

COURT FILE NUMBER	Q.B. No. 1884 of 2019
COURT	COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE	SASKATOON
PROCEEDINGS	IN THE MATTER OF THE <i>COMPANIES' CREDITORS ARRANGEMENT ACT</i> , RSC 1985, c.C-36, AS AMENDED (the "CCAA") AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CONTOUR REALTY INC.
DOCUMENT	EIGHTEENTH REPORT OF THE MONITOR September 27, 2021
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<u>MONITOR</u> ALVAREZ & MARSAL CANADA INC. Bow Valley Square IV Suite 1110, 250 - 6 th Avenue SW Calgary, Alberta T2P 3H7 Attention: Orest Konowalchuk / David Williams Telephone: (403) 538-4736 / (403) 538-7536 Email: okonowalchuk@alvarezandmarsal.com / david.williams@alvarezandmarsal.com <u>COUNSEL</u> MLT Aikins LLP Suite 1201, 409 – 3 rd Avenue South Saskatoon, Saskatchewan S7K 5R5 Attention: Jeff M. Lee / Ryan Zahara Phone: (306) 975-7136 / (403) 693-5420 Fax: (306) 975-7145 Email: jmlee@mltaikins.com rzahara@mltaikins.com

TABLE OF CONTENTS OF THE EIGHTEENTH REPORT OF THE MONITOR

INTRODUCTION	3
PURPOSE.....	5
TERMS OF REFERENCE AND DISCLAIMER	7
ACTIVITIES OF THE MONITOR.....	8
UPDATE ON AUCTION PROCESS FOR THE REMAINING YORKTON PLANT AND LANDS	11
UPDATE ON THE D&O CLAIMS PROCESS.....	14
FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS	16
CASH FLOW FORECAST TO CONCLUDE CCAA PROCEEDINGS.....	18
PROPOSED FINAL DISTRIBUTION.....	20
APPROVAL OF PROFESSIONAL FEES AND EXPENSES	21
DISCHARGE OF THE MONITOR	22
MONITOR’S RECOMMENDATION	23

LISTING OF APPENDICES TO THE EIGHTEENTH REPORT OF THE MONITOR

APPENDIX A	Remaining Yorkton Plant and Lands PSA (Unsigned)
APPENDIX B	Monitor’s Fees and Disbursements
APPENDIX C	Monitor’s Counsel’s Fees and Disbursements

INTRODUCTION

1. On January 8, 2020 (the “**Filing Date**”), upon the application of counsel for 101098672 Saskatchewan Ltd. (“**672**”), Morris Industries Ltd. (“**MIL**”), Morris Sales and Service Ltd. (“**MSS**”), Contour Realty Inc. (“**CRI**” or “**Contour**”) and Morris Industries (USA) Inc. (“**MUSA**”) (collectively, the “**Morris Group**”, the “**Applicants**”, the “**Company**” or the “**Companies**”), the Court of Queen’s Bench for Saskatchewan (the “**Court**”) made an order (the “**Initial Order**”) granting a stay of proceedings in respect of the Companies until January 16, 2020 pursuant to the *Companies’ Creditors Arrangement Act*, RSC 1985, c. C-36, as amended (the “**CCAA**”). The proceedings commenced under the CCAA by the Applicants are referred to herein as the “**CCAA Proceedings**”.
2. The Initial Order provided limited relief to the Applicants including (without limitation) an initial stay of proceedings (the “**Stay**”) in favour of the Applicants and their assets through to January 16, 2020, an administration charge (the “**Administration Charge**”) and a directors’ charge (the “**Directors’ Charge**”).
3. The Court appointed Alvarez & Marsal Canada Inc. as monitor (the “**Monitor**” or “**A&M**”) in the CCAA Proceedings.
4. On January 16, 2020, the Court granted an Amended and Restated Initial Order (the “**ARI Order**”) providing an extension of the Stay through to (and including) March 27, 2020, a claims process order (the “**Claims Procedure Order**”), a sales and investment solicitation process order (the “**SISP Order**”) and an interim lender’s charge (the “**Interim Lender’s Charge**”).
5. On February 16, 2020, as a result of the resignation or pending resignation of all of the directors of the Companies, the Court granted an order expanding the Monitor’s powers (the “**EMP Order**”), in order to (among other things), authorize and empower the Monitor to perform various activities on behalf of the Company, including entering into any contracts, collecting receipts and approving all disbursements on behalf of the Company.

Since the EMP Order, further Orders have been granted by this Honourable Court to, among other things, approve an auction; approve the activities and fees of the Monitor and its legal counsel for services rendered; increase the interim financing borrowings; amend the SISP Order; and extend the Stay.

6. On December 18, 2020, the Court granted an Order (the “**SLFP Sale Order**”) approving the transaction (the “**SFLP Transaction**”) contemplated in the executed revised asset purchase agreement (the “**Revised APA**”) between MIL and CRI (by and through the Monitor), on the one hand, and 102114983 Saskatchewan Ltd. (to be renamed “Morris Equipment Ltd.”) (the “**Purchaser**” or “**MEL**”) on the other, as well as approving the Letter of Understanding (“**LOU**”) dated November 30, 2020 between MIL and CRI (by and through the Monitor) and the Retail Wholesale and Department Store Union, Local 955 (the “**Union**”).
7. On March 5, 2021, the Court granted an Order (the “**MEL Sale Order**”) approving the transaction (the “**MEL Transaction**”) contemplated in the executed new asset purchase agreement dated March 2, 2021 (the “**New APA**”), which replaced the transaction contemplated in the Revised APA. The MEL Transaction closed on March 18, 2021 and a Monitor’s Certificate was filed with the Court confirming the same.
8. On March 26, 2021, the Court granted two Orders (the “**Partial Termination Order**” and the “**Partial Extension Order**”) terminating the CCAA Proceedings in regard to 672, MIL, MSS and MUSA (the “**Dormant Companies**”) and extending the stay of proceedings in regard to Contour until July 30, 2021. Pursuant to the Partial Termination Order, the Monitor was fully discharged as Monitor in respect of the Dormant Companies once it has completed its remaining administrative duties, filed a Monitor’s Certificate with the Court and served the parties on the Service List.
9. Further, on March 26, 2021, the Court granted an order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (“**BIA**”), section 65(1) of the Queen’s Bench Act, 1998, SS 1998, c Q-1.01, and section 64(8) of the *Personal*

- Property Security Act*, 1993, SS 1993, c P-6.2 (the “**Receivership Order**”), appointing A&M as the court-appointed receiver (the “**Receiver**”), without security, of all of the assets, undertakings and properties of the Dormant Companies acquired for, or used in relation to the business carried on by the Dormant Companies, including all proceeds thereof (the “**Property**”). The appointment of the Receiver is to facilitate completion of various remaining duties of the Monitor with respect to distribution of proceeds (subject to court approval), evaluation of cost allocations and other matters (the “**Receivership Proceedings**”).
10. On March 26, 2021, a further order was granted by this Honourable Court adjudging the Dormant Companies bankrupt (the “**Bankruptcy Order**”) and appointing A&M as Trustee in Bankruptcy (the “**Trustee**”) of each of the Dormant Companies (the “**Bankruptcy Proceedings**”).
 11. On June 18, 2021, the Court granted four Orders (the “**D&O Claims Procedure Order**”, the “**Yorkton Miscellaneous Lands SAVO**”, the “**Virden Lands SAVO**” and the “**Auction Sales Process Order**”) approving the proposed directors and officers claims process (“**D&O Claims Process**”), the sale of the Yorkton Miscellaneous Lands, the sale of the Virden Lands and the proposed auction process for the Remaining Yorkton Plant and Lands.
 12. Further information regarding the CCAA Proceedings, including copies of the Initial Order, the Amended and Restated Initial Order, the Receivership Proceedings, the Bankruptcy Proceedings and other orders, application materials and reports of the Monitor are available on the Monitor’s website at: www.alvarezandmarsal.com/morris (the “**Case Website**”).

PURPOSE

13. The purpose of this eighteenth report (the “**Report**” or the “**18th Report**”) is to provide this Honourable Court with information in respect of the following:
 - a) an update on the activities of the Monitor since the Seventeenth Report dated June 15, 2021 (the “**17th Report**”), including the Monitor’s

efforts to collect monies owing in respect of the outstanding promissory notes from the former MIL union employees (the “**Union Employees**”, as contemplated in the Letter of Understanding (“**LOU**”);

- b) an update on the Monitor’s sales and marketing process with respect to the remaining plant and lands associated with the Yorkton Property (the “**Remaining Yorkton Plant and Lands**”) by means of a public auction run by McDougall Auctioneers Ltd. (“**McDougall**”) pursuant to the Auction Sale Process Order;
- c) the Monitor’s application for a Sale Approval and Vesting Order (the “**Remaining Yorkton Plant and Lands SAVO**”) respecting the Remaining Yorkton Plants and Lands owned by Contour;
- d) an update on the directors and officers’ claims process (the “**D&O Claims Process**”) conducted by the Monitor between June 18, 2021 and July 30, 2021 and the Monitor’s request to vacate the Directors’ Charge established by paragraph 22 of the ARI Order granted by the Honourable Mr. Justice R.S. Smith in these proceedings on January 16, 2020;
- e) a comparison of Contour’s actual final cash receipts and disbursements to the cash flow forecast included in the 17th Report of the Monitor (the “**2nd Contour Cash Flow Forecast**”) for the period of June 12, 2021 to September 24, 2021;
- f) the Final Contour Cash Flow Forecast (as defined below);
- g) the proposed final distribution of the estimated remaining estate funds after the Final Contour Cash Flow Forecast;
- h) the request for approval of the Monitor’s activities, actions and activities and the professional fees and costs of the Monitor and its legal counsel, including the Forecast Fees and Costs (defined below);

- i) the Monitor's request to dispose of any records of Contour which are in its possession but no longer required (the "**Records**") if the same are not claimed by the former directors of Contour after 60 days' notice from the Monitor;
 - j) a request for the discharge of the Monitor and the termination of the CCAA Proceedings;
 - k) the recommendations of the Monitor in regard to the matters described above.
- 14. Capitalized words or terms not defined in this Report are as defined in the Initial Order, the Amended and Restated Initial Order, other orders granted by this Honourable Court and the prior reports (the "**Prior Reports**") of the Monitor, as the case may be.
- 15. All references in this Report to dollars are in Canadian currency.

TERMS OF REFERENCE AND DISCLAIMER

- 16. In preparing this Report, A&M, in its capacity as Monitor, has been provided with and necessarily relied upon unaudited financial and other information supplied (the "**Information**"), and representations made to it, by certain senior management of the Morris Group ("**Management**"), the Applicants and certain external advisors or consultants of the Company. Except as otherwise described in this Report in respect of the Contour's cash flow forecast:
 - a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the Chartered Professional Accountants Canada Handbook (the "**CPA Handbook**") and, accordingly, the Monitor

expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and

- b) some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

17. Although this information has been subject to review, A&M has not conducted an audit nor otherwise attempted to verify the accuracy or completeness of any of the information prepared by Management, the Applicants or otherwise provided by the Companies. Accordingly, A&M expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information contained in this report, or otherwise used to prepare this report.

ACTIVITIES OF THE MONITOR

18. Since the 17th Report, the Monitor's activities have included (but have not been limited to) the following:
 - a) closing the sale of the Yorkton Miscellaneous Lands and the sale of the Virden Lands, pursuant to the Yorkton Miscellaneous Lands SAVO and the Virden Lands SAVO (as discussed in the 17th Report);
 - b) holding ongoing discussions with McDougall, Bank of Montreal ("BMO") and Farm Credit Canada ("FCC") in regards to the Auction Process and the sale of the Remaining Yorkton Plant and Lands;
 - c) negotiating and executing a purchase and sale agreement (discussed further below) for the Remaining Yorkton Plant and Lands, subject to court approval;
 - d) completing the D&O Claims Process as contemplated in the Claims Procedure Order;

- e) conducting ongoing discussions and communications with Employment and Social Development Canada (“**ESDC**”) with respect to the LOU, termination/severance and COVID Hardship payments made by the Monitor to the Union Employees and ESDC’s rejection of applications by the Union Employees under the *Wage Earner Protection Program Act* (the “**WEPPA Applications**”);
- f) communicating with the Union Employees on possible next steps to dispute ESDC’s rejection of the WEPPA Applications; and
- g) continuing ongoing communications with Contour’s stakeholders, and their respective legal counsel, including with the continuing involvement of the Monitor’s independent legal counsel, MLT Aikins LLP (“**MLTA**”).

ESDC’s Review of the WEPPA Applications

Overview

19. The Monitor has held multiple discussions and communications with ESDC with respect to the purpose of the LOU and the termination/severance payments and COVID Hardship payments (collectively the “**LOU Payments**”) made by the Monitor to the Union Employees prior to the bankruptcy of MIL on March 26, 2021 (the “**MIL Bankruptcy Date**”).
20. The purpose of these discussions was to assist ESDC to determine the eligibility of the Union Employees to receive payment for termination pay and severance pay under the WEPPA (the “**WEPPA Payments**”). Pursuant to the LOU, the Union Employees signed limited recourse agreements and promissory notes (“**Promissory Notes**”) prior to the LOU Payments being issued, which created an obligation for the Union Employees to repay to the Monitor amounts owing by them under the Promissory Notes from and out of any WEPPA Payments received by them.

21. On August 13, 2021, based on its internal review of matters, ESDC concluded that there were no outstanding eligible wages owing to Union Employees who received one or both of the LOU Payments prior to the MIL Bankruptcy Date. Accordingly, these individuals were determined by ESDC not to be eligible to receive the WEPPA Payments. ESDC also advised the Monitor that it would begin to issue letters of non-payment with their decision (the “**Letters of Non-Payment**”) to the Union Employees in due course.

Options Available for the Former Employees

22. In order to contest the decision by ESDC, former employees can request a review of the decision by the Minister of Labour (the “**Minister**”) within 30 days of receiving the Letter of Non-Payment (the “**Review Process**”). If the Review Process results in the decision to uphold the initial rejection of the WEPP Application, an appeal can be submitted by the individual employee to the Canada Industrial Relations Board within 60 days of receiving the decision (the “**Appeal Process**”). The Review Process and the Appeal Process need to be completed by the individual employee and cannot be brought forward by the Monitor on behalf of former employees.
23. On August 27, 2021, the Monitor sent letters to the Union Employees advising them of the ESDC decision and requested that they consider proceeding with the Review Process and Appeal Process. The Monitor explained in such correspondence that, in its respectful view, the decision by ESDC was incorrect as a matter of law. The Monitor hosted informational conference calls for the Union Employees on September 14, 2021 and September 21, 2021 to explain the ESDC decision and to answer any questions related to the Review Process or the Appeal Process. Only a small number of Union Employees have expressed interest in proceeding with the Review Process.
24. As stated above, the Monitor’s respectful view is that the ESDC decision was incorrect in law. However, as a result of the Monitor’s inability to appeal on behalf of the former employees, the lack of interest from the former employees in proceeding with the Review Process or the Appeal Process and the limited

remaining funds in this estate to continue with any such appeals, the Monitor has determined that it will not take any further steps in regard to the ESDC decision.

25. The Promissory Notes from the Union Employees were put in place in order to collect funds from the former employees should they have been determined to be entitled to the WEPPA payments. As a result, approximately \$400,000 owing to the Monitor pursuant to the Promissory Notes will not be collected from the former employees.

UPDATE ON AUCTION PROCESS FOR THE REMAINING YORKTON PLANT AND LANDS

Overview

26. On June 22, 2021, this Honourable Court granted the Auction Sale Process Order that established the process for the sale of the Remaining Yorkton Plant and Lands, with the assistance of the auctioneer, McDougall.
27. McDougall conducted a comprehensive marketing program (prior to the start of the auction) from July 27, 2021 to August 20, 2021, which included (but was not limited to) the following:
 - a) uploading pictures, measurements and other pertinent marketing details to websites such as LinkedIn, Twitter, Facebook, Global Auction Guide and Point2Homes;
 - b) contacting various local businesses located in or near Yorkton, Saskatchewan and advising them of the property and pending auction; and
 - c) posting a detailed overview of the Auction Process and property to the McDougall website.
28. McDougall reported that a total of approximately 1,300 individuals viewed the marketing materials across all platforms. Furthermore, there were 112 likes and 60 shares of the marketing materials posted to Facebook.

29. The main terms, conditions and timelines of the Auction Agreement are as follows:
- a) reserved auction with reserve price more particularly described in the Auction Agreement;
 - b) auction closing date of September 1, 2021 (the “**Bid Deadline**”);
 - c) upon agreement to sell, the purchaser will be required to pay a 10% deposit with certified funds and a \$5,000 buyer’s fees (plus applicable taxes) within 24 business hours; and
 - d) any proposed sale of the Remaining Yorkton Plant and Lands is conditional upon the Monitor obtaining a Sale Approval and Vesting Order from this Honourable Court
30. The “live” auction started on August 20, 2021 and ended on September 1, 2021, but was extended to September 13, 2021 in order to allow the Monitor to negotiate with the two highest bidders (the “**Auction Process**”).
31. The Auction Process resulted in the following:
- a) a total of forty (40) bids were made during the “live” auction from five (5) individual bidders;
 - b) three (3) property viewing requests from other interested parties were requested. However, those interested parties did not end up submitting a bid by the Bid Deadline; and
 - c) at the Bid Deadline, the Auctioneer had received two identical offers, which allowed the Monitor to negotiate further with those two bidders.
32. The final and highest bid received, negotiated and accepted by the Monitor, subject to Court approval, was an offer by Butter Gate Holdings Corp. for a purchase price of \$600,000 plus applicable taxes (the “**Remaining Yorkton Plant and Lands PSA**”).

The Remaining Yorkton Plant and Lands PSA

33. The Monitor (on behalf of Contour), plans to execute the Remaining Yorkton Plant and Lands PSA with Butter Gate Holdings Corp. within the next few business days. The Remaining Yorkton Plant and Lands PSA is unconditional, save for a condition requiring Court approval. An unsigned copy of the Remaining Yorkton Plant and Lands PSA is attached as Appendix A to this Report.
34. The primary terms and conditions of the Remaining Yorkton Plant and Lands PSA are as follows:
- a) the purchase price is \$600,000, exclusive of all Transfer Taxes - as defined in the Remaining Yorkton Plant and Lands PSA and subject to standard closing adjustments (such as property taxes);
 - b) non-refundable deposit of \$120,000, which represents 20% of the purchase price;
 - c) closing date by no later than October 29, 2021, unless mutually agreed to by the parties;
 - d) property is sold “as is where is” with no material representations and warranties;
 - e) standard closing deliverables and requirements of the vendor and purchaser;
 - f) transaction is subject to closing to Court approval.
35. Having carefully considered the Remaining Yorkton Plant and Lands PSA, the Monitor respectfully recommends approval of the Remaining Yorkton Plant and Lands PSA. The Monitor believes that this transaction is in the best interest of all stakeholders, for the following reasons:
- a) Contour, by and through the Monitor, is authorized to sell the Remaining Yorkton Plant and Lands in accordance with paragraph 11(a) of the Amended and Restated Initial Order (subject to court approval);

- b) The McDougal advertising and marketing efforts implemented pursuant to the Sales Order granted by this Court was comprehensive and extensive and allowed McDougall to thoroughly canvass the market and to seek all available opportunities and interest in regard to the Remaining Yorkton Plant and Lands;
- c) Contour, by and through the Monitor, has acted in good faith and with due diligence and has made significant efforts to obtain the best price for the Remaining Yorkton Plant and Lands (with the assistance of McDougall);
- d) a substantial non-refundable deposit of 20% of the purchase price will be provided by Butter Gate Holdings Corp. in the next few business days in support of the Remaining Yorkton Plant and Lands PSA;
- e) the Remaining Yorkton Plant and Lands PSA was negotiated between parties at arm's length acting in good faith and is commercially reasonable;
- f) the Monitor is of the opinion that the sale of the Remaining Yorkton Plant and Lands pursuant to the Remaining Yorkton Plant and Lands PSA will likely be more beneficial to the creditors of Contour than a sale or disposition under a bankruptcy; and
- g) the Monitor is of the opinion that the offer submitted by Butter Gate Holdings Corp. is the best and highest and the most commercially reasonable "as is, where is" offer received and negotiated during the Auction Process; and
- h) FCC and BMO, the secured lenders to Contour holding security in the Remaining Yorkton Plant and Lands, support the transaction.

UPDATE ON THE D&O CLAIMS PROCESS

36. Pursuant to the D&O Claims Process Order, the Monitor was required to, and actually did, perform the following actions:

- a) posted on the Receiver's Website the Proof of Claims Package and the Proposed Claims Process Order;
- b) sent the Proof of Claims Package to each known or possible creditor who had or who may have had a D & O Claim during the period from January 8, 2020 to February 16, 2020; and
- c) caused a notice to creditor to be advertised in the *Winnipeg Free Press*, the *Saskatoon Star-Phoenix* and the *Regina Leader-Post* newspapers, on June 25, 2021.

37. As at the Claims Bar Date (July 30, 2021), the Monitor had received four (4) Proofs of Claim in regard to the D&O Claims Process Order. The total amount of claims filed were \$723,608, as summarized in the chart below:

Contour Realty Inc. Summary of Directors & Officers Claims (in CAD \$)				
Claimant	Submitted Proofs of Claim	Notices of Revision	Notices of Disallowance	Accepted Proofs of Claim
Buhler Trading Inc.	451,422	-	451,422	-
Town of Minnedosa	2,948	-	2,948	-
Garth Schultz	1,385	-	1,385	-
Employment and Social Development Canada	267,853	260,255	-	7,598
Total Value of Claims	\$ 723,608	\$ 260,255	\$ 455,755	\$ 7,598
Total Number of Claims	4	1	3	1

38. The total value of all claims received by the Monitor in regard to the D&O Claims Process Order is summarized below:

- a) Disallowed Claims: three (3) notices of disallowance with a combined proof of claim value of \$455,755 were delivered to claimants within 10 calendar days following receipt of the proof of claim; and

- b) Revised Claim: one (1) notice of revision with a proof of claim value of \$267,853 was revised to \$7,598 and delivered to the claimant within 10 calendar days following receipts of the proof of claim.
39. No notices of dispute were sent to the Monitor within 10 days of delivery to the claimants of the notices of disallowance. The Monitor considers the D&O Claims Process to be complete. The Monitor proposes to issue payment to Employment and Social Development Canada for its approved proof of claim of \$7,598 in the coming weeks.
40. As a result of the outcome of the D&O Claims Process, the Monitor respectfully requests that this Honourable Court grant an Order vacating the Director's Charge of \$175,000 established by paragraph 22 of the ARI Order of the Honourable Mr. Justice R.S. Smith granted on January 16, 2020. The vacating of the Director's Charge is appropriate in the circumstances given that the D&O Claims Process has now concluded and all claims filed by the Claims Bar Date have been reviewed, adjudicated by the Monitor and that only one accepted Proof of Claim will be paid from the funds held by the Monitor.

FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS

41. Contour's actual cash receipts and disbursements compared to the Second Contour Cash Flow Forecast for the period June 12, 2021 to September 24, 2021 (the "**Reporting Period**"), included in the 17th Report of the Monitor are summarized below:

Contour Realty Inc.
Cash Flow Variance Analysis
For the period June 12, 2021 to September 24, 2021
CAD\$, unaudited

	March 13, 2021 to September 24, 2021	June 12, 2021 to September 24, 2021		
	Actual	Actual	Forecast	Variance (\$)
Opening cash balance	\$ 353	\$ 30,566	\$ 30,566	\$ -
Receipts				
Transfer of Union settlement amounts	560,865	5,766	-	5,766
Transfer of MEL Transaction Funds	353,452	55,585	87,434	(31,849)
Sale of Virden Property	120,214	120,214	-	120,214
Sale of Yorkton Miscellaneous Lands	193,314	193,314	-	193,314
Return of insurance premiums	-	-	122,000	(122,000)
Total receipts	\$ 1,227,845	\$ 374,879	\$ 209,434	\$ 165,445
Disbursements				
Union settlement	560,865	-	-	-
Property taxes	114,404	113,955	98,000	15,955
Utilities	132,069	26,841	67,000	(40,159)
Insurance	102,574	-	-	-
Sales process	10,000	-	-	-
Professional fees and costs	131,138	93,186	65,000	28,186
Other legal fees	349	349	-	349
Bank fees	123	123	-	123
GST and PST paid	15,485	9,801	-	9,801
Contingency	-	-	10,000	(10,000)
Total disbursements	\$ 1,067,007	\$ 244,255	\$ 240,000	\$ 4,255
Ending cash balance	\$ 161,190	\$ 161,190	\$ -	\$ 161,190

42. Over the Reporting Period, Contour experienced a net favourable cash flow of approximately \$161,000 as a result of various timing and permanent variances, relating primarily to:

- collections of funds from the sale of the Virden Property and Yorkton Miscellaneous Lands which were not previously included in the forecast for confidentiality reasons (as described in the 17th Report);
- collection of the MEL Transaction Funds from the Receiver were approximately \$32,000 lower than forecast due to funds being received from the sale of the Virden Property and Yorkton Miscellaneous Lands;
- collection of insurance premiums were \$122,000 lower than forecast due to delays in settling the final credit amounts with the insurance providers;

- d) utilities were approximately \$40,000 lower than forecast due to timing differences with paying September 2021 utilities and far less power being used throughout the summer months; and
 - e) professional fees were approximately \$28,000 higher than forecast due to increased involvement from the Monitor in various matters including but not limited to the Auction Process and communications with ESDC with regards to the WEPPA Applications.
43. The professional fees of the Monitor and its counsel, MLTA, for the period of March 27, 2021 to August 31, 2021 are included in the actual receipts and disbursements outline above.

CASH FLOW FORECAST TO CONCLUDE CCAA PROCEEDINGS

44. The table below provides a summary of the forecast receipts and disbursements to be collected and paid by the Monitor with respect to Contour during the period from September 25, 2021 to the filing of the Monitor's Certificate (the "**Final Contour Cash Flow Forecast**").

Contour Realty Inc.
Forecast Receipts and Disbursements
For the period September 25, 2021 to Discharge
CAD\$, unaudited

	Forecast Sep 25/21 to Discharge
Opening cash balance	\$ 161,190
Forecast Receipts	
Return of insurance premiums	84,000
Return of utilities deposits	78,609
Sale of Remaining Yorkton Plant and Lands (subject to Court approval)	600,000
Adjustments to Sale of Remaining Yorkton Plant and Lands	to be determined
Total Forecast Receipts	\$ 762,609
Forecast Disbursements	
Utilities	30,000
Monitor's Forecast Fees	50,000
Monitor's Counsel's Forecast Fees	30,000
McDougall auction fee and advertising expenses	22,000
Payment of Approved Directors & Officers Claim	7,598
File and administration costs	5,000
Contingency	15,000
Total Forecast Disbursements	\$ 159,598
Forecast ending cash balance	\$ 764,201

45. The Monitor's comments with respect to the Final Contour Cash Flow Forecast are as follows:

- a) Total forecast receipts of approximately \$763,000 consist of:
 - i. \$84,000 in insurance premium refunds and \$79,000 from the return of utilities deposits;
 - ii. \$600,000 in proceeds from the sale of the Remaining Yorkton Plant and Lands to be collected when the transaction closes on October 29, 2021;
 - iii. any adjustments to the purchase price of the Remaining Yorkton Plant and Lands related to property taxes and other administrative costs, to be determined prior to the transaction closing date;
- b) Total forecast disbursements of approximately \$160,000 consist of:

- i. \$30,000 of utilities related to the Yorkton plant until the sale of the Remaining Yorkton Plant and Lands closes on October 29, 2021;
 - ii. forecast professional fees and costs of the Monitor and its legal counsel totalling approximately \$80,000, in the amounts of \$50,000 and \$30,000 to complete the CCAA Proceedings;
 - iii. a \$7,600 payment for the approved proof of claim submitted by ESDC during the D&O Claims Process;
 - iv. \$5,000 for remaining file and administration costs; and
 - v. a \$15,000 contingency amount for any unforeseen expenditures that may arise during the CCAA Proceedings.
46. The Monitor estimates that there will be approximately \$764,000 available for distribution to the primary secured creditors of the Companies, being BMO and FCC (the “**Estimated Remaining Funds**”) The Monitor notes that the Estimated Remaining Funds are subject to the Monitor’s estimates and assumptions regarding anticipated receipts and disbursements to conclude the CCAA Proceedings. The Estimated Remaining Funds may be subject to change (increase or decrease) should the Monitor’s assumptions on its forecast not materialize as expected. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this 18th Report or relied upon by the Monitor in preparing this 18th Report.

PROPOSED FINAL DISTRIBUTION

47. The Monitor’s independent counsel, MLTA, has conducted a review of the security held by BMO and FCC against the Contour Real Property (the “**BMO and FCC Security**”). As a result, counsel to the Monitor has expressed to the Monitor its opinion that, subject to qualifications and assumptions customary in matters of this nature, the BMO and FCC Security is valid and enforceable in accordance with its terms.

48. As a result, the Monitor proposes to make a final distribution to BMO and FCC from the estimated Remaining Funds Available.
49. The Monitor is not aware of any other claimant that ranks in priority to the BMO and FCC Security, aside from the Administration Charge and Director's Charge. As previously discussed, the Monitor has requested that this Honourable Court remove the Director's Charge attached the Contour Real Property.

APPROVAL OF PROFESSIONAL FEES AND EXPENSES

50. As previously reported, the Monitor sought and received approval from this Honourable Court of the professional fees of the Monitor and its legal counsel leading up to the Filing Date (January 8, 2020) and from the Filing Date to and including May 31, 2021.
51. The Monitor respectfully seeks further approval from this Honourable Court of the respective professional fees and disbursements of the Monitor and its legal counsel for the period of time from June 1, 2021 to August 31, 2021.
52. Professional fees and disbursements rendered by the Monitor from June 1, 2021 to August 31, 2021, total \$49,127.67 (exclusive of GST) (the "**Monitor's Fees and Costs**"). The accounts will be made available upon request and are summarized in Appendix B to this Report.
53. Professional fees and disbursements rendered by MLT Aikins LLP, the Monitor's counsel, from June 1, 2021 to August 31, 2021, total \$44,057.50 (exclusive of GST and PST) (the "**Monitor's Counsel's Fees and Costs**"). The accounts will be made available upon request and are summarized in Appendix C to this Report.
54. The accounts of the Monitor and its legal counsel outline the date of the work completed, the description of the work completed, the length of time taken to complete the work and the name of the individual who completed the work.
55. Proposed payment of the professional fees and costs of the Monitor and the Monitor's legal counsel for the period June 1, 2021 to August 31, 2021 are reflected in the Contour actual cash flow receipts and disbursements discussed above.

56. The Monitor and the Monitor's Counsel's estimated fees and costs to complete this engagement (September 1 to discharge) are approximately \$80,000 (the "**Forecast Fees and Costs**"), which include fees and costs incurred but not paid.
57. The Monitor respectfully submits that its professional fees and disbursements and those of its legal counsel are fair and reasonable in the circumstances (as outlined in this Report) and respectfully requests that this Court approve the Monitor's Fees and Costs, the Monitor's Counsel's Fees and Costs and the Forecast Fees and Costs, without further passing of accounts by the Monitor and its legal counsel.

DISCHARGE OF THE MONITOR

58. The Monitor's administration of the estate is substantially complete, subject to the forecast receipts to be collected and payments to be made as set out in the Final Contour Cash Flow Forecast and the proposed final distribution described herein. In addition, the Monitor will have some miscellaneous items to attend to subsequent to its discharge, including filing all outstanding GST returns with CRA, receiving forecast receipts and paying forecast disbursements, final reconciliation of accounts and addressing various CRA matters. The Monitor is of the view that these items are administrative in nature and should not prevent this Court from granting an unconditional discharge to the Monitor.
59. The Monitor's next steps include (but are not limited to):
- a) filing GST returns with CRA and closing the GST account;
 - b) closing the sale of the Remaining Yorkton Plant and Lands on October 29, 2021;
 - c) collecting the remaining receipts and disbursing funds as described in the Final Contour Cash Flow Forecast;
 - d) preparing a final distribution to BMO and FCC from the estimated Remaining Funds Available; and
 - e) completing the administrative tasks in accordance with the CCAA.

60. Upon completion, the Monitor will file a Monitor's Certificate with the Court confirming that all outstanding matters reported in this Report have been completed. The Monitor requests that the Order of this Court provide the standard relief contemplated in the Saskatchewan Template Discharge Order that all claims against the Monitor, its officers, directors, employees and affiliates, in connection with its appointment or the performance of its duties as Monitor to the date of this Order thereafter be stayed, extinguished and forever barred and that the Monitor, its officers, directors, employees and affiliates, shall have no obligation or liability in respect thereof except for any liability arising out of fraud, gross negligence or wilful misconduct on the part of the Monitor.
61. The Monitor respectfully requests that this Honourable Court approve the Order discharging the Monitor of its duties under the CCAA, subject to the completion of final administrative duties and the filing of the Monitor's Certificate as noted above, and the termination of these CCAA Proceedings as they relate to Contour.

MONITOR'S RECOMMENDATION

62. The Monitor is of the view that it has made commercially reasonable efforts to obtain the highest and most efficient realizations of the assets of Contour. The Monitor respectfully suggests that the interests of the financial stakeholders of Contour have been considered during the course of the realization process and these CCAA Proceedings.
63. The Monitor respectfully recommends that this Honourable Court:
- a) approve the Remaining Yorkton Plant and Lands SAVO;
 - b) vacate the Director's Charge;
 - c) vacate the Administrative Charge once the Monitor's Certificate is filed by the Monitor to conclude the CCAA Proceedings;
 - d) approve the actual fees and disbursements of the Monitor and its legal counsel for the period from June 1, 2021 to August 31, 2021, the

estimated Forecast Receipts and Disbursements from September 1, 2021 to discharge and the Forecast Fees and Costs, until the filing of the Monitor's Certificate;

- e) approve the Proposed Final Distribution to BMO and FCC from the estimated Remaining Funds Available;
- f) approve the discharge of the Monitor and the termination of the CCAA Proceedings related to Contour following the filing of the Monitor's Certificate; and
- g) approve the Monitor's actions, activities and conduct as described in this Report and in the previous seventeen reports filed by the Monitor in these CCAA Proceedings.

All of which is respectfully submitted to this Honourable Court this 27th day of September 2021.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as Monitor of Contour Realty Inc.
and not in its personal or corporate capacity**



Per: _____
Orest Konowalchuk, CPA, CA, CIRP, LIT
Senior Vice President



Per: _____
David Williams, CPA
Manager

Appendix A

Remaining Yorkton Plant and Lands PSA (Unsigned)

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of the ____ day of September, 2021.

BETWEEN:

CONTOUR REALTY INC. (the “**Debtor**”), by and through its Court-appointed Monitor, **ALVAREZ & MARSAL CANADA INC.** (the “**Monitor**”)

AND:

BUTTER GATE HOLDING CORP.

(the “**Purchaser**”)

WHEREAS:

- A. Pursuant to the Amended and Restated Initial Order of the Honourable Mr. Justice R.S. Smith of the Court of Queen’s Bench for Saskatchewan granted on January 16, 2020, the Monitor was appointed monitor in the proceedings commenced under the *Companies’ Creditors Arrangement Act*, RSC 1985, c c-36 (the “**CCAA Proceedings**”) by 101098672 Saskatchewan Ltd., Morris Industries Ltd., Morris Sales and Service Ltd., the Debtor, and Morris Industries (USA) Inc. (collectively, the “**Morris Group**”);
- B. Pursuant to the Order (Enhancement of Monitor’s Powers) of the Honourable Mr. Justice R.W. Elson granted within the CCAA Proceedings on February 18, 2020, the Monitor was empowered to carry out certain powers and to exercise certain rights for and on behalf of the Morris Group in the manner more specifically described therein, including, without limitation, the power to sell and dispose of the Purchased Assets owned by the Debtor; and
- C. The Debtor wishes to sell, and the Purchaser wishes to purchase, the Purchased Assets, subject to the terms and conditions of this Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions. In this Agreement, unless the context otherwise requires:

- (a) “**Adjustments**” means the adjustments to the Purchase Price provided for and determined pursuant to Section 3.4;
- (b) “**Affiliate**” means, with respect to any Person, a Person directly or indirectly controlling, controlled by or under common control with such Person. For these purposes, “control” means the possession, direct or indirect, of the power to direct

or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise;

- (c) “**Agreement**” means this Asset Purchase Agreement and all attached Schedules, in each case as the same may be supplemented, amended, restated or replaced from time to time;
- (d) “**Business**” means the business carried on by the Debtor at the Premises prior to the Closing Date;
- (e) “**CCAA Proceedings**” has the meaning ascribed thereto in Recital A;
- (f) “**Closing**” means the completion of the Transaction at the Closing Time;
- (g) “**Closing Date**” means October 29, 2021, or such other date as the Parties may agree, acting reasonably;
- (h) “**Closing Documents**” means all contracts, agreements and instruments required by this Agreement to be delivered at or before the Closing Time;
- (i) “**Closing Time**” means 12:00 p.m. (Saskatchewan Time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place;
- (j) “**Court**” means the Court of Queen’s Bench for Saskatchewan.
- (k) “**Court Approval**” means the issuance of the Sale Approval and Vesting Order by the Court;
- (l) “**Encumbrance**” means any security interest, lien, prior Claim, charge, hypothec, hypothecation, reservation of ownership, pledge, encumbrance, mortgage or adverse Claim of any nature or kind;
- (m) “**Excluded Assets**” means, without limitation, all property and assets of the Debtor that are not exclusively used in relation to the Business and/or the Purchased Assets, including, without limitation, the following Property which is excluded from the Transaction and does not form part of the Purchased Assets:
 - (i) any real property interest of the Debtor other than the rights and interest in and to the Premises;
 - (ii) all of the Debtor’s cash and cash equivalents, including cash on hand or in banks or other similar depository;
 - (iii) the accounts receivable and all other trade debts due or accruing to the Debtor in connection with the Business that originated prior to the Closing Date and the full benefit of all security therefor;

- (iv) all intellectual property and associated rights of the Morris Group, including, without limitation, the “Morris” name or any variation thereof, any trademarks, trade names, logos or symbols related thereto;
 - (v) any refundable taxes previously paid by the Debtor and any Claim or right of the Debtor to any refund of taxes paid by the Debtor;
 - (vi) employment contracts or contracts with consultants or contractors related to the Purchased Assets; and
 - (vii) the Debtor’s rights under this Agreement;
- (n) **“General Conveyance”** means the form of general conveyance attached hereto as Schedule 2;
 - (o) **“GST”** means the goods and services tax payable pursuant to the *Excise Tax Act* (Canada) or any other statute in any other jurisdiction of Canada, as such statutes may be amended, modified or replaced from time to time, including any successor statute;
 - (p) **“Income Tax Act”** means, collectively, the *Income Tax Act* (Canada) and the *Income Tax Regulations* (Canada), in each case as amended to the date hereof;
 - (q) **“Premises”** means, collectively, that real property situate in the Province of Saskatchewan legally described as Surface Parcel #143106757, Reference Land Description: Blk/Par Z Plan No 67Y09629 Extension 0, As described on Certificate of Title 67Y09630;
 - (r) **“Liabilities”** means any and all debts, liabilities and obligations of the Debtor, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any applicable law, Claim or governmental order, and those arising under any contract, agreement, arrangement, commitment or undertaking;
 - (s) **“Loss”** means any and all loss, liability, damage, cost, charge, fine, penalty or assessment, including the costs and expenses of any legal proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith;
 - (t) **“Monitor’s Certificate”** means the Monitor’s Certificate to be delivered pursuant to the Sale Approval and Vesting Order;
 - (u) **“Morris Group”** has the meaning ascribed thereto in Recital A;
 - (v) **“Permitted Encumbrances”** means:
 - (i) inchoate or statutory liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of the

construction, maintenance, repair or operation of the Purchased Assets (or any of them), provided that such liens are related to obligations not due or delinquent as of the Closing Date or, if then due or delinquent, are being contested in good faith by the Debtor;

- (ii) the right reserved to or vested in any municipality, governmental authority or other public authority to control or regulate any of the Purchased Assets in any manner, including any directives or notices received from any municipality, governmental authority or other public authority pertaining to the Purchased Assets;
- (iii) liens granted in the ordinary course of business to a public utility, municipality or governmental authority with respect to operations pertaining to any of the Purchased Assets, provided that such liens are related to obligations not due or delinquent as of the Closing Date or, if then due or delinquent, are being contested in good faith by the Debtor; and
- (iv) any other Encumbrances set out as “Permitted Encumbrances” in the Court Approval;
- (w) **“Person”** means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, governmental authority or other entity however designated or constituted;
- (x) **“Property”** means the Debtor’s current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof;
- (y) **“PST”** means the provincial sales tax payable pursuant to *The Provincial Sales Tax Act* (Saskatchewan), as such statute may be amended, modified or replaced from time to time, including any successor statute;
- (z) **“Purchased Assets”** means all of the right, title and interest of the Debtor in the following Property:
 - (i) the Premises; and
 - (ii) the Tangible Personal Property;provided that “Purchased Assets” do not include any Excluded Assets;
- (aa) **“Representative”** means, with respect to any Party, its Affiliates, and its and their respective directors, officers, servants, agents, advisors, employees and consultants;

- (bb) **“Sale Approval and Vesting Order”** means an order to be granted by the Court, substantially in the form of Sale Approval and Vesting Order as attached in Schedule 1, with any amendments thereto to be acceptable to each of the Monitor and the Purchaser, each acting reasonably, which authorizes, approves and confirms this Agreement and the sale of the Purchased Assets by the Debtor to the Purchaser in accordance with the terms and conditions contained herein, and vests beneficial title to the Purchased Assets in the Purchaser free and clear of all Encumbrances, other than any Permitted Encumbrances;
- (cc) **“Tangible Personal Property”** means all machinery and equipment presently located at the Premises, owned by the Debtor and used in or relating to the Business;
- (dd) **“Transaction”** means, collectively, the sale and purchase of the Purchased Assets pursuant to this Agreement and all other transactions contemplated by this Agreement that are to occur contemporaneously with the sale and purchase of the Purchased Assets; and
- (ee) **“Transfer Taxes”** means all present and future transfer taxes, sales taxes, harmonized sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a governmental authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets to the Purchaser, or payable upon completion of the Transaction, including GST and PST, but excluding any taxes imposed or payable under the *Income Tax Act* and any other similar income tax legislation, including any interest, penalties and fines associated therewith.

ARTICLE 2 PURCHASE AND SALE

- 2.1 Agreement to Purchase and Sell Purchased Assets.** On the Closing Date and subject to the terms and conditions of this Agreement (which conditions, for greater certainty, include the Court Approval), the Debtor, exercising the powers of sale granted pursuant to the Sale Approval and Vesting Order, hereby agrees to sell, assign, transfer, convey and set over to the Purchaser, and the Purchaser hereby agrees to purchase from the Debtor, all of the right, title, estate and interest of the Debtor (whether absolute or contingent, legal or beneficial), if any, in and to the Purchased Assets, as vested in the Debtor and as they may exist, on an “as is, where is” basis, and such foregoing purchase shall be free and clear of all Encumbrances other than the Permitted Encumbrances.

ARTICLE 3 PURCHASE PRICE AND RELATED MATTERS

- 3.1 Purchase Price.** Subject to the Adjustments provided for herein, the purchase price for the Purchased Assets, exclusive of all applicable Transfer Taxes, shall be Six Hundred Thousand (\$600,000.00) Dollars (the **“Purchase Price”**).

3.2 Allocation of Purchase Price. No later than five (5) business days prior to Closing, the Purchaser shall, acting reasonably and in good faith, prepare and deliver to the Monitor a proposed allocation of the Purchase Price. Following delivery of same, the Parties shall use reasonable efforts to agree on such allocation at or prior to Closing. Such allocation shall be binding and the Purchaser and the Debtor shall report the purchase and sale of the Purchased Assets and file all filings which are necessary or desirable under the Income Tax Act to give effect to such allocations and shall not take any position or action inconsistent with such allocation. If the Parties are unable to so agree on the allocation, such failure shall not constitute a default for the purposes hereof by either Party and, subject to the other terms and conditions hereof, the Parties will proceed to Closing. In such case, each Party shall, in filing their respective tax return, be entitled to use an allocation of the Purchase Price as determined in its discretion.

3.3 Payment of Purchase Price. The Purchaser covenants and agrees to pay the Purchase Price in lawful money of Canada as follows:

- (a) the sum of One Hundred and Twenty Thousand (\$120,000.00) Dollars (the “**Deposit**”), which is an amount equal to twenty percent (20%) of the Purchase Price, to be paid to the Monitor’s solicitors within two (2) business days of the full execution of this Agreement.
- (b) If Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit received by the Monitor’s solicitors shall be released and paid to the Monitor and credited against the Purchase Price, in partial satisfaction of the Purchaser’s obligation to pay the Purchase Price at Closing.
- (c) If Closing does not occur:
 - (i) due to the conditions precedent in favour of the Purchaser set forth in Section 11.3 of this Agreement not having been satisfied or waived in accordance with the terms of this Agreement, the Deposit shall be returned to the Purchaser and, subject to Section 10.2 of this Agreement, this Agreement shall thereupon terminate and each Party shall be released from all obligations and liabilities under or in connection with this Agreement;
 - (ii) even though the conditions precedent in favour of the Purchaser as set forth in Section 11.3 of this Agreement have been satisfied or waived in accordance with the terms of this Agreement, the Purchaser is unable or unwilling or otherwise fails or neglects to complete all actions necessary on its part to complete the transactions contemplated in this Agreement on the Closing Date, the Debtor shall retain the Deposit as liquidated damages and not as a penalty and, subject to Section 10.2 of this Agreement, this Agreement shall thereupon terminate; or
 - (iii) even though the conditions precedent in favour of the Purchaser as set forth in Section 11.3 of this Agreement have been satisfied or waived in

accordance with the terms of this Agreement, the Debtor and/or the Monitor is unable or unwilling or otherwise fails or neglects to complete all actions necessary on their respective parts to complete the transactions contemplated in this Agreement on the Closing Date, then the Deposit shall be returned to the Purchaser, in full, without set-off or other deduction, and this Agreement shall thereupon terminate and each Party shall be released from all obligations and liabilities under or in connection with this Agreement.

- (d) The Purchaser and the Debtor hereby acknowledge and agree that, should Closing not occur for any reason provided in Section 3.3(c)(ii), the Debtor will suffer and incur damages that cannot be precisely calculated, and will therefore be entitled to retain the Deposit pursuant to Section 3.3(c)(ii) as liquidated damages, and not as a penalty, the Deposit being a genuine pre-estimate of the damages that will be suffered by the Debtor as contemplated by this Section 3.3(d). The Purchaser expressly waives any present or future right, at law or in equity, that would prohibit or may prohibit the retention of the Deposit as liquidated damages by the Debtor in connection with Closing not occurring after the satisfaction or waiver of the conditions precedent in favour of the Purchaser set forth in Section 11.3 of this Agreement and the Purchaser and the Debtor expressly covenant and agree that the Purchaser be and is hereby estopped from making any Claim to challenge the retention of the Deposit by the Debtor in the manner contemplated by Section 3.3(c)(ii) of this Agreement.
- (e) The Purchaser shall pay to the Monitor's solicitors at Closing, by electronic wire transfer, bank draft, certified cheque, or solicitor's trust cheque, the remaining portion of Purchase Price, plus any and all applicable taxes and fees payable under Article 3 (collectively referred to as the "**Closing Payment**").

3.4 Adjustments

- (a) **Costs and Revenues to be Apportioned.** Except as otherwise provided in this Agreement, all costs and expenses relating to the Purchased Assets and all revenues relating to the Purchased Assets shall be apportioned as of the Closing Date between the Debtor and the Purchaser on an accrual basis in accordance with generally accepted accounting principles. No adjustments to the Purchase Price will be made for any change in condition, value, quantity or quality of the Purchased Assets, or with respect to Purchaser's ability to obtain any consents pursuant to Section 8.1.
- (b) **Statement of Adjustments** - A statement of adjustments showing a breakdown of the Adjustments for the Purchased Assets (the "**Statement of Adjustments**") to which there will be annexed details of the calculations made thereon shall be delivered to the Purchaser by the Debtor at least five (5) business days prior to Closing, and shall include without limitation, prepayment, prepaid rent, security deposits, and rents.

- 3.5 Transfer Taxes.** The Parties agree that the Purchase Price payable by the Purchaser to the Debtor pursuant to this Agreement does not include any Transfer Taxes and all Transfer Taxes are the responsibility of and for the account of the Purchaser. The Purchaser and the Debtor agree to cooperate to determine the amount of Transfer Taxes payable in connection with the Transaction. If the Debtor is required by applicable law or by administration thereof to collect any applicable Transfer Taxes from the Purchaser, the Purchaser shall pay such Transfer Taxes to the Debtor on Closing, unless the Purchaser qualifies for an exemption from any such applicable Transfer Taxes or has the right under applicable law to self-assess and remit, as the case may be, in which case the Debtor shall not collect any such applicable Transfer Taxes from the Purchaser, provided that the Purchaser, in lieu of payment of such applicable Transfer Taxes to the Debtor, delivers to the Debtor such certificates, elections, undertakings, indemnities or other documentation required by applicable law or the administration thereof or by the Debtor to substantiate and affect the exemption claimed by the Purchaser or its right to self-assess and remit, as the case may be. The Purchaser does hereby indemnify the Monitor and the Debtor against any Claims which may arise in connection with such Transfer Taxes, and the Purchaser further agrees to pay all such amounts including interest and penalties, if any, upon written request by the Monitor provided in accordance with the provisions of Section 12.3 hereof.

ARTICLE 4 STATUS OF THE PURCHASED ASSETS

- 4.1 “As is, Where is”.** The Purchased Assets are being sold on an “as is, where is” basis as of the Closing and in their condition as of Closing with “all faults” and, except as expressly set forth in this Agreement:
- (a) neither the Monitor, the Debtor nor its Representatives, make, have made or shall be deemed to have made any other representation or warranty, express or implied, at law or in equity, in respect of the Business or any of the Purchased Assets, including with respect to:
 - (i) title, encumbrances, description, fitness for purpose, merchantability, condition, assignability, collectability, quantity, value or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Monitor or the Debtor to sell same, and, without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to any *Sale of Goods Act* or similar legislation in any jurisdiction in Canada shall not apply hereto and shall be deemed to have been waived by the Purchaser;
 - (ii) the operation of the Purchased Assets by the Purchaser after the Closing in any manner; or
 - (iii) the probable success or profitability of the business of the Purchaser relating to the Purchased Assets after the Closing, and

- (b) neither the Monitor, the Debtor nor its Representatives will have or be subject to any liability or indemnification obligation to the Purchaser or to any other person resulting from the distribution to the Purchaser, its Affiliates or Representatives of, or the Purchaser's use of, any information relating to the Business, and any information, documents or material made available to the Purchaser, whether orally or in writing, in certain "data rooms", management presentations, functional discussions, responses to questions submitted on behalf of the Purchaser or in any other form in expectation of the transactions. Any such other representation or warranty is hereby expressly disclaimed.

- 4.2 Waiver.** The provisions of Section 4.1 shall operate as waivers of any claims in tort as well as under the law of contract against the Monitor and the Debtor.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES BY THE DEBTOR

The Debtor represents and warrants to the Purchaser and acknowledges that the Purchaser is relying upon the following representations and warranties in connection with its purchase of the Purchased Assets:

- 5.1 Validly Appointed & Due Authorization and Enforceability of Obligations.** Subject to Court Approval being obtained and being entered, the Debtor has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of each of this Agreement, the Closing Documents and the consummation of the Transaction has been duly authorized by all necessary corporate action of the Debtor. This Agreement has been, and at the Closing Time the Closing Documents will be, duly executed and delivered by the Debtor and constitutes a valid and binding obligation of the Monitor enforceable against it in accordance with its terms, as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.
- 5.2 Right to Sell, and Title to, Purchased Assets.** The Debtor is the registered owner of the Purchased Assets to which it holds title. At the Closing, the Debtor shall convey to the Purchaser all of the Debtor's right, title and interest in and to the Purchased Assets, free and clear of all Encumbrances, other than the Permitted Encumbrances.
- 5.3 No Other Representations, Warranties or Covenants.** All of the Purchased Assets are being purchased on an "as is, where is" basis. Unless and solely to the extent expressly set forth in this Agreement, no representation, warranty or covenant is expressed or implied by the Monitor or the Debtor, including any warranties as to title, Encumbrances, description, merchantability or fitness for a particular purpose, environmental compliance, condition, quantity or quality, or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Monitor or the Debtor to sell or assign the same. The disclaimer in this Section 5.3 is made notwithstanding the delivery or disclosure to the Purchaser or its Representatives of any documentation or other information.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Monitor as follows, and acknowledges that the Debtor is relying upon the following representations and warranties in connection with its sale of the Purchased Assets:

- 6.1 Existence & Due Authorization and Enforceability of Obligations.** The Purchaser is a corporation duly incorporated and existing pursuant to the laws of the Province of Saskatchewan and is authorized to carry on business in the province in which the Purchased Assets are located. The Purchaser has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action of the Purchaser. This Agreement has been duly executed and delivered by the Purchaser and constitutes a valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity. At the Closing Time, the Closing Documents required by this Agreement to be delivered by the Purchaser will be duly executed and delivered by the Purchaser and will constitute a valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.
- 6.2 Approvals and Consents.** Except for Court Approval or as otherwise expressly set forth herein, no authorization, consent or approval of, or filing with or notice to, any governmental authority or any other Person is required in connection with the execution, delivery or performance of this Agreement by the Purchaser and each of the Closing Documents to be executed and delivered by the Purchaser hereunder or the purchase of any of the Purchased Assets hereunder. Provided the Court Approval is obtained, this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their terms.
- 6.3 Tax Registrant.** The Purchaser is a registrant for GST purposes in accordance with the *Excise Tax Act* (Canada) and its registration number is _____. The Purchaser is a registered for PST purposes and its registration number is _____.
- 6.4 No Additional Due Diligence.** The Purchaser acknowledges and agrees that: (a) it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets prior to the execution of this Agreement; (b) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets; (c) it is not relying upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied, (by operation of law or otherwise), regarding the Purchased Assets or the completeness of any information

provided in connection therewith, except as expressly stated in this Agreement; and (d) the obligations of the Purchaser under this Agreement are not conditional upon any additional due diligence.

- 6.5 Brokers.** No broker, finder or investment banker is entitled to any brokerage commission, finder's fee or other similar payment in connection with the Transaction based upon arrangement made by or on behalf of the Purchaser.

ARTICLE 7 INDEMNITIES FOR REPRESENTATIONS AND WARRANTIES

- 7.1 Purchaser's Indemnities for Representations and Warranties.** The Purchaser shall be liable to the Debtor for and shall, in addition, indemnify the Debtor from and against, all Losses suffered, sustained, paid or incurred by the Debtor insofar as such Losses are a result of any act, omission, circumstance or other matter arising out of, resulting from, attributable to or connected with a breach of the representations and warranties contained in Article 6.

ARTICLE 8 ADDITIONAL AGREEMENTS OF THE PARTIES

8.1 Approvals and Consents.

- (a) The Debtor and the Purchaser shall:
 - (i) as soon as reasonably possible following the date hereof, make all such filings and seek all such consents, approvals, permits and authorizations with any other governmental authorities whose consent is required for consummation of the Transaction, and the Purchaser will request any expedited processing available; and
 - (ii) use commercially reasonable efforts to seek all consents, approvals or authorizations required in connection with the assignment of the Purchased Assets in accordance with this Agreement to the Purchaser.
- (b) The Purchaser shall, at the Debtor's request, furnish the Debtor with copies of such documents and information with respect to the Purchaser, including financial information, as the Debtor may reasonably request in connection with the obtaining of any consents, approvals, permits and authorizations contemplated by Section 8.1(a).
- (c) Both before and after Closing, the Purchaser shall be solely responsible for obtaining any and all approvals required under applicable law and any and all consents of third parties required to permit the Transaction and for use of the Purchased Assets thereafter. The Parties acknowledge that the acquisition of such consents shall not be a condition precedent to Closing. The Purchaser shall indemnify the Monitor and the Debtor for any Losses incurred by the Monitor or the Debtor as a result of the Purchaser's failure to obtain any such consent. It shall

be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all financial assurances, remedial work or other documentation required by governmental authorities to permit the transfer to the Purchaser, and registration of the Purchaser as owner, of any of the Purchased Assets.

8.2 Permitted Encumbrances. The Purchaser agrees to accept title to the Purchased Assets subject to all of the Permitted Encumbrances. The Purchaser covenants and agrees to satisfy itself as to compliance with all of the Permitted Encumbrances and the Debtor shall not be required to provide letters or certificates of compliance or any releases or partial releases of same.

8.3 Compliance with Permitted Encumbrances and applicable laws. The Purchaser covenants and agrees:

- (a) to assume on Closing and be bound by and to comply with all provisions of the Permitted Encumbrances, at the Purchaser's sole cost and expense, and the Purchaser hereby covenants and agrees with the Debtor to discharge, perform and fulfill all terms, covenants, provisos, conditions, stipulations, obligations and liabilities of the Monitor and the Debtor under the Permitted Encumbrances, whether arising before or after the Closing, in the same manner and to the same extent as if the Purchaser had executed the same in the place and stead of the Monitor and/or the Debtor, as applicable. The Purchaser shall indemnify and hold harmless the Monitor and the Debtor with respect thereto, whether or not such compliance or non-compliance occurs before, on or after Closing. If required by the provisions of any Permitted Encumbrances, or by any party to any Permitted Encumbrances, the Purchaser shall enter into an agreement directly with the other parties to such Permitted Encumbrances confirming such assumption; and
- (b) to assume on Closing, at the Purchaser's sole cost and expense, complete responsibility for compliance with all applicable laws which apply to the Purchased Assets and the use thereof by the Purchaser. The Purchaser shall indemnify and hold harmless the Monitor and the Debtor with respect thereto, whether or not such compliance or non-compliance occurs before, on or after Closing.

8.4 Post-Closing Date Indemnity. Provided that Closing has occurred, the Purchaser shall: (a) be solely liable and responsible for any and all Losses which the Monitor or the Debtor may suffer, sustain, pay or incur; and (b) indemnify, release and save harmless the Monitor and its Representatives from any and all Losses, actions, proceedings and demands, whatsoever which may be brought against or suffered by the Monitor or the Debtor or which it may sustain, pay or incur, as a result of any matter or thing resulting from, attributable to or connected with the ownership or operation of the Purchased Assets, to the extent that such Losses related thereto arise or occur after the Closing Date.

8.5 Covenant Regarding Confidential Information. On or prior to Closing, the Debtor may request any Person, including the Purchaser or its Representatives, that was furnished confidential information of the Monitor and/or the Debtor to return or destroy

all such information, and such Person shall return or destroy all such information, as applicable.

- 8.6 Liability of the Parties.** The Purchaser acknowledges and agrees that in all matters pertaining to this Agreement, including in its execution, the Monitor is acting solely in its capacity as court-appointed monitor of the Debtor and, as such, its liability under this Agreement, if any, will be in its capacity as a Court-appointed monitor, and the Monitor and its Representatives shall have no personal or corporate liability of any kind, whether in contract, in tort or otherwise and in no circumstance will the Monitor be liable for any consequential damages, including loss of profit.
- 8.7 Release.** Notwithstanding any other provisions of this Agreement, effective as of the Closing Time, each of the Purchaser and the Debtor, on behalf of itself and its Affiliates, does hereby forever release and discharge such other Party and its Affiliates and their respective present and former direct and indirect shareholders, officers, directors, employees, advisors (including, without limitation, financial advisors and legal counsel) and agents (collectively, the “**Released Parties**”) from any and all demands, claims, liabilities, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, indebtedness, liens of whatever nature (collectively, “**Claims**”) based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Closing Time relating to, arising out of or in connection with, the Purchased Assets, save and except for Claims: (i) under this Agreement or any document ancillary thereto; or (ii) arising out of fraud, bad faith or illegal acts (unless such Party believed in good faith that its conduct was legal) of or by the Released Parties.
- 8.8 Intellectual Property.** The Purchaser hereby covenants and agrees that it does not have the right to and will not use the name “Morris” and the intellectual property of the Debtor (including, in respect of the Premises, all signage, advertising, logos, branding or otherwise). The Purchaser shall remove all signage, advertising, logos, branding or otherwise related to same (collectively, the “**Signage**”). The Purchaser shall be entitled to delay removal of all such Signage until the Purchaser’s signage is installed to minimize costs, provided that the Purchaser shall cover or otherwise obstruct from view the Signage if such removal is to occur after twenty (20) days from Closing.

ARTICLE 9 COURT APPROVAL

9.1 Approval and Vesting Order.

- (a) The Monitor shall file a motion with the Court for the Court Approval. Such motion shall be scheduled for **September 30, 2021** or such other date as the Monitor and/or its solicitors may advise.
- (b) The Purchaser shall cooperate with the Monitor acting reasonably, as may be necessary, in obtaining the Court Approval.

ARTICLE 10 TERMINATION

10.1 Termination. This Agreement may be terminated at any time prior to Closing as follows:

- (a) subject to any approvals required from the Court, by mutual written consent of the Debtor and the Purchaser;
- (b) by either Party, upon written notice to the other, if a governmental authority issues an order prohibiting the Transaction contemplated hereby, which order shall have become final and non-appealable; and
- (c) by either Party, upon written notice to the other Party, if there has been a material violation or breach by the other Party of any covenant, representation or warranty which would prevent the satisfaction of any condition set forth in Sections 11.2 and/or 11.3 or 11.4, as applicable, on the Closing Date and such violation or breach has not been waived by the Party or cured within five (5) days after written notice thereof from the Party, unless that Party is in material breach of its obligations under this Agreement.

10.2 Effect of Termination. In the event of termination of this Agreement pursuant to Section 10.1, this Agreement shall forthwith become null and void, and nothing herein shall relieve any Party from liability for any breach of this Agreement, or to impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement.

ARTICLE 11 CLOSING

11.1 Location and Time of Closing. The Closing shall take place at 12:00 p.m. on the Closing Date at the offices of the Monitor's legal counsel, MLT Aikins LLP, in Saskatoon, Saskatchewan or at such other time on the Closing Date or such other place as may be agreed orally or in writing by the Monitor and the Purchaser.

11.2 Mutual Conditions. The respective obligations of the Purchaser and of the Debtor to consummate the Transaction are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the following conditions:

- (a) the Court Approval shall have been entered by the Court and shall not have been stayed, vacated or appealed and no order shall have been issued which restrains or prohibits the completion of the Transaction; and
- (b) there shall be no order issued by any governmental authority delaying, restricting or preventing, and no pending or threatened Claim, judicial or administrative proceeding, or investigation against any Party by any Person, for the purpose of enjoining, delaying, restricting or preventing the consummation of this Transaction, or otherwise claiming that this Agreement or the consummation of

the Transaction is improper or would give rise to proceedings under any applicable law.

The foregoing conditions are for the benefit of all Parties and non-satisfaction or non-performance of any such condition may only be waived by no less than all of them, in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which they each may have. Any such waiver is only binding on a Party if it is made in writing; however, no Party shall be able to delay or prevent Closing due to non-satisfaction of these mutual conditions due to a breach of this Agreement by that Party.

11.3 Purchaser's Conditions. The obligation of the Purchaser to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver by the Purchaser of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Purchaser):

- (a) the representations and warranties of the Debtor in Article 5 shall be true and correct at the Closing;
- (b) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Debtor on or before the Closing Date shall have been complied with or performed in all material respects; and
- (c) the Purchased Assets shall be assigned and transferred to the Purchaser free and clear of all Encumbrances, other than Permitted Encumbrances, in accordance with the Court Approval.

11.4 Debtor's Conditions. The obligation of the Debtor to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver where applicable, by the Debtor of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Debtor):

- (a) the representations and warranties of the Purchaser in Article 6 shall be true and correct at the Closing;
- (b) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser on or before the Closing Date shall have been complied with or performed in all material respects;

11.5 Debtor's Deliveries. The Debtor shall deliver, or cause to be delivered, on or before Closing the following:

- (a) all keys and pass codes to the Premises in the Monitor's actual possession;
- (b) a copy of the Court Approval, as issued by the Court;
- (c) the General Conveyance in the form attached as Schedule 2, duly executed by the Debtor;

- (d) a receipt for the Closing Payment, as adjusted herein; and
- (e) any other documents reasonably requested by the Purchaser in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement.

The Debtor shall deliver, or cause to be delivered, the Monitor's Certificate (as defined in the Sale Approval and Vesting Order) executed by the Monitor, on or after a reasonable time following Closing.

11.6 Purchaser's Deliveries. The Purchaser shall deliver, or cause to be delivered, on or before Closing the following:

- (a) a proposed allocation of the Purchase Price at least five (5) business days prior to Closing;
- (b) all amounts required to be paid by it under this Agreement in the form and manner stipulated in this Agreement, including the Closing Payment as adjusted herein, plus applicable Transfer Taxes;
- (c) the General Conveyance in the form attached as Schedule 2, duly executed by the Purchaser;
- (d) if required by the provision of any Permitted Encumbrances or by any party to any Permitted Encumbrances, an individual assumption agreement in a form required by such Permitted Encumbrances; and
- (e) any other documents reasonably requested by the Debtor in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement.

11.7 Transfer of Purchased Assets. Provided that Closing occurs, and subject to all other provisions of this Agreement, possession, risk and beneficial ownership of the Debtor's interest in and to the Purchased Assets shall transfer from the Debtor to the Purchaser on the Closing Date, in accordance with the Court Approval.

ARTICLE 12 GENERAL MATTERS

12.1 Survival. The representations and warranties of the Debtor in this Agreement or in any agreement, document or certificate delivered pursuant to or in connection with this Agreement or the Transaction are set forth solely for the purpose of Section 11.3 and none of them shall survive Closing. The Debtor shall have no liability, whether before or after the Closing, for any breach of the Debtor's representations, and the Purchaser acknowledges that its exclusive remedy for any such breach shall be termination of this Agreement prior to the Closing (but only if permitted by Section 10.1).

- 12.2 Assignment.** Neither this Agreement nor any of the rights or obligations under this Agreement, are assignable or transferable by a Party without the prior written consent of the other Party.
- 12.3 Notices.** All notices and communication hereunder shall be in writing and shall be deemed given: (a) when delivered personally or by commercial messenger or courier services; (b) three (3) business days following the mailing thereof by registered certified mail (return receipt requested); or (c) when transmitted by facsimile or e-mail, in each case, to a Party at the contact information as shown below the signature of such Party on the signature page of this Agreement (or at such other address for a Party as shall be specified by like notice or, if specifically provided for elsewhere in this Agreement).
- 12.4 Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto relating to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether verbal or written, of the parties.
- 12.5 No Merger.** The covenants, agreements, acknowledgements, representations, warranties and indemnities of the Monitor contained in this Agreement shall be deemed to apply to, and shall not merge in, any documents delivered in furtherance of the provisions hereof notwithstanding the terms of such documents or any rule of law, equity or statute to the contrary, all such rules being waived.
- 12.6 Further Assurances.** The parties hereto and each of them do hereby covenant and agree to do such things and execute such further documents, agreements and assurances as may be necessary or advisable from time to time in order to carry out the terms and conditions of this Agreement in accordance with their true intent.
- 12.7 Consequential Damages.** Neither party shall be liable to the other party for any punitive or exemplary damages, loss of profits, loss of production, loss of business or mineral rights or business interruptions which may be suffered by either party, as the case may be, and which arise out of or in connection with this Agreement.
- 12.8 Confidentiality.** Each Party shall treat confidentially and not disclose, and shall cause each of its Representatives to treat confidentially and not disclose, other than as expressly contemplated by this Agreement, any confidential information of the other Party. Either Party may disclose confidential information only to those of its Representatives who need to know such confidential information for the purpose of implementing the Transaction. Neither Party shall use, nor permit its Representatives to use, confidential information for any other purpose nor in any way that is, directly or indirectly, detrimental to the other Party.
- 12.9 Amendments and Waiver.** All amendments to this Agreement, and all waivers of any provision, or the breach of any provision, of this Agreement, shall be made in a written instrument signed by both of the parties. A waiver shall affect only the matter specifically identified in the instrument granting the waiver and shall not extend to any other matter, provision or breach.

12.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Saskatchewan and the parties hereto hereby submit to the exclusive jurisdiction of the courts in the Province of Saskatchewan.

12.11 Counterparts; Electronic Signatures. This Agreement may be signed in counterparts and electronically and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first written above.

CONTOUR REALTY INC., by and
through its court-appointed Monitor,
ALVAREZ & MARSAL CANADA INC.
(ALVAREZ & MARSAL CANADA INC. is
signing for and on behalf of Contour Realty
Inc and not in its own right or in its personal
or corporate capacity):

BUTTER GATE HOLDING CORP.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE 1

FORM OF SALE APPROVAL AND VESTING ORDER

(See attached)

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 ____ Justice _____ in chambers the ____th day of _____, 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 [Date] (the "**Notice of Application**"), the Eighteenth Report of the Monitor dated [Date] (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 **[Date]** and appended to the Eighteenth Report dated **[Date]** 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:
 - (i) 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 _____ day of _____ 20__.

(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.**

**AND IN THE MATTER OF THE RECEIVERSHIP OF 101098672 SASKATCHEWAN LTD., MORRIS
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 **[Date]**.
- 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 **[Date]** (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 **[SECTION]** 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 **[SECTION]** 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

SCHEDULE 2
FORM OF GENERAL CONVEYANCE

THIS GENERAL CONVEYANCE made as of this ____ day of _____, 2021.

BETWEEN:

CONTOUR REALTY INC. by and through its court-appointed monitor,
ALVAREZ & MARSAL CANADA INC.

(the “**Debtor**”)

AND:

BUTTER GATE HOLDING CORP., a corporation incorporated under the laws
of the Province of Saskatchewan

(the “**Purchaser**”)

WHEREAS:

- A. Pursuant to the Amended and Restated Initial Order of the Honourable Mr. Justice R.S. Smith granted on January 16, 2020, the Monitor was appointed monitor in the proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985, c c-36 by 101098672 Saskatchewan Ltd., Morris Industries Ltd., Morris Sales and Service Ltd., the Debtor, and Morris Industries (USA) Inc. (collectively, the “**Morris Group**”);
- B. Pursuant to the Order (Enhancement of Monitor’s Powers) of the Honourable Mr. Justice R.W. Elson granted on February 18, 2020, the Monitor was empowered to carry out certain powers and to exercise certain rights for and on behalf of the Morris Group in the manner more specifically described therein, including, without limitation, the power to sell and dispose of the Purchased Assets owned by the Debtor; and
- C. The Debtor has agreed to sell and convey the Debtor’s entire right, title, estate and interests in the Purchased Assets (as defined in the Purchase Agreement) to the Purchaser, and the Purchaser has agreed to purchase and accept all of the Debtor’s right, title, estate and interest in and to the Purchased Assets, subject to and in accordance with the terms and conditions contained in the Purchase Agreement (as defined herein);

NOW THEREFORE for the consideration provided in the Purchase Agreement and in consideration of the premises hereto and the covenants and agreements hereinafter set forth and contained, the Parties covenant and agree as follows:

1. Definitions

In this General Conveyance, including the recitals hereto, the definitions set forth in the Purchase Agreement are adopted herein by reference and, in addition:

“**Purchase Agreement**” means that Purchase and Sale Agreement between the Debtor and the Purchaser dated _____, 2021.

2. Conveyance

Pursuant to and for the consideration provided for in the Purchase Agreement, the Debtor hereby sells, assigns, transfers, conveys and sets over to the Purchaser the entire right, title, estate and interest of the Debtor in and to the Purchased Assets, to have and to hold the same absolutely, together with all benefit and advantage to be derived therefrom.

3. Subordinate Document

This General Conveyance is executed and delivered by the Parties pursuant to the Purchase Agreement and the provisions of the Purchase Agreement shall prevail in the event of a conflict between the provisions of the Purchase Agreement and the provisions of this General Conveyance.

4. No Merger

The covenants, representations, warranties and indemnities contained in the Purchase Agreement are incorporated herein as fully and effectively as if they were set out herein and there shall be no merger of any covenant, representation, warranty or indemnity contained in the Purchase Agreement by virtue of the execution and delivery hereof, any rule of law, equity or statute to the contrary notwithstanding.

5. Governing Law

This General Conveyance shall be subject to and interpreted, construed and enforced in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Saskatchewan. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Saskatchewan and courts of appeal therefrom in respect of all matters arising out of this Agreement.

6. Enurement

This General Conveyance shall be binding upon and shall enure to the benefit of each of the Parties and their respective administrators, trustees, receivers, successors and assigns.

7. Further Assurances

Each Party will, from time to time and at all times hereafter, at the request of the other Party but without further consideration, do all such further acts and execute and deliver all such

further documents as shall be reasonably required in order to fully perform and carry out the terms hereof.

8. Counterpart Execution

This Agreement may be executed in counterpart and by facsimile or other electronic means and all such executed counterparts together shall constitute one and the same agreement.

[Signature Page to Follow.]

IN WITNESS WHEREOF the Parties have executed this General Conveyance on the date first above written.

CONTOUR REALTY INC., by and
through its court-appointed Monitor,
ALVAREZ & MARSAL CANADA INC.
(ALVAREZ & MARSAL CANADA INC. is
signing for and on behalf of Contour Realty
Inc and not in its own right or in its personal
or corporate capacity):

BUTTER GATE HOLDING CORP.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

Appendix B

Summary of the Monitor's Fees and Costs

Contour Realty Inc. - in CCAA**Summary of Monitor's Fees and Disbursements ("Interim Period Billings")**

March 27, 2021 to August 31, 2021

Invoices subject to Court Approval

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
19	June 1, 2021 to June 30, 2021	26,023.50	1,632.31	27,655.81	1,382.79	29,038.60
20	July 1, 2021 to July 31, 2021	9,514.50	3,319.36	12,833.86	641.69	13,475.55
21	August 1, 2021 to August 31, 2021	8,638.00	-	8,638.00	431.90	9,069.90
TOTAL		\$ 44,176.00	\$ 4,951.67	\$ 49,127.67	\$ 2,456.38	\$ 51,584.05

Invoices Previously Approved by this Court

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
17	March 27, 2021 to April 30, 2021	5,824.50	194.97	6,019.47	300.97	6,320.44
18	May 1, 2021 to May 31, 2021	15,474.50	550.00	16,024.50	801.23	16,825.73
TOTAL		\$ 21,299.00	\$ 744.97	\$ 22,043.97	\$ 1,102.20	\$ 23,146.17
GRAND TOTAL		\$ 65,475.00	\$ 5,696.64	\$ 71,171.64	\$ 3,558.58	\$ 74,730.22

Appendix C

Summary of the Monitor's Legal Counsel's Fees and Costs

Contour Realty Inc. - in CCAA

Summary of Monitor's Counsel's Fees and Disbursements ("Interim Period Billings")

March 27, 2021 to August 31, 2021

Invoices subject to Court Approval

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	PST	Total
6216950	June 1, 2021 to June 30, 2021	28,654.00	483.46	29,137.46	1,455.87	1,719.24	32,312.57
6223246	July 1, 2021 to July 31, 2021	4,539.00	127.90	4,666.90	230.06	272.34	5,169.30
6229720	August 1, 2021 to August 31, 2021	10,206.00	47.14	10,253.14	511.66	612.36	11,377.16
TOTAL		\$ 43,399.00	\$ 658.50	\$ 44,057.50	\$ 2,197.59	\$ 2,603.94	\$ 48,859.03

Invoices Previously Approved by this Court

Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	PST	Total
6207050	March 27, 2021 to April 30, 2021	8,017.50	1,256.36	9,273.86	437.70	481.05	10,192.61
6212602	May 1, 2021 to May 31, 2021	6,160.00	474.67	6,634.67	312.48	369.60	7,316.75
TOTAL		\$ 14,177.50	\$ 1,731.03	\$ 15,908.53	\$ 750.18	\$ 850.65	\$ 17,509.36
GRAND TOTAL		\$ 57,576.50	\$ 2,389.53	\$ 59,966.03	\$ 2,947.77	\$ 3,454.59	\$ 66,368.39