agreement dated June 5, 2007 made by, among others, Morris Industries, S&S and 101098672 Saskatchewan Ltd. in favour of BMO in respect of indebtedness owing to S&S;
- subrogation agreement dated June 5, 2007 made by Morris Industries (USA) Inc. and Morris Industries in favour of BMO in respect of indebtedness owing to Morris Industries (USA) Inc.;

BD&P
2400, 525-8th Avenue SW, Calgary, Alberta, Canada T2P 1G1 Phone: 403-260-0100 Fax: 403-260-0332 **www.bdplaw.com**
Frank L. Burnet Q.C. (1890-1982) | Thomas J. Duckworth Q.C. (1925-2007) | James S. Palmer C.M., A.O.E., Q.C., LL.D. (1928-2013)
The Hon. W. Kenneth Moore C.M., Q.C., LL.D., Counsel (1925-2016)

- subrogation agreement dated June 5, 2007 made by, among others, 101098672 Saskatchewan Ltd., Morris Industries and S&S in favour of BMO in respect of indebtedness owing to 101098672 Saskatchewan Ltd.;

- postponement and subordination agreement dated August 23, 2013 granted by Morris Industries in favour of BMO in respect of indebtedness owing to Morris Industries by Contour Realty Inc.; and

- postponement and subordination of preferred shares rights agreement dated August 31, 2017 granted by 102030340 Saskatchewan Ltd. in favour of BMO (and acknowledged by Morris Industries and S&S) with regards to certain preferred shares issued to 102030340 Saskatchewan Ltd.

(together, the "**Security**").

All amounts due under the Morris Industries Loan Agreement are repayable on demand. Further, although BMO is not required to rely on any defaults to demand repayment, Morris Industries is in default of the following aspects of the Morris Industries Loan Agreement: (i) failure to pay all principal, interest, fees and other amounts owing under the Morris Industries Loan Agreement and under the Security, (ii) failure to observe and comply with all of the other terms and conditions of the Morris Industries Loan Agreement and Security, and (iii) failure to remain in compliance in all material respects with all covenants, agreements and obligations under all material contracts. Morris Industries is in default of the Loan Agreement and the Security, and all amounts owing to BMO under the Loan Agreement and Security are immediately due and payable.

On behalf of BMO, we hereby demand repayment of all amounts due and owing by Morris Industries to BMO under the Morris Industries Facilities Agreement and Security, namely the amount of CAD$22,455,856.64 as of January 4, 2020, plus all accrued and accruing interest and legal costs on a solicitor and own client fully indemnity basis (the "**Indebtedness**").

Please note that the Indebtedness will continue to accrue interest at the rates agreed to, and costs and expenses will continue to be incurred by BMO for which Morris Industries will be responsible, until payment of all amounts owing is received by either certified cheque or bank draft at the following address:

Bank of Montreal
c/o Burnet, Duckworth & Palmer LLP
2400, 525-8th Avenue SW
Calgary, Alberta
T2P 1G1

Attention: David LeGeyt

If full payment, as set forth above, is not received by close of business on January 13, 2020, BMO will take whatever steps it deems appropriate to seek repayment of the said amount. To this end we enclose for service upon you a Notice of Intention to Enforce Security ("**NOI**") in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). If you are prepared to waive the ten day notice period, please endorse the Consent and Waiver located on page 2 of the NOI and return to the undersigned.

For your information, demands will be issued on the guarantors in respect of Morris Industries' indebtedness.

Please note that BMO reserves the right to proceed against Morris Industries: (i) prior to the time stipulated above in the event that it determines that its position has been further jeopardized; and (ii) anytime, or from time

to time after any dates stipulated above have passed, and in either case without the necessity of serving a new demand for payment.

If you have any questions, please contact the undersigned.

Yours truly,

BURNET, DUCKWORTH & PALMER LLP

for David LeGeyt

DLG/agt

Encl.

cc: Sandy Hayer & Stanley Julien, BMO – Via Email
Ian Sutherland, McDougall Gauley – Via Email

FORM 86

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada))

To: Morris Industries Ltd., an insolvent person (the "**Debtor**").

TAKE NOTICE THAT:

1. Bank of Montreal ("**BMO**"), a secured creditor of the Debtor, intends to enforce its security on the property of the Debtor as set out below:

   (a) all present and after acquired real and personal property of the Debtor; and

   (b) all proceeds of the foregoing collateral.

2. The security that is to be enforced is in the form of:

   (a) general security agreement (Saskatchewan), dated June 5, 2007;

   (b) general security agreement (Manitoba), dated June 5, 2007;

   (c) hypothecation of negotiable collateral dated June 5, 20017;

   (d) pledge of fluctuating cash collateral dated December 31, 2007;

   (e) numerous subrogation agreements dated June 5, 2007; and

   (f) postponement and subrogation agreement dated August 23, 2013;

   (the "**Security**").

3. The total amount of indebtedness secured by the Security is, as of January 2 2020, the sum of CAD$22,455,856.64, plus all accrued and accruing interest and legal costs.

BMO will not have the right to enforce its Security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at the City of Calgary, in the Province of Alberta, this 4th day of January, 2020.

BURNET, DUCKWORTH & PALMER LLP,
solicitors and agents for Bank of Montreal

Per: _____
David LeGeyt

9749689.5

CONSENT AND WAIVER

THE UNDERSIGNED hereby:

Acknowledges receipt of the Notice of Intention to Enforce Security;

Waives the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and

Consents to the immediate enforcement by Bank of Montreal of the Security referred to herein.

DATED this _____ day of _____, 2020.

MORRIS INDUSTRIES LTD.

Per: _____
Name:
Title:

Burnet,
Duckworth
& Palmer LLP
Law Firm

Reply to: David LeGeyt
Direct Phone: **(403) 260-0210**
Direct Fax: **(403) 260-0332**
dlegeyt@bdplaw.com

Assistant: Annie Gillis-Tapp
Direct Phone: **403-267-1611**
Our File: 75453-4

VIA COURIER & EMAIL - kadair@morris-industries.com

January 4, 2020

Morris Sales & Service Ltd.
2131 Airport Drive
Saskatoon, SK
S7L 7E1

Attention: Kevin Adair

Re: Bank of Montreal re: Morris Sales & Service Ltd. ("S&S")

We are counsel to Bank of Montreal ("**BMO**") in connection with a commitment letter dated June 28, 2019 between BMO, Morris Industries Ltd. ("**Morris Industries**") and Morris Sales & Service Ltd. ("**S&S**") (the "**S&S Loan Agreement**") which supersedes and replaces the prior loan agreement dated May 29, 2018. Reference is also made to the following security:

- a general security agreement (Saskatchewan) dated June 5, 2007 granted by S&S in favour of BMO;
- a general security agreement (Manitoba) dated June 5, 2007 granted by S&S in favour of BMO;
- subrogation agreement dated June 5, 2007 made by, among others, Morris Industries and S&S in favour of BMO in respect of indebtedness owing to Morris Industries;
- subrogation agreement dated June 5, 2007 made by, among others, Morris Industries, S&S and 101098672 Saskatchewan Ltd. in favour of BMO in respect of indebtedness owing to S&S;
- subrogation agreement dated June 5, 2007 made by, among others, 101098672 Saskatchewan Ltd., Morris Industries and S&S in favour of BMO in respect of indebtedness owing to 101098672 Saskatchewan Ltd.;
- postponement and subordination agreement dated August 23, 2013 granted by S&S in favour of BMO in respect of indebtedness owing to S&S by Contour Realty Inc.; and
- postponement and subordination of preferred shares rights agreement dated August 31, 2017 granted by 102030340 Saskatchewan Ltd. in favour of BMO (and acknowledged by Morris Industries and S&S) with regards to certain preferred shares issued to 102030340 Saskatchewan Ltd.

(together, the "**Security**").

All amounts due under the S&S Loan Agreement are repayable on demand. Further, although BMO is not required to rely on defaults to issue a demand, S&S is in default of the following positive covenants in the S&S Loan Agreement: (i) failure to pay all principal, interest, fees and other amounts owing under the S&S Loan

BD&P
2400, 525-8th Avenue SW, Calgary, Alberta, Canada T2P 1G1 Phone: 403-260-0100 Fax: 403-260-0332 **www.bdplaw.com**
Frank L. Burnet Q.C. (1890-1982) | Thomas J. Duckworth Q.C. (1925-2007) | James S. Palmer C.M., A.O.E., Q.C., LL.D. (1928-2013)
The Hon. W. Kenneth Moore C.M., Q.C., LL.D., Counsel (1925-2016)

Agreement and under the Security, (ii) failure to observe and comply with all of the other terms and conditions of the S&S Loan Agreement and Security, and (iii) failure to remain in compliance in all material respects with all covenants, agreements and obligations under all material contracts. S&S is in default of the Loan Agreement and the Security, and all amounts owing to BMO under the Loan Agreement and Security are immediately due and payable.

On behalf of BMO, we hereby demand repayment of all amounts due and owing by S&S to BMO under the S&S Facilities Agreement and Security, namely the amount of CAD$18,948,450.41 as of January 2, 2020, plus all accrued and accruing interest and legal costs on a solicitor and own client fully indemnity basis (the "**Indebtedness**").

Please note that the Indebtedness will continue to accrue interest at the rates agreed to, and costs and expenses will continue to be incurred by BMO for which S&S will be responsible, until payment of all amounts owing is received by either certified cheque or bank draft at the following address:

Bank of Montreal
c/o Burnet, Duckworth & Palmer LLP
2400, 525-8th Avenue SW
Calgary, Alberta
T2P 1G1

Attention: David LeGeyt

If full payment, as set forth above, is not received by close of business on January 14, 2020, BMO will take whatever steps it deems appropriate to seek repayment of the said amount. To this end we enclose for service upon you a Notice of Intention to Enforce Security ("**NOI**") in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). If you are prepared to waive the ten day notice period, please endorse the Consent and Waiver located on page 2 of the NOI and return to the undersigned.

For your information, demands will be issued on the guarantors in respect of S&S' indebtedness.

Please note that BMO reserves the right to proceed against S&S: (i) prior to the time stipulated above in the event that it determines that its position has been further jeopardized; and (ii) anytime, or from time to time after any dates stipulated above have passed, and in either case without the necessity of serving a new demand for payment.

If you have any questions, please contact the undersigned.

Yours truly,

BURNET, DUCKWORTH & PALMER LLP

per David LeGeyt

DLG/agt

Encl.

cc: Sandy Hayer & Stanley Julien, BMO – Via Email
Ian Sutherland, McDougall Gauley – Via Email

FORM 86

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada))

To: Morris Sales & Service Ltd., an insolvent person (the "**Debtor**").

TAKE NOTICE THAT:

1. Bank of Montreal ("**BMO**"), a secured creditor of the Debtor, intends to enforce its security on the property of the Debtor as set out below:

   (a) all present and after acquired real and personal property of the Debtor; and

   (b) all proceeds of the foregoing collateral.

2. The security that is to be enforced is in the form of:

   (a) a general security agreement (Saskatchewan) dated June 5, 2007;

   (b) a general security agreement (Manitoba) dated June 5, 2007;

   (c) numerous subrogation agreements dated June 5, 2007;

   (d) a postponement and subordination agreement dated August 23, 2013; and

   (e) a postponement and subordination of preferred shares rights agreement dated August 31, 2017;

   (the "**Security**").

3. The total amount of indebtedness secured by the Security is, as of January 2, 2020, the sum of CAD$18,948,450.41, plus all accrued and accruing interest and legal costs.

BMO will not have the right to enforce its Security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at the City of Calgary, in the Province of Alberta, this 4th day of January, 2020.

BURNET, DUCKWORTH & PALMER LLP,
solicitors and agents for Bank of Montreal

Per: _____
David LeGeyt

9764499.5

CONSENT AND WAIVER

THE UNDERSIGNED hereby:

Acknowledges receipt of the Notice of Intention to Enforce Security;

Waives the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and

Consents to the immediate enforcement by Bank of Montreal of the Security referred to herein.

DATED this _____ day of _____, 2020.

MORRIS SALES & SERVICE LTD.

Per: _____
Name:
Title:

Burnet,
Duckworth
& Palmer LLP
Law Firm

Reply to: David LeGeyt
Direct Phone: **(403) 260-0210**
Direct Fax: **(403) 260-0332**
dlegeyt@bdplaw.com

Assistant: Annie Gillis-Tapp
Direct Phone: **403-267-1611**
Our File: 75453-4

VIA COURIER & EMAIL - kadair@morris-industries.com

January 4, 2020

101098672 Saskatchewan Ltd.
600, 105 – 21st Street East
Saskatoon, SK
S7K 0B3

101098672 Saskatchewan Ltd.
2131 Airport Drive
Saskatoon, SK
S7L 7E1

Attention: Kevin Adair

Re: Bank of Montreal – 101098672 Saskatchewan Ltd. ("672")

We are counsel to Bank of Montreal ("**BMO**") in connection with the credit facilities provided by our client to or on account of Morris Industries Ltd. ("**Morris Industries**") and Morris Sales & Service Ltd. ("**S&S**"), and the obligations outstanding between 672 and BMO, includeng pursuant to:

a) an unlimited liability continuing guarantee for indebtedness of an incorporated company dated June 5, 2007;

b) a general security agreement (Saskatchewan) dated August 23, 2013 granted by 672 in favour of BMO;

c) hypothecation of negotiable collateral for all loans dated September 1, 2008 granted by 672 in favour of BMO;

d) a subrogation agreement dated June 5, 2007 made by, among others, S&S, Morris Industries and 672 in favour of BMO in respect of indebtedness owing to S&S;

e) a subrogation agreement dated June 5, 2007 made by, among others, 672, Morris Industries and S&S in favour of BMO in respect of indebtedness owing to 672;

f) and a postponement and subordination agreement dated August 23, 2013 granted by 672 in favour of BMO in respect of indebtedness owing to 672 by Contour Realty Inc.

Morris Industries and S&S are in default of their obligations to BMO and BMO has today demanded repayment from Morris Industries and S&S in the amount of CAD$22,455,856.64 and CAD$18,948,450.41, respectively, plus all accrued and accruing interest and legal costs (the "**Indebtedness**"). 672 has guaranteed repayment of the Indebtedness. Accordingly, BMO hereby demands payment from 672 in the amount of CAD$22,455,856.64 as of January 2, 2020.

The Indebtedness will continue to accrue interest at the rates agreed to and costs until payment of all amounts owing is received. Payment may be made by way of certified cheque or bank draft to the following address:

BD&P
2400, 525-8th Avenue SW, Calgary, Alberta, Canada T2P 1G1 Phone: 403-260-0100 Fax: 403-260-0332 **www.bdplaw.com**
Frank L. Burnet Q.C. (1890-1982) | Thomas J. Duckworth Q.C. (1925-2007) | James S. Palmer C.M., A.O.E., Q.C., LL.D. (1928-2013)
The Hon. W. Kenneth Moore C.M., Q.C., LL.D., Counsel (1925-2016)

Bank of Montreal
c/o Burnet, Duckworth & Palmer LLP
2400, 525-8th Avenue SW
Calgary, Alberta
T2P 1G1

Attention: David LeGeyt

If full payment, as set forth above, is not received by close of business on January 14, 2020, BMO will take whatever steps it deems appropriate to seek repayment of the said amount. To this end we enclose for service upon 672 a Notice of Intention to Enforce Security ("**NOI**") in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). If 672 is prepared to waive the ten day notice period, please endorse the Consent and Waiver located on page 2 of the NOI and return to the undersigned.

Please note that BMO reserves the right to proceed against 672: (i) prior to the time stipulated above in the event that it determines that its position has been further jeopardized; and (ii) anytime, or from time to time after any dates stipulated above have passed, and in either case without the necessity of serving a new demand for payment.

If you have any questions, please contact the undersigned.

Yours truly,

BURNET, DUCKWORTH & PALMER LLP

David LeGeyt

DLG/agt

Encl.

cc: Sandy Hayer & Stanley Julien, BMO – Via Email
Ian Sutherland, McDougall Gauley LLP – Via Email

9764544.4

FORM 86

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada))

To: 101098672 Saskatchewan Ltd., an insolvent person (the "**Debtor**").

TAKE NOTICE THAT:

1. Bank of Montreal ("**BMO**"), a secured creditor of the Debtor, intends to enforce its security on the property of the Debtor as set out below:

   (a) all present and after acquired real and personal property of the Debtor; and

   (b) all proceeds of the foregoing collateral.

2. The security that is to be enforced is in the form of:

   (a) a general security agreement (Saskatchewan) dated August 23, 2013;

   (b) hypothecation of negotiable collateral for all loans dated September 1, 2008;

   (c) subrogation agreements dated June 5, 2007; and

   (d) a postponement and subordination agreement dated August 23, 2013;

   (the "**Security**").

3. The total amount of indebtedness secured by the Security is, as of January 2, 2020, the sum of CAD$22,455,856.64, plus all accrued and accruing interest and legal costs.

BMO will not have the right to enforce its Security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at the City of Calgary, in the Province of Alberta, this 4th day of January, 2020.

BURNET, DUCKWORTH & PALMER LLP,
solicitors and agents for Bank of Montreal

Per: _____
David LeGeyt

9764544.4

CONSENT AND WAIVER

THE UNDERSIGNED hereby:

Acknowledges receipt of the Notice of Intention to Enforce Security;

Waives the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and

Consents to the immediate enforcement by Bank of Montreal of the Security referred to herein.

DATED this _____ day of _____, 2020.

101098672 SASKATCHEWAN LTD.

Per: _____
Name:
Title:

Burnet,
Duckworth
& Palmer LLP
Law Firm

Reply to: David LeGeyt
Direct Phone: **(403) 260-0210**
Direct Fax: **(403) 260-0332**
dlegeyt@bdplaw.com

Assistant: Annie Gillis-Tapp
Direct Phone: **403-267-1611**
Our File: 75453-4

VIA COURIER & EMAIL - kadair@morris-industries.com

January 4, 2020

Contour Realty Inc.
600, 105 – 21st Street East
Saskatoon, SK
S7K 0B3

Contour Realty Inc.
2131 Airport Drive
Saskatoon, SK
S7L 7E1

Attention: Kevin Adair

Re: Bank of Montreal – Contour Realty Inc. ("Contour")

We are counsel to Bank of Montreal ("**BMO**") in conection with the credit facilities provided by our client to or on account of Morris Industries Ltd. ("**Morris Industries**") and Morris Sales & Service Ltd. ("**S&S**"), and the obligations outstanding between Contour and BMO, including pursuant to:

a) unlimited liability continuing guarantee for indebtedness of an incorporated company dated June 5, 2007 granted by Contour in favour of BMO;

b) a general security agreement (Saskatchewan) dated August 23, 2013 granted by Contour in favour of BMO; and

c) a postponement and subordination agreement dated August 23, 2013 granted by Contour in favour of BMO in respect of indebtedness owing to Contour by, among others, Morris Industries, S&S, 101098672 Saskatchewan Ltd. and Morris Industries (USA) Inc.

Morris Industries and S&S are in default of their obligations to BMO and BMO has today demanded repayment from Morris Industries and S&S in the amount of CAD$22,455,856.64 and CAD$18,948,450.41, respectively, plus all accrued and accruing interest and legal costs (the "**Indebtedness**"). Contour has guaranteed repayment of the Indebtedness. Accordingly, BMO hereby demands payment from Contour in the amount of CAD$22,455,856.64 as of January 2, 2020.

The Indebtedness will continue to accrue interest at the rates agreed to and costs until payment of all amounts owing is received. Payment may be made by way of certified cheque or bank draft to the following address:

Bank of Montreal
c/o Burnet, Duckworth & Palmer LLP
2400, 525-8th Avenue SW
Calgary, Alberta
T2P 1G1

Attention: David LeGeyt

9764507.4

If full payment, as set forth above, is not received by close of business on January 14, 2020, BMO will take whatever steps it deems appropriate to seek repayment of the said amount. To this end we enclose for service upon Contour a Notice of Intention to Enforce Security ("**NOI**") in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). If Contour is prepared to waive the ten day notice period, please endorse the Consent and Waiver located on page 2 of the NOI and return to the undersigned.

Please note that BMO reserves the right to proceed against Contour: (i) prior to the time stipulated above in the event that it determines that its position has been further jeopardized; and (ii) anytime, or from time to time after any dates stipulated above have passed, and in either case without the necessity of serving a new demand for payment.

If you have any questions, please contact the undersigned.

Yours truly,

BURNET, DUCKWORTH & PALMER LLP

for David LeGeyt

DLG/agt

Encl.

cc: Sandy Hayer & Stanley Julien, BMO – Via Email
Ian Sutherland, McDougall Gauley LLP – Via Email

FORM 86

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada))

To: Contour Realty Inc., an insolvent person (the "**Debtor**").

TAKE NOTICE THAT:

1. Bank of Montreal ("**BMO**"), a secured creditor of the Debtor, intends to enforce its security on the property of the Debtor as set out below:

   (a) all present and after acquired real and personal property of the Debtor; and

   (b) all proceeds of the foregoing collateral.

2. The security that is to be enforced is in the form of:

   (a) a general security agreement dated August 23, 2013; and

   (b) a postponement and subordination agreement dated August 23;

   (the "**Security**").

3. The total amount of indebtedness secured by the Security is, as of January 2, 2020, the sum of CAD$22,455,856.64, plus all accrued and accruing interest and legal costs.

BMO will not have the right to enforce its Security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at the City of Calgary, in the Province of Alberta, this 4th day of January, 2020.

BURNET, DUCKWORTH & PALMER LLP,
solicitors and agents for Bank of Montreal

Per: _____
David LeGeyt

9764507.4

CONSENT AND WAIVER

THE UNDERSIGNED hereby:

Acknowledges receipt of the Notice of Intention to Enforce Security;

Waives the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and

Consents to the immediate enforcement by Bank of Montreal of the Security referred to herein.

DATED this _____ day of _____, 2020.

CONTOUR REALTY INC.

Per: _____
Name:
Title:

Burnet,
Duckworth
& Palmer LLP
Law Firm

Reply to: David LeGeyt
Direct Phone: **(403) 260-0210**
Direct Fax: **(403) 260-0332**
dlegeyt@bdplaw.com

Assistant: Annie Gillis-Tapp
Direct Phone: **403-267-1611**
Our File: 75453-4

VIA COURIER & EMAIL - kadair@morris-industries.com

January 4, 2020

Morris Industries (USA) Inc.
600, 105 – 21st Street East
Saskatoon, SK
S7K 0B3

Morris Industries (USA) Inc.
2131 Airport Drive
Saskatoon, SK
S7L 7E1

Attention: Kevin Adair

Re: Bank of Montreal – Morris Industries (USA) Inc. ("Morris USA")

We are counsel to Bank of Montreal ("**BMO**") in connection with the credit facilities provided by our client to or on account of Morris Industries Ltd. ("**Morris Industries**") and Morris Sales & Service Ltd. ("**S&S**"), and the obligations outstanding between Morris USA and BMO, including pursuant to:

a) an unlimited liability continuing guarantee for indebtedness of an incorporated company dated June 5, 2007 granted by Morris USA in favour of BMO;

b) a general security agreement (Saskatchewan) dated June 5, 2007 granted by Morris USA in favour of BMO;

c) a subrogation agreement dated June 5, 2007 made by Morris USA and Morris Industries in favour of BMO in respect of indebtedness owing to Morris USA; and

d) a postponement and subordination agreement dated August 23, 2013 granted by Morris USA in favour of BMO in respect of indebtedness owing to Morris USA by Contour Realty Inc.

Morris Industries and S&S are in default of their obligations to BMO and BMO has today demanded repayment from Morris Industries and S&S in the amount of CAD$22,455,856.64 and CAD$18,948,450.41 respectively, plus all accrued and accruing interest and legal costs (the "**Indebtedness**"). Morris USA has guaranteed repayment of the Indebtedness. Accordingly, BMO hereby demands payment from Morris USA in the amount of CAD$22,455,856.64 as of January 2, 2020.

The Indebtedness will continue to accrue interest at the rates agreed to and costs until payment of all amounts owing is received. Payment may be made by way of certified cheque or bank draft to the following address:

9764561.4

Bank of Montreal
c/o Burnet, Duckworth & Palmer LLP
2400, 525-8th Avenue SW
Calgary, Alberta
T2P 1G1

Attention: David LeGeyt

If full payment, as set forth above, is not received by close of business on January 14, 2020, BMO will take whatever steps it deems appropriate to seek repayment of the said amount. To this end we enclose for service upon Morris USA a Notice of Intention to Enforce Security ("**NOI**") in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). If Morris USA is prepared to waive the ten day notice period, please endorse the Consent and Waiver located on page 2 of the NOI and return to the undersigned.

Please note that BMO reserves the right to proceed against Morris USA: (i) prior to the time stipulated above in the event that it determines that its position has been further jeopardized; and (ii) anytime, or from time to time after any dates stipulated above have passed, and in either case without the necessity of serving a new demand for payment.

If you have any questions, please contact the undersigned.

Yours truly,

BURNET, DUCKWORTH & PALMER LLP

David LeGeyt

DLG/agt

Encl.

cc: Sandy Hayer, & Stanley Julien, BMO – Via Email
Ian Sutherland, McDougall Gauley LLP – Via Email

9764561.4

FORM 86

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada))

To: Morris Industries (USA) Inc., an insolvent person (the "**Debtor**").

TAKE NOTICE THAT:

1. Bank of Montreal ("**BMO**"), a secured creditor of the Debtor, intends to enforce its security on the property of the Debtor as set out below:

   (a) all present and after acquired real and personal property of the Debtor; and

   (b) all proceeds of the foregoing collateral.

2. The security that is to be enforced is in the form of:

   a) a general security agreement (Saskatchewan) dated June 5, 2007;

   b) a subrogation agreement dated June 5, 2007; and

   c) a postponement and subordination agreement dated August 23, 2013;

   (the "**Security**").

3. The total amount of indebtedness secured by the Security is, as of January 2, 2020, the sum of CAD$22,455,856.64, plus all accrued and accruing interest and legal costs.

BMO will not have the right to enforce its Security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at the City of Calgary, in the Province of Alberta, this 4th day of January, 2020.

BURNET, DUCKWORTH & PALMER LLP,
solicitors and agents for Bank of Montreal

Per: _____
David LeGeyt

9764561.4

CONSENT AND WAIVER

THE UNDERSIGNED hereby:

Acknowledges receipt of the Notice of Intention to Enforce Security;

Waives the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and

Consents to the immediate enforcement by Bank of Montreal of the Security referred to herein.

DATED this _____ day of _____, 2020.

MORRIS INDUSTRIES (USA) INC.

Per: _____
Name:
Title:

Burnet,
Duckworth
& Palmer LLP
Law Firm

Reply to: David LeGeyt
Direct Phone: **(403) 260-0210**
Direct Fax: **(403) 260-0332**
dlegeyt@bdplaw.com

Assistant: Annie Gillis-Tapp
Direct Phone: **403-267-1611**
Our File: 75453-4

VIA COURIER & EMAIL - kadair@morris-industries.com

January 4, 2020

Morris Sales & Service Ltd.
2131 Airport Drive
Saskatoon, SK
S7L 7E1

Attention: Kevin Adair

Re: Bank of Montreal – Morris Sales & Service Ltd. ("S&S")

We are counsel to Bank of Montreal ("**BMO**") in connection with the credit facilities provided by our client to or on account of Morris Industries Ltd. ("**Morris Industries**") and the obligations outstanding between S&S and BMO, including pursuant to:

a) an unlimited liability continuing guarantee for indebtedness of an incorporated company dated June 5, 2007 granted by S&S in favour of BMO;

b) an unlimited Manitoba general security agreement dated June 5, 2007;

c) a Saskatchewan general security agreement dated June 5, 2007;

d) a subrogation agreement dated June 5, 2007 made by, among others, Morris Industries and S&S in favour of BMO in respect of indebtedness owing to Morris industries;

e) a subrogation agreement dated June 5, 2007 made by, among others, S&S, Morris Industries and 101098672 Saskatchewan Ltd. in favour of BMO in respect of indebtedness owing to S&S;

f) a subrogation agreement dated June 5, 2007 made by, among others, 101098672 Saskatchewan Ltd., Morris Industries and S&S, in favour of BMO in respect of indebtedness owing to 101098672 Saskatchewan Ltd.; and

g) a postponement and subordination agreement dated August 23, 2013 granted by S&S in favour of BMO in respect of indebtedness owing to S&S by Contour Realty Inc.

Morris Industries is in default of its obligations to BMO and BMO has today demanded repayment from Morris Industries in the amount of and CAD$22,455,856.64, plus all accrued and accruing interest and legal costs (the "**Indebtedness**"). S&S has guaranteed repayment of the Indebtedness. Accordingly, BMO hereby demands payment from S&S in the amount of CAD $22,455,856.64 as of January 2, 2020.

The Indebtedness will continue to accrue interest at the rates agreed to and costs until payment of all amounts owing is received. Payment may be made by way of certified cheque or bank draft to the following address:

BD&P
2400, 525-8th Avenue SW, Calgary, Alberta, Canada T2P 1G1 Phone: 403-260-0100 Fax: 403-260-0332 **www.bdplaw.com**
Frank L. Burnet Q.C. (1890-1982) | Thomas J. Duckworth Q.C. (1925-2007) | James S. Palmer C.M., A.O.E., Q.C., LL.D. (1928-2013)
The Hon. W. Kenneth Moore C.M., Q.C., LL.D., Counsel (1925-2016)

Bank of Montreal
c/o Burnet, Duckworth & Palmer LLP
2400, 525-8th Avenue SW
Calgary, Alberta
T2P 1G1

Attention: David LeGeyt

If full payment, as set forth above, is not received by close of business on January 14, 2020, BMO will take whatever steps it deems appropriate to seek repayment of the said amount. To this end we enclose for service upon S&S a Notice of Intention to Enforce Security ("**NOI**") in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada). If S&S is prepared to waive the ten day notice period, please endorse the Consent and Waiver located on page 2 of the NOI and return to the undersigned.

Please note that BMO reserves the right to proceed against S&S: (i) prior to the time stipulated above in the event that it determines that its position has been further jeopardized; and (ii) anytime, or from time to time after any dates stipulated above have passed, and in either case without the necessity of serving a new demand for payment.

If you have any questions, please contact the undersigned.

Yours truly,

BURNET, DUCKWORTH & PALMER LLP

per David LeGeyt

DLG/agt

Encl.

cc: Sandy Hayer & Stanley Julien, BMO – Via Email
Ian Sutherland, McDougall Gauley – Via Email

9764500.5

FORM 86

NOTICE OF INTENTION TO ENFORCE SECURITY

(Subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada))

To: Morris Sales & Service Ltd., an insolvent person (the "**Debtor**").

TAKE NOTICE THAT:

1. Bank of Montreal ("**BMO**"), a secured creditor of the Debtor, intends to enforce its security on the property of the Debtor as set out below:

   (a) all present and after acquired real and personal property of the Debtor; and

   (b) all proceeds of the foregoing collateral.

2. The security that is to be enforced is in the form of:

   (a) a Saskatchewan general security agreement dated June 5, 2007;

   (b) a Manitoba general security agreement dated June 5, 2007;

   (c) various subrogation agreements dated June 5, 2007; and

   (d) a postponement and subordination agreement dated August 23, 2013;

   (the "**Security**").

3. The total amount of indebtedness secured by the Security is, as of January 2, 2020, the sum of CAD$22,455,856.64, plus all accrued and accruing interest and legal costs.

BMO will not have the right to enforce its Security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

DATED at the City of Calgary, in the Province of Alberta, this 4th day of January, 2020.

BURNET, DUCKWORTH & PALMER LLP,
solicitors and agents for Bank of Montreal

Per: _____
David LeGeyt

9764500.5

CONSENT AND WAIVER

THE UNDERSIGNED hereby:

Acknowledges receipt of the Notice of Intention to Enforce Security;

Waives the ten days of notice required under section 244 of the *Bankruptcy and Insolvency Act* (Canada); and

Consents to the immediate enforcement by Bank of Montreal of the Security referred to herein.

DATED this _____ day of _____, 2020.

MORRIS SALES & SERVICE LTD.

Per: _____
Name:
Title:

THIS IS EXHIBIT "B" REFERRED TO IN THE AFFIDAVIT OF SANDY HAYER.

SWORN BEFORE ME THIS 23RD DAY OF JULY, 2020.

A Notary Public in and for the Province of Alberta

Ryan E. Algar
Barrister and Solicitor

To: Name of Recipient
Recipient's Firm Name
Address Line 1
Address Line 2
City
Postal Code email fax #

Client Name(s): Contour Realty

Payout Statement Preparation Date: **June 11, 2020**

Payout calculation is for receipt of funds by BMO prior to close of business: **June 11, 2020** , the "Payout Date".

Future Date Payout , if provided, is an estimate of additional cost and charges for receipt of funds on date indicated

Payout Calculation is subject to change for: 1) transactions in progress not yet posted, 2) changes in Prime Rate, 3) per diem charges hereafter and 4) regularly scheduled transactions

This Payout Calculation is compiled for: (check one)
- ☐ information purposes only, or
- ☐ final payout quote not exceeding 15 days to Payout Date

	Account Number	Type of Loan Product	Principal Balance at Payout Quote Date (1)	Uncollected Accrued Interest at Last End of Month (EOM) (2)		Accrued Interest on Principal Balance from EOM to Payout Calculation Date (3)	Uncollected Accrued Interest prior to Payout Date (4)	Payout Penalty (5)	Total Other Charge (**) (6)	Total (7)=sum(1) to (6) inclusive	Per Diem (8)	Interest Rate Basis (9)	Interest Rate Spread (10)
1	36129361590031		$ 2,319,999.72	$ 40,184.79		$ 2,186.89				$ 2,362,371.40	$ 218.69	Prime +	1.0000%
2													
3											$		
4											$		
5											$		
6											$ -		
!!											$ -		
		Totals:	$ 2,319,999.72	$ 40,184.79		$ 2,186.89	$ -	$ -	$ -	$ 2,362,371.40	$ 218.69		
			(A)	(B)		(C)	(D)	(E)	(F)	(G)	(H)		

PAYOUT AS AT: June 11, 2020

Principal Balance		**$ 2,319,999.72**	**(A)**
Accrued Interest		**$ 42,371.68**	**(B)+(C)+(D)**
Penalty		**$ -**	**(E)**
Total Other Charge **		**$ -**	**(F)**
TOTAL AS AT:	**June 11, 2020**	**$ 2,362,371.40**	**(G)**
Per Diem Rate		**$ 218.69**	**(H)**

FUTURE DATE PAYOUT:(if applicable)

Principal Balance	**$ 2,319,999.72**
Accrued Interest	**$ 42,371.68**
Penalty	**$ -**
Total Other Charge **	**$ -**
TOTAL AS AT:	**$ 2,362,371.40**
Per Diem Rate	**$ 218.69**

Notes:

Prime Rate on Payout Calculation Date: 2.45%

** Other Charges Defined:

$ -
$ -
$ -
$ -

** Total Other Charge $ -

BMO V11.1 June 2014

To: Name of Recipient
Recipient's Firm Name
Address Line 1
Address Line 2
City
Postal Code email fax #

Client Name(s): Morris Industries

Payout Statement Preparation Date: **June 11, 2020**

Payout calculation is for receipt of funds by BMO prior to close of business: **June 11, 2020** , the "Payout Date".

Future Date Payout , if provided, is an estimate of additional cost and charges for receipt of funds on date indicated

Payout Calculation is subject to change for: 1) transactions in progress not yet posted, 2) changes in Prime Rate, 3) per diem charges hereafter and 4) regularly scheduled transactions

This Payout Calculation is compiled for: (check one)
- ☐ information purposes only, or
- ☐ final payout quote not exceeding 15 days to Payout Date

	Account Number	Type of Loan Product	Principal Balance at Payout Quote Date (1)	Uncollected Accrued Interest at Last End of Month (EOM) (2)		Accrued Interest on Principal Balance from EOM to Payout Calculation Date (3)	Uncollected Accrued Interest prior to Payout Date (4)	Payout Penalty (5)	Total Other Charge (**) (6)	Total (7)=sum(1) to (6) inclusive	Per Diem (8)	Interest Rate Basis (9)	Interest Rate Spread (10)
1	350328460098		$ 5,900,000.00	$ -		$ 19,344.27				$ 5,919,344.27	$ 1,934.43	Fixed	12.0000%
2	350328460096		$ 8,000,000.00	$ 278,841.53		$ 16,830.60				$ 8,295,672.13	$ 1,683.06	Prime +	3.2500%
3	350328460050		$ 81,722.72	$ 2,953.86		$ 177.51				$ 84,854.09	$ 17.75	Prime +	3.5000%
4	2691-1016-682		$ 10,098,384.40	$ -		$ 19,046.83				$ 10,117,431.23	$ 1,904.68	Prime +	5.2500%
5	CAD Mastercard		$ 24,627.92							$ 24,627.92	$	Fixed	18.4000%
6	Leaseline		$ 2,930,221.94			$ 52,543.76			$149,138.29	$ 3,131,903.99	$ -		
7	USD Mastercard		$ 823.67							$ 823.67	$ 0.41	Fixed	18.4000%
		Totals:	$ 27,035,780.65	$ 281,795.39		$ 107,942.97	$ -	$ -	$ 149,138.29	$ 27,574,657.30	$ 5,540.33		
			(A)	(B)		(C)	(D)	(E)	(F)	(G)	(H)		

PAYOUT AS AT: June 11, 2020

Principal Balance		**$ 27,035,780.65**	**(A)**
Accrued Interest		**$ 389,738.36**	**(B)+(C)+(D)**
Penalty		**$ -**	**(E)**
Total Other Charge **		**$ 149,138.29**	**(F)**
TOTAL AS AT:	**June 11, 2020**	**$ 27,574,657.30**	**(G)**
Per Diem Rate		**$ 5,540.33**	**(H)**

FUTURE DATE PAYOUT:(if applicable)

Principal Balance	**$ 27,035,780.65**
Accrued Interest	**$ 389,738.36**
Penalty	**$ -**
Total Other Charge **	**$ 149,138.29**
TOTAL AS AT:	**$ 27,574,657.30**
Per Diem Rate	**$ 5,540.33**

Notes:
Other charge is 5% GST on leaseline

Prime Rate on Payout Calculation Date: 2.45%

** Other Charges Defined:

$ -
$ -
$ -
$ -

** Total Other Charge $ -

BMO V11.1 June 2014

THIS IS EXHIBIT "C" REFERRED TO IN THE AFFIDAVIT OF SANDY HAYER.

SWORN BEFORE ME THIS 23RD DAY OF JULY, 2020.

A Notary Public in and for the Province of Alberta

Ryan E. Algar
Barrister and Solicitor

Burnet,
Duckworth
& Palmer LLP
Law Firm

Reply to: David LeGeyt
Direct Phone: **(403) 260-0210**
Direct Fax: **(403) 260-0332**
dlegeyt@bdplaw.com

Assistant: Annie Gillis-Tapp
Direct Phone: **403-267-1611**
Our File: 75453-4

Via E-Mail - jmlee@mltaikins.com

June 2, 2020

MLT Aikins LLP
1500 - 410 22nd Street E.
Saskatoon, SK S7K 5T6

Attention: Jeff Lee, Q.C.

Re: In the matter of a plan of compromise or arrangement of 101098672 Saskatchewan Ltd., Morris Industries Ltd., Morris Sales and Service Ltd., Contour Realty Inc., and Morris Industries (USA) Inc.
Action No. 1884 of 2019

As you are aware, we act on behalf of Bank of Montreal, the Interim Lender and senior secured creditor in these proceedings.

We write to advise that we have instructions to apply for a Bankruptcy Order in respect of Morris Industries Ltd. and the other debtors in these proceedings. To that end we will make an Application in the CCAA proceedings on June 26, 2020 for an Order lifting the stay of proceedings to allow our client to file and prosecute an Application for Bankruptcy Order.

For clarity, BMO continues to support the proposed sale transaction described in paragraph 22 of the Sixth Monitor's Report and proposes to schedule the hearing of its Application for Bankruptcy Order subsequent to the closing of that sale transaction.

We trust this is satisfactory. Do not hesitate to contact the writer if you wish to discuss this matter.

Yours truly,

BURNET, DUCKWORTH & PALMER LLP

David LeGeyt

DLG/agt

cc: Service List
Sandy Hayer, BMO - via email (sandy.hayer@bmo.com)

10199345.1