

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

COURT COURT OF QUEEN'S BENCH FOR SASAKATCHEWAN

JUDICIAL CENTRE SASKATOON

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 101098672 SASKATCHEWAN LTD., MORRIS INDUSTRIES LTD., MORRIS SALES and SERVICE LTD., CONTOUR REALTY INC., and MORRIS INDUSTRIES (USA) INC.

DOCUMENT **FIFTEENTH REPORT OF THE MONITOR**

March 2, 2021

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

MONITOR

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**LISTING OF APPENDICES TO THE FIFTEENTH REPORT OF THE
MONITOR**

APPENDIX A	New APA (redacted)
CONFIDENTIAL APPENDIX 1	Monitor’s Summary of the New APA
CONFIDENTIAL APPENDIX 2	New APA

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 administrative charge (the “**Administrative Charge**”) and a directors’ charge (“**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 “**DIP 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; and extend the Stay.

6. On December 18, 2020, the Court granted an Order (the “**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 one hand, and 102114983 Saskatchewan Ltd. (to be renamed “Morris Equipment Ltd.”) (the “**Purchaser**”) on the other, as well as approving the Letter of Understanding 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**”). As discussed below in greater detail, the Revised APA has been replaced by a New Asset Purchase Agreement (the “**New APA**”), which was executed by the Company and Purchaser on March 2, 2021.
7. Further information regarding the CCAA Proceedings, including copies of the Initial Order, the Amended and Restated Initial Order, 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

8. The purpose of this fifteenth report (the “**Report**” or “**Fifteenth Report**”) is to provide this Honourable Court with an update with respect to:
 - a) an brief update on the activities of the Monitor since the fourteenth report dated February 16, 2021 (the “**Fourteenth Report**”);
 - a) an update on the Monitor’s and the Purchaser’s efforts with respect to negotiating the MEL Transaction contemplated in the New APA dated effective as of March 2, 2021; and

- b) the Monitor's application for a Sale Approval and Vesting Order (a "SAVO") in regard to the transaction contemplated in the New APA.

9. All references in this Report to dollars are in Canadian currency.

TERMS OF REFERENCE AND DISCLAIMER

10. 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 Morris Group'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.

11. 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.

12. Future oriented financial information referred to in this Report was prepared based on estimates and assumptions provided by senior management and employees of the Morris Group. Unless expressly stated, forecasts and projections included in this Report do not reflect the potential financial impact of COVID-19 on the Company's operations. Although the Company has taken various measures to increase safety and to mitigate costs, it is impossible to quantify with certainty the true impact of COVID-19 on the Company's future business operations. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results may vary from the projections, even if the assumptions materialize, and the variations could be significant.

ACTIVITIES OF THE MONITOR

13. Since the Fourteenth Report, the Monitor's activities have included (but not been limited to) the following:
 - a) conducting ongoing discussions, meetings and communications with Management, employees and advisors of the Companies regarding the Companies' business and financial affairs;
 - b) continuing ongoing communications with the Company's stakeholders, customers, employees and secured creditors and their respective legal counsel, including the continuing involvement of the Monitor's independent legal counsel, MLT Aikins LLP ("MLTA");
 - c) continuing to assist the Company in their accounts receivable collection efforts;
 - d) monitoring the Company's response to COVID-19 and other operational matters of the Company during the proceedings;

- e) performing a detailed review of ongoing production and procurement activities at each of the production facilities mainly in respect of firm orders and forecast orders from the Company's major customer located in Australia and planning for forecast whole goods and parts orders in the North American and European markets;
- f) reviewing month-end reporting of inventory, accounts receivable balances and other working capital items, to the primary secured creditor and interim financing lender, Bank of Montreal ("BMO");
- g) ongoing review of purchase requisitions and other funding requests pursuant to the requirements under the Interim Financing Facility; including numerous discussions with Superior Farms Solutions Limited Partnership ("SFLP") in respect of purchase orders required to meet forecast demand for whole goods and parts orders in the North American and European markets;
- h) conducting negotiations of the New APA with SFLP, with comments and involvement from BMO and Farm Credit Canada ("FCC") (as further described below). The Company and the Purchaser executed the New APA on March 2, 2021;
- i) reviewing inbound interest from other potential capital providers or purchasers as it relates to the sale of significant portions of the assets of the Morris Group in CCAA;
- j) ongoing discussions with real estate agents in respect of Yorkton, Saskatchewan and Virden, Manitoba properties that are being actively marketed through Colliers International;
- k) continuing discussions, due diligence assistance, operational planning and negotiations with SFLP in respect of transitional planning for forecast whole goods and parts orders for the North American and European market; and

- l) holding ongoing discussions with BMO and FCC related to the New APA, the CCAA Proceedings and impending bankruptcy application on behalf of BMO.

UPDATE ON THE MEL TRANSACTION

Overview

14. As discussed in the Fourteenth Report, the Monitor and SFLP (in addition to conducting multiple communications with FCC and BMO), were in the process of negotiating a New APA to reflect the changes and negotiations on an appropriate financing arrangement between FCC, BMO and SFLP.
15. On March 2, 2021, the Monitor, acting on behalf of the Companies, executed the New APA with a nominee of SFLP known as Morris Equipment Ltd. (“**MEL**”). As a result of the delays in receiving the necessary funds to complete the SFLP Transaction from the Purchaser’s equity sponsor, the primary terms, conditions and overall purchase price in the New APA are different from those contained in the previous Revised APA entered into by the Company and the Purchaser. Both BMO and FCC have expressed their support for the New APA and the financing required to close the transaction contemplated therein (the “**MEL Transaction**”). A redacted copy of the New APA has been included as Appendix A to this Report and an unredacted copy of the New APA is attached to the Confidential Appendix to this Report.
16. The New APA contemplates the acquisition of substantially all of the inventory and fixed assets (property and equipment) of the Morris Group (the “**Purchased Assets**”), save and except for the Companies’ real property located in Yorkton, Saskatchewan and vacant land in Virden, Manitoba. The New APA also includes the assumption by the Purchaser of all accounts receivable due to the Company by RW Roads Solutions Limited Partnership under the Australian Sales Agreement, as well as all other accounts receivable which are outstanding as of the MEL Transaction closing date. Furthermore, the Purchaser will assume all reasonable commercial liabilities relating to the Purchased Assets, related contracts, permits

and licenses, save for the liabilities of the Company that were in existence as of the date of the Initial Order, other than liabilities owing to BMO and FCC which are being expressly assumed under the New APA.

17. The contemplated closing date of the MEL Transaction is March 8, 2021 (the “**Closing Date**”). If the MEL Transaction is not completed by the Closing Date, either the Purchaser, on the one hand, of the Company, on the other hand, may terminate the New APA, provided that any party seeking to terminate is not itself in breach of its obligations under the New APA.
18. The New APA is unconditional, save for the following standard conditions:
 - a) Court approval of the New APA and the proposed Sale Approval and Vesting Order (the “**SAVO**”);
 - b) compliance with other covenants under the New APA in all material respects; and
 - c) that there shall have been no Material Adverse Effects on the Company or the Purchased Assets.
19. The New APA is considered by the Monitor to be the best and highest offer received as a result of the extensive, broad-based marketing process conducted by the Company as reported in the Fourth Report. The New APA will provide the highest and best recovery for the creditors and stakeholders of the Companies.
20. Due to the confidential nature of the information provided in the New APA, the Receiver is concerned that, if information regarding the New APA is disclosed publicly prior to the closing of the MEL Transaction, such disclosure could materially jeopardize the sale. Alternatively, if the MEL Transaction does not close (for any reason), disclosure could materially jeopardize subsequent efforts by the Monitor to re-market these assets.
21. As a result, the Monitor respectfully recommend that it is appropriate for this Honourable Court to seal the following confidential appendices to the Fifteenth Report:

- a) the Monitor's summary of the New APA (Confidential Appendix 1); and
 - b) the unredacted New APA (Confidential Appendix 2).
- 22. The Monitor considered a number of factors when reviewing the New APA in the context of these CCAA Proceedings and the extensive efforts over the past year to maximize the value of the assets of the Companies. The reasons that the Monitor has concluded that this transaction, albeit the New APA, continues to be in the best interest of all stakeholders are set out in the Twelfth Report of the Monitor.

The Proposed Sale Approval and Vesting Order

- 23. If granted by this Honourable Court, the SAVO will approve the New APA and the MEL Transaction. In addition, if approved by the Court, the SAVO will authorize and direct the Monitor to complete a number of additional steps required to implement the MEL Transaction. These steps, which are to take place commencing at the closing time ("**Closing Time**") in the sequence set forth in the SAVO, principally comprise:
 - a) Hearing of application for the SAVO before this Honourable Court on March 5, 2021;
 - b) Closing of the MEL Transaction on a target date of March 8, 2021;
 - c) payment of certain payments to the Subject Employees pursuant to the Letter of Understanding (details set out in Confidential Appendices to the Twelfth Report); and
 - d) Application For Bankruptcy Order by BMO against the Companies (as further described below) on date to be determined in March of 2021.
- 24. If approved by this Honourable Court, the SAVO will serve to achieve the following:
 - a) Approval of the New APA for the Purchased Assets;

- b) Authorization and direction to Morris and Contour to enter into and perform their covenants and obligations under the Letter of Understanding;
- c) Authorization and direction to Contour to make the Advances to the Subject Employees in the manner contemplated in the Letter of Understanding; and
- d) Authorization and direction to Contour to require the Subject Employees receiving the Advances from Contour to execute Promissory Notes in favour of Contour agreeing to repay the Advances to Contour (as described in the Thirteenth Report).

MONITOR'S RECOMMENDATION

25. The Monitor respectfully recommends that this Honourable Court grant the Sale Approval and Vesting Order.

[Signature Page Follows]

All of which is respectfully submitted to this Honourable Court this 2nd day of March, 2021.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as Monitor of 101098672 Saskatchewan Ltd.,
Morris Industries Ltd., Morris Sales and Service Ltd.,
Contour Realty Inc. and Morris Industries (USA) Inc.
and not in its personal or corporate capacity**



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



Per: _____
Chad Artem, CPA, CA, CBV
Senior Manager

Appendix A

New APA (Redacted)

MORRIS INDUSTRIES LTD., by and through its Court-appointed Monitor, ALVAREZ & MARSAL CANADA INC.

- and -

CONTOUR REALTY INC., by and through its Court-appointed Monitor, ALVAREZ & MARSAL CANADA INC.

- and -

MORRIS EQUIPMENT LTD.

ASSET PURCHASE AGREEMENT

DATED AS OF MARCH 2, 2021

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT dated as of March 2, 2021 is made by and between:

**MORRIS INDUSTRIES LTD., by and through its Court-appointed Monitor,
ALVAREZ & MARSAL CANADA INC.**

AND:

**CONTOUR REALTY INC., by and through its Court-appointed Monitor,
ALVAREZ & MARSAL CANADA INC.**

(collectively, the “**Vendors**”)

AND:

MORRIS EQUIPMENT LTD.

(the “**Purchaser**”)

RECITALS:

- A.** Pursuant to an initial order of the Court of Queen’s Bench for Saskatchewan (the “**Court**”) granted on January 8, 2020 (as amended on January 16, 2020 and as may be further amended or amended and restated from time to time, the “**Initial Order**”) in the proceedings bearing Court File Number QB No. 1884 of 2019 (the “**CCAA Proceedings**”), 101098672 Saskatchewan Ltd., Morris Industries Ltd., Morris Sales and Service Ltd., Contour Realty Inc. and Morris Industries (USA) Inc., obtained protection from their creditors under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36 (the “**CCAA**”) and Alvarez & Marsal Canada Inc. was appointed as monitor in the CCAA Proceedings (in such capacity and not in its personal or corporate capacity, the “**Monitor**”).
- B.** The Vendors primarily carry on business as a farm equipment manufacturer and distribute their products through a network of dealers in Canada, the United States, Australia, and Eastern Europe (the “**Business**”), among other businesses.
- C.** The Vendors desire to sell, transfer and assign to the Purchaser, and the Purchaser desires to acquire and assume from the Vendors, all of the Vendors’ right, title and interest in and to the Purchased Assets and the Assumed Liabilities, on the terms and subject to the conditions contained in this Agreement.
- D.** The transactions contemplated by this Agreement are subject to the approval of the Court and will be consummated pursuant to the Approval and Vesting Order to be entered by the Court in the CCAA Proceedings.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each Party, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions. In this Agreement:

“Action” means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, Order, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at Law or in equity and by or before a Governmental Authority.

“Additional Assumed BMO Debt” has the meaning set out in Section 3.1(4).

“Administration Charge” has the meaning set out in the Initial Order.

“Affiliate” means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to **“control”** another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term **“controlled”** shall have a similar meaning.

“Agreement” means this Asset Purchase Agreement, including the preamble and the Recitals, and all the Schedules attached hereto, as they may be amended, restated or supplemented from time to time in accordance with the terms hereof.

“Applicable Law” means, with respect to any Person, property, transaction, event or other matter: (a) any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Order or other requirement having the force of law, (b) any policy, practice, protocol, standard or guideline of any Governmental Authority which, although not necessarily having the force of law, is regarded by such Governmental Authority as requiring compliance as if it had the force of law (collectively, in the foregoing clauses (a) and (b), **“Law”**), in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

“Approval and Vesting Order” means an Order of the Court issued in the CCAA Proceedings in form satisfactory to the Parties and the Monitor, each acting reasonably: (a) approving the transactions contemplated by this Agreement, and (b) vesting in the Purchaser all of the Vendors’ right, title and interest in and to the Purchased Assets free and clear of all Encumbrances (other than Permitted Encumbrances), in form and substance satisfactory to the Parties and the Monitor, each acting reasonably.

“Assigned Contracts” means, collectively, the Critical Contracts, the Real Property Leases, the Personal Property Leases and the other Contracts listed on Schedule “B”, but, for greater certainty, does not include any Contract that relates to any of the Pre-CCAA Debts.

“Assignment and Assumption Agreement” means an assignment and assumption agreement, in form and substance satisfactory to the Parties, acting reasonably, evidencing the assignment to the Purchaser of the Vendors’ rights, benefits and interests in, to and under the Assigned Contracts and the assumption by the Purchaser of all of the Assumed Liabilities under or in respect of the Assigned Contracts.

“Assignment Order” means an Order of the Court issued in the CCAA Proceedings in form and substance satisfactory to the Parties and the Monitor, each acting reasonably, assigning to the Purchaser the Vendors’ right, benefit and interest in and to any of the Critical Contracts for which any necessary consent to assign has not been obtained, in form and substance satisfactory to the Parties, acting reasonably.

“Assumed Liabilities” means the following Liabilities of each of the Vendors:

- (a) all Liabilities under the Assigned Contracts and Permits and Licences (in each case to the extent such Assigned Contract or Permit and Licence is effectively assigned to the Purchaser) as set out in Schedule “B”;
- (b) all Liabilities relating to the Purchased Assets set out in Schedule “A”;
- (c) all Liabilities of the Vendors that are related to or arise out of the Receivables purchased hereunder; and
- (d) any other Liabilities of the Vendors (or either of them) that the Purchaser and the Vendors, each acting reasonably and in good faith, determine, whether before or after the Closing Date, are Related to the Business and are the type of Liabilities that would appropriately be assumed by a Purchaser in a transaction such as this,

but, for greater certainty, Assumed Liabilities do not include: (i) any of the Pre-CCAA Debts; (ii) except to the extent expressly agreed to between the Purchaser and any employee of the Business, all Employment Liabilities; or (iii) any Liabilities of the Vendors (or either of them) to any of the Vendors’ dealers which Liabilities do not arise from, or relate to, an Assigned Contract or a Receivables that is acquired hereunder.

“BMO/FCC Mortgage Debt” has the meaning set out in Section 3.1(2).

“BMO/FCC Mortgage Debt Documentation” has the meaning set out in Section 3.2(c).

“Books and Records” means the books, records, files, papers, books of account and other financial Data of the Vendors which are solely Related to the Business or related to the Purchased Assets, including drawings, engineering information, manuals and Data, sales and advertising materials, sales and purchase correspondence, trade association files, research and development records, lists of present and former customers and suppliers, marketing lists and marketing consent records, personnel, employment and other records, and all records, Data and information stored electronically, digitally or on computer-related or any other media.

“Business” has the meaning set out in Recital B.

“Business Day” means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Saskatoon, Saskatchewan.

“Cash Purchase Price” has the meaning set out in Section 3.1(1).

“Casualty” has the meaning set out in Section 5.4.

“CCAA” has the meaning set out in Recital A.

“CCAA Proceedings” has the meaning set out in Recital A.

“Closing” means the completion of the purchase and sale of the Vendors’ right, title and interest in and to the Purchased Assets and the assignment and assumption of the Assumed Liabilities by the Purchaser in accordance with the provisions of this Agreement.

“Closing Cash Consideration” has the meaning set out in 3.2(b).

“Closing Date” means the date on which Closing occurs, which date shall be the Target Closing Date or such other date as may be agreed to in writing by the Parties and the Monitor.

“Closing Time” means the time of day on the Closing Date when Closing occurs.

“Conditions Certificates” has the meaning set out in Section 7.3.

“Contracts” means all pending and executory contracts, agreements, leases, understandings and arrangements (whether oral or written) Related to the Business to which any of the Vendors are a party or by which any of the Vendors or any of the Purchased Assets are bound or under which the Vendors have rights, including any Personal Property Leases and any Real Property Leases.

“Court” has the meaning set out in Recital A.

“Critical Contracts” means those Contracts that are, in the opinion of the Purchaser, acting reasonably, necessary and critical to the operation of the Business and the Purchased Assets as a going concern after the Closing Date as listed and specified as “Critical Contracts” on Schedule “B”.

“Damages” means any loss, cost, Liability, claim, interest, fine, penalty, assessment, Taxes or damages available at Law or in equity (including incidental, consequential, special, aggravated, exemplary or punitive damages unless paid to a third party), expense (including consultant’s and expert’s fees and expenses and reasonable costs, fees and expenses of legal counsel on a full indemnity basis, without reduction for tariff rates or similar reductions and reasonable costs, fees and expenses of investigation, defence or settlement) or diminution in value.

“Data” means any information or data collected or received by, processed by, or output from software (including reports, analytics, and alerts), and any other information or data Related to the Business, including information and data contained in any databases.

“Deposit Amount” has the meaning set out in Section 3.5(1).

“Directors’ Charge” has the meaning set out in the Initial Order.

“Employment Liabilities” means all Liabilities of the Vendors for salary, wages (including overtime pay), bonuses, commissions, vacations, vacation pay and other compensation and benefits relating to the employment of the employees employed by the Vendors (or either of them).

“Encumbrances” means all claims, Liabilities, obligations, prior claims, right of retention, liens, security interests, floating charges, mortgages, pledges, assignments, conditional sales, warrants, adverse claims, charges, hypothecs, trusts, deemed trusts (statutory or otherwise), judgments, writs of seizure or execution, notices of sale, contractual rights (including purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual rights), encumbrances, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise.

“ETA” means the *Excise Tax Act*, RSC 1985, c E-15 and the regulations thereunder.

“Excluded Assets” means: (a) all bank accounts, insurance claims, bills, credits, rebates, deposits, prepayments, holdbacks, funds, cash equivalents, marketable securities, short-term investments, Intercompany Claims, Tax credits, including without limitation, Tax Returns, Tax installments paid by or on behalf of any of the Vendors or any of their Affiliates, and all rights to receive a refund of, and/or credit in respect of Taxes paid by or on behalf of any of the Vendors or any of their Affiliates; (b) all minute books and other corporate records of any of the Vendors and any Books and Records that any of the Vendors are required by Applicable Law to retain in their possession; (c) the rights of any of the Vendors under this Agreement or any other agreement, certificate or instrument executed and delivered pursuant to this Agreement; (d) all causes of action which arise from loss, Damage or facts occurring prior to the Closing Date and any insurance proceeds or claims payable for losses or Damages incurred prior to the Closing Date, other than insurance proceeds or rights thereto assigned to the Purchaser in accordance with Section 5.4; (e) all employee plans; (f) all shares, units, partnership interests or other ownership or equity interests of the Vendors in any Affiliate of the Vendors; (g) the Administration Charge; (h) the Directors’ Charge; (i) the real property owned by the Vendors and located in Yorkton, Saskatchewan and Virden, Manitoba; (j) the laser that is leased by the Vendors from Trumpf Finance and which is located in Yorkton, Saskatchewan; and (k) the Promissory Notes, as well as all rights to receive payments under the Promissory Notes and all causes of action which may arise under or pursuant to the Promissory Notes.

“Final Order” means, at the relevant time or date, an Order of the Court that has not been vacated, stayed, amended, reversed or modified, as to which no appeal or application for leave to appeal therefrom has been filed, or if any appeal(s) or application(s) for leave to appeal therefrom have been filed, any (and all) such appeal(s) or application(s) have been dismissed, quashed, determined, withdrawn or disposed of.

“General Conveyance” means a general conveyance and assumption of Liabilities, in form and substance satisfactory to the Parties, acting reasonably, evidencing the conveyance to the Purchaser of the Vendors’ right, title and interest in and to the Purchased Assets and the assumption by the Purchaser of the Assumed Liabilities.

“Governmental Authority” means:

- (a) any domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise);
- (b) any agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality having legislative, judicial, taxing, regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government;
- (c) any court, tribunal, commission, individual, arbitrator, arbitration panel or other body having adjudicative, regulatory, judicial, quasi-judicial, administrative or similar functions; and
- (d) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, securities commission or professional association.

“GST” means all goods and services tax and harmonized sales tax imposed under Part IX of the *ETA*.

“Hardware” has the meaning set forth in Section 5.7.

“Hazardous Materials” means: (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral, gas, odour, heat, sound, vibration, radiation or combination of them that may impair the natural environment, injure or damage property or animal life or harm or impair the health of any individual and includes any contaminant, waste or substance or material defined, prohibited, regulated or reportable pursuant to any Applicable Law relating to the environment, pollution or human health and safety, in each case, whether naturally occurring or manmade; and (b) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation and polychlorinated biphenyls.

“ICA” means the *Investment Canada Act*, RSC 1985, c 28 (1st Supp).

“Initial Order” has the meaning set out in Recital A.

“Intellectual Property” means all intellectual property and industrial property, throughout the world, whether or not registerable, patentable or otherwise formally protectable, and whether or not registered, patented, otherwise formally protected or the subject of a pending application for registration, patent or any other formal protection, including all: (a) trade-marks, corporate names and business names, including the “Morris” name and brand; (b) inventions; (c) works and subject matter in which copyright, neighbouring rights or moral rights subsist; (d) industrial designs, patents; (e) know-how, trade secrets, proprietary information, confidential information and information of a sensitive nature that have value to the Business or relate to business opportunities for the Business, in whatever form communicated, maintained or stored; (f) telephone numbers and facsimile numbers; (g) registered domain names; and (h) social media

usernames and other internet identities and all account information relating thereto, all of which is more particularly set out in Schedule “E”.

“Intercompany Claims” means all present and future claims of any nature or kind whatsoever of any of the Vendors against an Affiliate thereof, whether such Affiliate is a Party to this Agreement or otherwise.

“Interim Period” means the period from the date that this Agreement is entered into by the Parties to the Closing Time.

“Inventory” means all items of inventory of the Vendors relating to the Business (including, without limitation, inventory that has been pre-paid for by the Vendors, whether or not received at the premises of the Vendors) as of the Closing Date (valued at the lower of (i) cost or (ii) net realizable value, determined in accordance with Canadian generally accepted accounting principles) and includes, but is not limited to, finished products, parts held for sale, work in process and manufactured components. Raw materials and purchased component inventory will be valued at supplier cost. For greater certainty, all Receivables of the Vendors and Business and all accounts payable of the Vendors and the Business (other than those included with the Assumed Liabilities) are not included as Inventory.

“ITA” means the *Income Tax Act*, RSC, 1985, c. 1 (5th Supp), and the regulations thereto.

“Law” has the meaning set out in the definition of **“Applicable Law”**.

“Legal Proceeding” means any litigation, Action, application, demand, suit, investigation, hearing, claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court or other tribunal or Governmental Authority and includes any appeal or review thereof and any application for leave for appeal or review.

“Liability” means, with respect to any Person, any liability, debt, dues, guarantee, surety, indemnity obligation, or other obligation of such Person of any kind, character or description, whether legal, beneficial or equitable, known or unknown, present or future, direct, indirect, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due or accruing due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“Material Casualty” means a Casualty in respect of all or substantially all of the Purchased Assets.

“Monitor” has the meaning set out in Recital A.

“Monitor’s Certificate” means the certificate, substantially in the form attached as Schedule “A” to the Approval and Vesting Order, to be delivered by the Monitor to the Vendors and the Purchaser on Closing and thereafter filed by the Monitor with the Court certifying that it has received, among other things, the Conditions Certificates.

“Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

“Owned Real Property” means the land and premises owned by one or more of the Vendors as listed in Schedule “C”.

“Party” means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and **“Parties”** means more than one of them.

“Permits and Licences” means any and all licences, permits, approvals, authorizations, certificates, directives, Orders, variances, registrations, rights, privileges, concessions, granted, conferred or otherwise created by any Governmental Authority and held by or on behalf of any of the Vendors or other evidence of authority Related to the Business issued to, granted to, conferred upon, or otherwise created for, any of the Vendors which relate to the ownership, maintenance, operation of the Business or the Purchased Assets.

“Permitted Encumbrances” means, collectively:

- (a) Encumbrances related to Taxes and utilities arising by operation of law (statutory or otherwise) which relate to or secure Liabilities that in each case are not yet due or are not in arrears or, if due or in arrears, the validity of which is being contested;
- (b) easements, covenants, rights of way and other restrictions if registered provided that they are complied with in all material respects and do not, in the aggregate, materially adversely affect the operation of the Business or the continued use of the real property to which they relate after the Closing on substantially the same basis as the Business is currently being operated and such real property is currently being used;
- (c) registered agreements with municipalities or public utilities if they have been complied with in all material respects or adequate security has been furnished to secure compliance;
- (d) registered easements on real property for the supply of utilities or telephone services and for drainage, storm or sanitary sewers, public utilities lines, telephone lines, cable television lines or other services, provided such easements have been complied with in all material respects;
- (e) all encumbrances and instruments registered against title to the property that is the subject of the Real Property Leases; and
- (f) in respect of the Real Property Leases, the provisions of any Applicable Law, including by-laws, regulations, airport zoning regulations, ordinances and similar instruments relating to development and zoning, and any reservations, exceptions, limitations, provisos and conditions contained in the original Crown grant or patent.

“Person” is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity.

“Personal Information” means information about an identifiable individual as defined in Privacy Law.

“Personal Property” means any and all vehicles, machinery, equipment, parts, chattels, Inventory of spare parts, parts and supplies, furniture and any other tangible personal and movable property in which any of the Vendors have a beneficial right, title or interest (whether owned or leased) but not including any Excluded Assets.

“Personal Property Leases” means a personal or movable property lease, chattel lease, equipment lease, financing lease, conditional or instalment sales contract and other similar agreement relating to Personal Property to which any of the Vendors are a party or under which they have rights to use Personal Property as listed and specified as “Personal Property Leases” on Schedule “B”.

“Pre-CCAA Debts” means those debts and Liabilities of the Vendors (or either of them) which were in existence as of the date that the Initial Order was issued, other than any Liabilities that are owing by the Vendors (or either of them) to BMO and/or FCC and which the Purchaser expressly assumes, or otherwise becomes liable for, hereunder.

“Privacy Law” means the *Personal Information Protection and Electronic Documents Act*, SC 2000, c 5, the *Personal Information Protection Act*, SA 2003, c P-6.5 and any other Applicable Law of any other Province or territory of Canada.

“Promissory Notes” means the promissory notes issued, or hereafter to be issued, by certain unionized employees of the Business in favour of Contour Realty Inc. and the Monitor, pursuant to which Promissory Notes such employees promise to repay the WEPPA Advances to Contour Realty Inc. and the Monitor.

“PST” means all provincial sales tax imposed under *The Retail Sales Tax Act* (Manitoba), CCSM, c R130, and *The Provincial Sales Tax Act* (Saskatchewan), RSS, c P-34.1 and in each case the regulations thereto.

“Purchase Price” has the meaning set out in Section 3.1.

“Purchased Assets” means, collectively, all of the property and assets of every kind owned by the Vendors (or either of them) and used or utilized in the Business, but excluding the Excluded Assets. Without limiting the generality of the foregoing, the Purchased Assets will include, but shall not be limited to, those assets of each of the Vendors set out in Schedule “A” (or any of them), but, for greater certainty, does not include any Excluded Assets.

“Purchaser” has the meaning set out in the preamble hereto.

“Real Property Leases” means the leases in respect of real property as listed and specified as “Real Property Leases” on Schedule “B”.

“Receivables” means, in respect of a Person all cash, accounts receivable, bills receivable, trade accounts and book debts due or accruing due to such Person, together with any unpaid interest accrued on such items and any security or collateral for such items, including recoverable deposits.

“Related to the Business” means primarily: (a) used in; (b) arising from; or (c) otherwise related to the Business or any part thereof.

“Replacement Permit and Licence” means a new permit, licence, authorization, approval or other similar item providing substantially equivalent rights to the Purchaser as the Vendors are entitled to as of the Closing Date pursuant to the applicable Permit and Licence.

“Representative” when used with respect to a Person means each director, officer, employee, consultant, subcontractor, financial adviser, legal counsel, accountant and other agent, adviser or representative of that Person.

“Retained BMO/FCC Indebtedness” means the indebtedness that is owed by the Vendors to BMO and FCC, which, as of the Closing Date, is in the estimated aggregate amount of [REDACTED], and which is secured by, *inter alia*, mortgage security granted in favour of BMO and FCC over the Vendors’ real property located in Yorkton, Saskatchewan and Virden, Manitoba. Within 90 days of the Closing Date, the Vendors, working together in good faith with BMO and FCC, shall determine the actual amount of the Retained BMO/FCC Indebtedness, which actual amount as of the Closing Date shall include all accrued interest and costs, and shall be definitively determined by reference to the records of BMO and FCC, which records shall be definitive and binding on the Vendors. The Retained BMO/FCC Indebtedness shall be increased or decreased, as the case may be, dollar-for-dollar to the extent that the value of the actual Retained BMO/FCC Indebtedness determined in accordance with the foregoing is either more or less than [REDACTED].

“RW” means RW Roads Solutions Limited Partnership.

“RW Receivables” means the accounts receivable in the aggregate amount of [REDACTED], which RW Receivables are, as of the date hereof, due, owing and payable by RW and SFLP, on a joint and several, to Morris Industries Ltd.

“Sale Process Team” means each of the Vendors and any of their Affiliates and the Monitor.

“SFLP” means SuperiorFarms Solutions Limited Partnership.

“Target Closing Date” means March 8, 2021 or the first Business Day following the day on which the Approval and Vesting Order is granted, whichever date is later, or such later date as the Parties may mutually agree, with the approval of the Monitor.

“Tax Returns” means all returns, reports, declarations, elections, notices, filings, information returns, statements and forms in respect of Taxes that are filed or required to be filed with any applicable Governmental Authority, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form.

“Taxes” means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, *ad valorem* taxes, property taxes, capital taxes, net worth taxes,

production taxes, sales taxes, use taxes, licence taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, government pension plan premiums and contributions, social security premiums, workers' compensation premiums, employment/unemployment insurance or compensation premiums and contributions, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST and PST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority and any instalments in respect thereof of another taxpayer or entity, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties, and whether disputed or not, and "**Tax**" means any one of such Taxes.

"Transaction Personal Information" means any Personal Information: (a) in the possession, custody or control of the Vendors at the Closing Time, including Personal Information about employees of the Business, suppliers, customers, directors, officers or shareholders that is disclosed to the Purchaser or any Representative of the Purchaser prior to the Closing Time by any member of the Sale Process Team or their Representatives; or (b) collected by the Purchaser or any Representative of the Purchaser prior to the Closing Time from any member of the Sale Process Team or their Representatives, in either case in connection with the transactions contemplated by this Agreement.

"Transfer Taxes" means all applicable Taxes, including any applicable GST and PST, payable upon or in connection with the transactions contemplated by this Agreement and any filing, registration, recording or transfer fees payable in connection with the instruments of transfer provided for in this Agreement.

"Vendors" has the meaning set out in the preamble hereto.

"WEPPA Advances" means the repayable advances to be made by Contour Realty Inc. to certain of the unionized employees of Morris Industries Ltd. in amounts roughly equivalent to the amounts of such employees' claims for severance and vacation pay under the *Wage Earner Protection Program Act*.

1.2 Actions on Non-Business Days. If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

1.3 Currency and Payment Obligations. Except as otherwise expressly provided in this Agreement: (a) all dollar amounts referred to in this Agreement are stated in the lawful currency of Canada; and (b) any payment contemplated by this Agreement shall be made by wire transfer of immediately available funds, by cash, by certified cheque or by any other method that provides immediately available funds as agreed to between the Parties, with the consent of the Monitor.

1.4 Calculation of Time. In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Saskatoon time) on the last day of the period. If any period of time is to expire hereunder on any day that is not

a Business Day, the period shall be deemed to expire at 5:00 p.m. (Saskatoon time) on the next succeeding Business Day.

1.5 Tender. Any tender of documents or money hereunder may be made upon the Parties or, if so indicated, the Monitor, or their respective counsel.

1.6 Additional Rules of Interpretation.

- (1) *Gender and Number.* In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (2) *Headings and Table of Contents.* The inclusion in this Agreement of headings, Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.
- (3) *Section References.* Unless the context requires otherwise, references in this Agreement to Articles, Sections or Schedules are to Articles or Sections of this Agreement, and Schedules to this Agreement.
- (4) *Words of Inclusion.* Wherever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation” and the words following “include”, “includes” or “including” shall not be considered to set forth an exhaustive list.
- (5) *References to this Agreement.* The words “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.
- (6) *Statute References.* Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision and also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.
- (7) *Document References.* All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules attached thereto.

1.7 Schedules. The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

SCHEDULES

<u>Schedule “A”</u>	Purchased Assets
<u>Schedule “B”</u>	Assigned Contracts
<u>Schedule “C”</u>	Owned Real Property

<u>Schedule "D"</u>	Purchase Price Allocation
<u>Schedule "E"</u>	Intellectual Property

Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Schedules and the interpretation provisions set out in this Agreement apply to the Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2 PURCHASE OF ASSETS AND ASSUMPTION OF LIABILITIES

2.1 Purchase and Sale of Purchased Assets. At the Closing Time, on and subject to the terms and conditions of this Agreement and the Approval and Vesting Order, the Vendors shall sell to the Purchaser, and the Purchaser shall purchase from the Vendors, all of the Vendors' right, title and interest in and to the Purchased Assets, which shall be free and clear of all Encumbrances other than Permitted Encumbrances, to the extent and as provided for in the Approval and Vesting Order. For greater certainty, notwithstanding any other provision of this Agreement, this Agreement does not constitute an agreement by the Purchaser to purchase, or by the Vendors to sell, any Excluded Assets.

2.2 Assumption of Assumed Liabilities. At the Closing Time, on and subject to the terms and conditions of this Agreement, the Purchaser shall assume and agree to pay when due and perform and discharge in accordance with their terms, the Assumed Liabilities, the BMO/FCC Mortgage Debt and the Additional Assumed BMO Debt. Notwithstanding any other provision of this Agreement, the Purchaser shall not assume or otherwise become liable for any Liabilities hereunder other than the Assumed Liabilities, the BMO/FCC Mortgage Debt and the Additional Assumed BMO Debt except as required under Applicable Law. For greater certainty, and without limiting the generality of the foregoing, but subject to any agreements between the Purchaser and BMO and the Purchaser and FCC, the Purchaser shall not, pursuant to this Agreement, assume or otherwise become liable for the Retained BMO/FCC Indebtedness, which Retained BMO/FCC Indebtedness shall remain the liability and obligation of the Vendors.

2.3 Assignment of Contracts.

- (1) *Obtaining Consents.* Prior to Closing, at the written request of the Purchaser, the Vendors, with the assistance of the Purchaser, shall use commercially reasonable efforts to obtain all consents required to assign the Assigned Contracts to the Purchaser.
- (2) *Assignment Order.* To the extent that any Assigned Contract is not assignable without the consent of the counterparty or any other Person and such consent has not been obtained prior to the Closing Date: (a) the Vendors' rights, benefits and interests in, to and under such Assigned Contract may be conveyed to the Purchaser pursuant to an Assignment Order; (b) the Vendors will use commercially reasonable efforts to obtain an Assignment Order in respect of such Assigned Contract on or prior to the Closing Date in form and substance acceptable to the Purchaser, acting reasonably; (c) the Purchaser, at its own expense, will promptly provide to the Vendors and the Monitor all such information within its possession or under its control as the Vendors or the Monitor may reasonably request to obtain the Assignment Order; and (d) if an Assignment Order

is obtained in respect of such Assigned Contract in form and substance acceptable to the Purchaser, acting reasonably, the Purchaser shall accept the assignment of such Assigned Contract on such terms.

- (3) *Assignment.* At the Closing Time, on and subject to the terms and conditions of this Agreement (including Section 2.3(4) below), the Approval and Vesting Order and the Assignment Order (if applicable), all of the Vendors' rights, benefits and interests in, to and under the Assigned Contracts shall be assigned to the Purchaser, the consideration for which is included in the Purchase Price.
- (4) *Where Consent Required.* Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign any Assigned Contract to the extent such Assigned Contract is not assignable under Applicable Law, or the terms of the applicable Assigned Contract provide that it is not assignable without the consent of another Person, unless such consent has been obtained or the assignment is subject to an Assignment Order.
- (5) *No Adjustment.* For greater certainty, in respect of any Assigned Contract other than the Critical Contracts, if the consent of any Person is required to assign such Contract but such consent is not obtained prior to Closing and such Contract is not assigned pursuant to an Assignment Order, such Contract shall not form part of the Purchased Assets and: (a) neither Party shall be considered to be in breach of this Agreement; (b) the failure to assign or otherwise transfer such Assigned Contract shall not be a condition to Closing; (c) the Purchase Price shall not be subject to any adjustment; and (d) the Closing shall not be delayed.
- (6) *Intercompany Corporate Services.* Any corporate support, treasury, legal, human resources, risk management, commercial, marketing, accounting, payroll and technical support services Related to the Business provided by any of the Vendors or by any Affiliate to any of the Vendors, to the Business prior to Closing will be terminated as of the Closing, and the Purchaser acknowledges and agrees that it shall be responsible for providing its own corporate support, treasury, legal, human resources, risk management, commercial, marketing, accounting, payroll and technical support services in respect of the Purchased Assets and the Business following Closing.

2.4 Transfer and Assignment of Permits and Licences.

- (1) *Obtaining Consents.* Prior to Closing, to the extent that a Permit and Licence is assignable or otherwise transferable by any of the Vendors to the Purchaser, the Vendors, with the assistance of the Purchaser, shall use commercially reasonable efforts to obtain all necessary consents or approvals to assign or otherwise transfer such Permits and Licences to the Purchaser. The Purchaser shall pay all costs required to be paid to third parties and/or Governmental Authorities in connection with obtaining the assignment or transfer of any Permit and Licence to the Purchaser, or reissuance thereof (which costs shall be in addition to the Purchase Price).
- (2) *Transfer and Assignment.* At the Closing Time, on and subject to the terms and conditions of this Agreement and the Approval and Vesting Order, all of the Vendors' rights, benefits and interests in, to and under the Permits and Licences, to the extent assignable, shall be assigned to the Purchaser, the consideration for which is included in the Purchase Price.

- (3) *Where Consent Required.* Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign or otherwise transfer any Permit and Licence to the extent such Permit and Licence is not assignable or transferable under Applicable Law or the terms of the applicable Permit and Licence provide that it is not assignable without the consent of another Person, unless such consent has been obtained.
- (4) *Post-Closing Assignment.* Notwithstanding anything in this Agreement to the contrary, if the consent or approval of any Person is required to assign or otherwise transfer a Permit and Licence, but such consent or approval is not obtained prior to Closing: (a) the Vendors and the Purchaser shall use their commercially reasonable efforts to obtain the necessary consents or approvals to the assignment or transfer of such Permit and Licence to the Purchaser or the Purchaser shall use its commercially reasonable efforts to obtain (with commercially reasonable assistance from the Vendors) a Replacement Permit and Licence thereof, in each case, as soon as practicable following Closing; (b) neither Party shall be considered to be in breach of this Agreement; (c) the failure to assign or otherwise transfer such Permit and Licence or obtain any Replacement Permit and Licence, shall not be a condition to Closing, (d) the Purchase Price shall not be subject to adjustment; and (e) the Closing shall not be delayed.
- (5) *Obtaining Replacement Permits and Licences.* To the extent that a Permit and Licence is not assignable or otherwise transferrable by the Vendors to the Purchaser, the Purchaser, with the assistance of the Vendors, shall use commercially reasonable efforts to obtain a Replacement Permit and Licence in connection with the purchase and sale of the Purchased Assets. The Purchaser shall pay all costs required in connection with obtaining any Replacement Permit and Licence (which shall be in addition to the Purchase Price).

ARTICLE 3 PURCHASE PRICE & TAXES

3.1 Purchase Price. The consideration payable by the Purchaser to the Vendors for the Vendors' right, title and interest in and to the Purchased Assets (the "**Purchase Price**") shall be the aggregate of:

- (1) [REDACTED] Dollars (the "**Cash Purchase Price**");
- (2) the assumption and/or refinancing of a portion of the amounts owing to BMO and to FCC in respect of the BMO/FCC mortgage debt (the "**BMO/FCC Mortgage Debt**"), which assumed and/or refinanced portion, as of the Closing Date, shall be [REDACTED] in aggregate;
- (3) the agreed value of the Assumed Liabilities (which, as it relates to assumed BMO indebtedness, is currently, as of the Closing Date, capped in the amount of [REDACTED] and which is reflected in the allocation of the Purchase Price made in accordance with Section 3.3); and
- (4) the agreed estimated value of the additional BMO debt to be assumed and/or refinanced by the Purchaser (the "**Additional Assumed BMO Debt**"), which, as of the Closing Date, is in the estimated amount of [REDACTED] and which is reflected in the

allocation of the Purchase Price made in accordance with Section 3.3. Within 90 days of the Closing Date, the Parties, working together in good faith with each other and with BMO, shall determine the actual amount of the Additional Assumed BMO Debt, which actual amount as of the Closing Date shall consider all relevant factors and which amount is intended to include all amounts owing by the Vendors (or either of them) to BMO and which is not otherwise expressly assumed by the Purchaser or retained by the Vendors hereunder. In the event that the Parties, acting reasonably, are unable to agree upon the value of the actual Additional Assumed BMO Debt, the records of BMO shall be definitive and binding on the Parties. The Additional Assumed BMO Debt shall be increased or decreased, as the case may be, dollar-for-dollar to the extent that the value of the actual Additional Assumed BMO Debt determined in accordance with the foregoing is either more or less than [REDACTED].

3.2 Satisfaction of Purchase Price. The Purchase Price shall be paid and satisfied as follows:

- (a) the Deposit Amount shall be applied as a credit toward the Cash Purchase Price;
- (b) the balance of the Cash Purchase Price, net of the Deposit Amount credited pursuant to Section 3.2(a) (the “**Closing Cash Consideration**”), shall be paid by the Purchaser to the Monitor on the Closing Date;
- (c) an amount equal to the agreed portion of the BMO/FCC Mortgage Debt as described above, shall be satisfied at Closing by the assumption and/or new debt by the Purchaser of the said portion of the BMO/FCC Mortgage Debt by the execution and delivery of an assignment, assumption agreement or new loan documents and such other agreements and registrations as BMO and FCC may require (collectively, the “**BMO/FCC Mortgage Debt Documentation**”), in form and substance satisfactory to the Vendors, acting reasonably;
- (d) an amount equal to the agreed value of the Assumed Liabilities, shall be satisfied at Closing by the assumption by the Purchaser of the Assumed Liabilities and by the execution and delivery of the BMO/FCC Mortgage Debt Documentation; and
- (e) an amount equal to the agreed value of the Additional Assumed BMO Debt, shall be satisfied at Closing by the Purchaser assuming or otherwise becoming liable for the Additional Assumed BMO Debt by the execution and delivery of the BMO/FCC Mortgage Debt Documentation.

3.3 Allocation of Purchase Price. The Vendors and the Purchaser agree to allocate the Purchase Price to the Purchased Assets held by each Vendor for Tax purposes in a manner to be agreed to by the Parties, each acting reasonably, before Closing but in substantially the form included as Schedule “D”, and to report the sale and purchase of the Purchased Assets for all federal, provincial and local Tax purposes in a manner consistent with such allocation, which shall include, for greater certainty, an allocation by category and location (by province) of Purchased Assets and among the Vendors. If such allocation is disputed by any Governmental Authority with respect to Taxes, the Party receiving notice of such dispute will promptly notify the other Party and the Parties will use their commercially reasonable efforts to sustain the final allocation. The Parties will share information and cooperate to the extent reasonably necessary to permit the transaction contemplated by this Agreement to be properly, timely and consistently reported. For purposes of calculating any Taxes payable by the Purchaser to the

Vendors under Section 3.4, if any, the Vendors and Purchaser shall mutually agree no later than the Closing Date regarding the allocation, including an allocation to the Purchased Assets in each province and the relevant categories of Purchased Assets and among the Vendors.

3.4 Taxes. In addition to the Purchase Price, the Purchaser shall be liable for and shall, at Closing, pay all applicable Transfer Taxes.

3.5 Deposit.

- (1) The sum of [REDACTED] (the “**Deposit Amount**”) which the Vendors herein acknowledge has been paid by the Purchaser, as a deposit, to the Monitor by way of a wire transfer upon execution of this Agreement, and which Deposit Amount shall be held in trust by the Monitor in a trust account specified by the Monitor and only released in the manner specifically contemplated by this Agreement.
- (2) In the event that the Closing is not completed on the Closing Date for any reason whatsoever, the Deposit Amount shall be irrevocably forfeited to the Vendors, without prejudice to any other rights or claims which the Vendors may have at law or in equity.

3.6 Tax Elections.

Section 167 Tax Election. If available and requested by the Purchaser, at the Closing, each of the Vendors and the Purchaser shall execute jointly an election under Section 167 of the ETA to have the sale of the Purchased Assets take place on a GST-free basis under Part IX of the ETA. The Purchaser shall file the elections in the manner and within the time prescribed by the relevant legislation.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Purchaser. As a material inducement to the Vendors entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that the Vendors are entering into this Agreement in reliance upon the representations and warranties of the Purchaser set out in this Section 4.1, the Purchaser represents and warrants to the Vendors as follows:

- (1) *Incorporation and Corporate Power.* The Purchaser is a corporation incorporated and subsisting under the Laws of the jurisdiction of its respective creation or incorporation. The Purchaser has the power, authority and capacity to execute and deliver this Agreement and all other agreements and instruments to be executed by it as contemplated herein and to perform its obligations under this Agreement and under all such other agreements and instruments.
- (2) *Authorization.* The execution and delivery of this Agreement and all other agreements and instruments to be executed by the Purchaser as contemplated herein and the completion of the transactions contemplated by this Agreement and all such other agreements and instruments have been duly authorized by all necessary corporate action on the part of the Purchaser.

- (3) *Approvals.* No consent, waiver, authorization or approval of any Person and no notice or declaration to or filing or registration with any Governmental Authority is required in connection with the execution and delivery by the Purchaser of this Agreement or all other agreements and instruments to be executed by the Purchaser or the performance of its obligations hereunder or thereunder.
- (4) *Enforceability of Obligations.* This Agreement constitutes a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms. There is no Legal Proceeding in progress, pending against or threatened against or affecting the Purchaser, and there are no grounds on which any such Legal Proceeding might be commenced and there is no Order outstanding against or affecting the Purchaser which, in any such case, affects adversely or might affect adversely the ability of the Purchaser to enter into this Agreement or to perform its obligations hereunder.
- (5) *ICA.* The Purchaser is not a “non-Canadian” within the meaning of the *ICA*, or, if the Purchaser is a “non-Canadian”, the Purchaser is a “WTO investor” within the meaning of the *ICA*.
- (6) *ETA.* The Purchaser is, or upon Closing shall be, registered for GST purposes under Part IX of the *ETA*, and shall provide its registration number to the Vendors at or prior to Closing.
- (7) *Commissions.* The Vendors will not be liable for any brokerage commission, finder’s fee or other similar payment in connection with the transactions contemplated by this Agreement because of any action taken by, or agreement or understanding reached by, the Purchaser.
- (8) *Sufficient Funds.* The Purchaser has sufficient financial resources or has arranged sufficient financing for it, on Closing (which financing is not subject to any conditions other than the conditions to Closing set out herein), to pay the Cash Purchase Price and the Transfer Taxes payable on Closing and any and all other amounts payable by the Purchaser, if any, pursuant to this Agreement.

4.2 Representations and Warranties of the Vendors. As a material inducement to the Purchaser entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that the Purchaser is entering into this Agreement in reliance upon the representations and warranties of the Vendors set out in this Section 4.2, the Vendors represent and warrant to the Purchaser as follows:

- (1) *Incorporation and Corporate Power.* The Vendors are corporations incorporated, organized and subsisting under the Laws of the jurisdiction of their incorporation. Subject to the Approval and Vesting Order having been granted and being a Final Order, the Vendors have the corporate power, authority and capacity to execute and deliver this Agreement and all other agreements and instruments to be executed by them as contemplated herein and to perform their other obligations hereunder and under all such other agreements and instruments.
- (2) *Authorization by Vendors.* Subject to the Approval and Vesting Order having been granted and being a Final Order, the execution and delivery of this Agreement and all other agreements and instruments to be executed by the Vendors as contemplated herein and the completion of the transactions contemplated by this Agreement and all

such other agreements and instruments have been duly authorized by all necessary corporate action on the part of the Vendors.

- (3) *Enforceability of Obligations.* Subject to the Approval and Vesting Order having been granted and being a Final Order, this Agreement constitutes a valid and binding obligation of the Vendors enforceable against the Vendors in accordance with its terms.
- (4) *ITA.* Each of the Vendors is not a non-resident of Canada for purposes of the *ITA*.
- (5) *ETA.* The following Vendors are registered for GST purposes under Part IX of the *ETA* and their GST numbers are:

Morris Industries Ltd.:	10376 7646 RT0001
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Contour Realty Inc.:	83545 2640 RT0001
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- (6) *Commissions.* The Purchaser will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the transactions contemplated by this Agreement because of any action taken by, or agreement or understanding reached by, the Vendors and the Monitor.
- (7) *No Other Agreements.* To the knowledge of the Monitor, there is no agreement (other than this Agreement) which grants to any Person the right to purchase or otherwise acquire any of the Purchased Assets.
- (8) *No Expropriation.* To the knowledge of the Monitor, the Vendors have not received any notice of expropriation or condemnation proceedings affecting the Owned Real Property or the Purchased Assets.
- (9) *Ownership.* To the knowledge of the Monitor, the Vendors are, as applicable, the sole and unconditional owners of, and shall at Closing transfer to the Purchaser a good and valid title to, all of the Purchased Assets.
- (10) *Residency.* The Vendor is a resident of Canada as contemplated by section 116 of the *ITA*.
- (11) *Zoning Compliance.* To the knowledge of the Monitor, all buildings and improvements erected on the Owned Real Property have been erected pursuant to building permits validly issued and in compliance with applicable building and zoning by-laws and restrictions, and that all means of ingress and egress to and from any buildings on the Owned Real Property comply with the regulations and requirements of all Governmental Authorities having jurisdiction.
- (12) *Maintenance Agreements.* To the knowledge of the Monitor, there are no agreements relating to the maintenance or operation of any of the Purchased Assets which cannot, by their terms, be terminated at the option of the Purchaser as of the Closing Date.

4.3 As is, Where is. Notwithstanding any other provision of this Agreement, the Purchaser acknowledges, agrees and confirms that:

- (1) except for the representations and warranties of the Vendors set forth in Section 4.2, it is entering into this Agreement, acquiring the Purchased Assets and assuming or otherwise becoming liable for the Assumed Liabilities, the BMO/FCC Mortgage Debt and the Additional Assumed BMO Debt on an “as is, where is” basis as they exist as of the Closing Time and will accept the Purchased Assets in their state, condition and location as of the Closing Time except as expressly set forth in this Agreement and the sale of the Purchased Assets is made without legal warranty and at the risk of the Purchaser;
- (2) it has conducted to its satisfaction such independent searches, investigations and inspections of the Purchased Assets, the Contracts, the Permits and Licences, the Business and the Assumed Liabilities, the BMO/FCC Mortgage Debt and the Additional Assumed BMO Debt as it deemed appropriate, and based solely thereon, has determined to proceed with the transactions contemplated by this Agreement;
- (3) except as expressly stated in Section 4.2, neither the Vendors nor the Monitor have made or are making, and the Purchaser is not relying on, any representations, warranties, statements or promises, express or implied, statutory or otherwise, concerning the Purchased Assets, the Vendors’ right, title or interest in or to the Purchased Assets, the Business, the Assumed Liabilities, the BMO/FCC Mortgage Debt and the Additional Assumed BMO Debt including with respect to merchantability, physical or financial condition, description, fitness for a particular purpose, suitability for development, title, description, use or zoning, environmental condition, existence of any parts/and/or components, latent defects, quality, quantity or any other thing affecting any of the Purchased Assets, the Assumed Liabilities, the BMO/FCC Mortgage Debt and the Additional Assumed BMO Debt or normal operation thereof, or in respect of any other matter or thing whatsoever, including any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Agreement and are hereby waived in their entirety by the Purchaser;
- (4) without limiting the generality of the foregoing, no representation, warranty or covenant is given by the Monitor or the Vendors that any of the Purchased Assets are or can be made operational within a specified time frame or will achieve any particular result, level of service, use, production capacity or actual production if made operational;
- (5) without limiting the generality of the foregoing, except as expressly stated in Section 4.2, the Vendors have made no representation or warranty as to any regulatory approvals, licences, permits, consents or authorizations, including the Permits and Licences, that may be needed to complete the transactions contemplated by this Agreement or to operate or carry on the Business or any portion thereof, and the Purchaser is relying entirely on its own investigation, due diligence and inquiries in connection with such matters;
- (6) all written and oral information or Data obtained from the Monitor and the Vendors, including in any teaser letter, asset listing, confidential information memorandum or other document made available to the Purchaser (including in certain “data rooms”, management presentations, site visits and diligence meetings or telephone calls), with respect to the Purchased Assets, the Business, the Assumed Liabilities, the BMO/FCC Mortgage Debt and the Additional Assumed BMO Debt has been obtained for the convenience of the Purchaser only, and the Monitor and the Vendors have made no

representation or warranty, express or implied, statutory or otherwise as to the accuracy or completeness of any such information;

- (7) any information or Data regarding or describing the Purchased Assets, the Business, the Assumed Liabilities, the BMO/FCC Mortgage Debt and the Additional Assumed BMO Debt in this Agreement (including the Schedules hereto), or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Monitor, the Vendors, or any other Person concerning the completeness or accuracy of such information or descriptions;
- (8) except as otherwise expressly provided in this Agreement, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights or claims the Purchaser might have against any member of the Sale Process Team or any of the Sale Process Team's Representatives pursuant to any warranty, express or implied, legal or conventional, of any kind or type, other than those representations and warranties of the Vendors expressly set forth in Section 4.2. Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights;
- (9) except as provided in Section 9.1, none of the representations and warranties of the Vendors contained in this Agreement shall survive Closing and the Purchaser's sole recourse for any breach of representation or warranty of the Vendors in Section 4.2 shall be for the Purchaser not to complete the transactions as contemplated by this Agreement and for greater certainty the Purchaser shall have no recourse or claim of any kind against the Vendors or the proceeds of the transactions contemplated by this Agreement following Closing;
- (10) this Section 4.3 shall not merge on Closing and is deemed incorporated by reference in all Closing documents and deliveries.

ARTICLE 5 COVENANTS

5.1 Motion for Approval and Vesting Order. This Agreement is subject to Court approval, and Closing is subject to the granting of the Approval and Vesting Order and it being a Final Order. The Vendors shall file with the Court, as soon as reasonably practicable following execution and delivery of this Agreement, a motion seeking the Court's granting of the Approval and Vesting Order. The Purchaser shall cooperate with the Vendors in their efforts to obtain the Approval and Vesting Order. The Purchaser, at its own expense, will promptly provide to the Vendors and the Monitor all such information within its possession or under its control as the Vendors or the Monitor may reasonably request to obtain the Approval and Vesting Order.

5.2 Access During Interim Period. During the Interim Period, the Vendors shall, subject to any confidentiality, privacy or safety restrictions, give, or cause to be given, to the Purchaser and its Representatives reasonable access during normal business hours to the Purchased

Assets (where situated), including the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Business and the Purchased Assets as the Purchaser deems reasonably necessary or desirable to further familiarize itself with the Business and the Purchased Assets and plan for the operation of the Business following Closing. Without limiting the generality of the foregoing, the Purchaser shall be permitted reasonable access during normal business hours to all Books and Records relating to information scheduled or required to be disclosed under this Agreement. Such investigations, inspections, surveys and tests shall be carried out at the Purchaser's sole and exclusive risk and peril, during normal business hours, and the Vendors shall co-operate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser.

5.3 Transaction Personal Information. Each Party shall comply with Privacy Law in the course of collecting, using and disclosing Transaction Personal Information. The Purchaser shall cause its Representatives to observe the terms of this Section 5.3 and to protect and safeguard Transaction Personal Information in their possession in accordance with Privacy Law. The Purchaser shall collect Transaction Personal Information prior to Closing only for purposes related to the transactions contemplated by this Agreement. The Purchaser shall not, without the consent of the individuals to whom such Personal Information relates or as permitted or required by Applicable Law, use or disclose Transaction Personal Information: (a) for purposes other than those for which such Transaction Personal Information was collected by any of the Vendors prior to the Closing; and (b) for a purpose which does not relate directly to the carrying on of the Business or to the carrying out of the purposes for which the transactions contemplated by this Agreement were implemented.

5.4 Risk of Loss. The Purchased Assets shall be at the risk of the Vendors until Closing. If, between the date hereof and Closing, any of the Purchased Assets are destroyed, lost or materially damaged (each a "**Casualty**"), the Purchaser shall still complete the purchase of the Purchased Assets on an "as is, where is" basis without any adjustment to the Purchase Price payable hereunder and take an assignment from the Vendors of all insurance proceeds payable to the Vendors in respect of the Casualty, provided that, in the event of a Material Casualty, the Purchaser shall have the option, in its discretion, to terminate this Agreement. For greater certainty, in no event shall the aggregate total of the insurance proceeds assigned to the Purchaser in accordance with this Section 5.4 and the fair market value of Purchased Assets exceed the Purchase Price.

5.5 Indemnity. The Purchaser hereby indemnifies the Monitor, the Vendors, the Vendors' Affiliates and their respective Representatives, and saves them fully harmless against, and will reimburse or compensate them for, any Damages arising from, in connection with or related in any manner whatsoever to:

- (1) any Transfer Taxes (including penalties and interest) which may be assessed against any of the Vendors, including, notwithstanding anything to the contrary in this Agreement, any Taxes which may be assessed against any of the Vendors in the event that any election made pursuant to Section 3.5 is challenged by the relevant Tax authority as being inapplicable to the transactions under this Agreement, or as a result of the Purchaser's failure to file such elections within the prescribed time;
- (2) the Purchaser's access in accordance with Section 5.2;

- (3) the collection, use or disclosure of Transaction Personal Information by the Purchaser and its Representatives; and
- (4) the Purchaser's failure to pay when due and perform and discharge the Assumed Liabilities, the BMO/FCC Mortgage Debt and the Additional Assumed BMO Debt, in each case in accordance with their terms.

5.6 Books and Records. The Purchaser shall preserve and keep the Books and Records acquired by it pursuant to this Agreement for a period of six (6) years after Closing, or for any longer periods as may be required by any Laws applicable to such Books and Records. The Purchaser shall make such Books and Records, as well as electronic copies of such Books and Records (to the extent reasonably feasible), available to the Monitor and the Vendors, and their respective Representatives and successors, and any trustee in bankruptcy or receiver of the Vendors, and shall permit any of the foregoing Persons to take copies of such Books and Records as they may require.

5.7 Certain Information Technology Assets.

- (1) With respect to any information technology assets primarily Related to the Business to be acquired by the Purchaser hereunder (such as desktops, laptops, mobile phones, servers and related hardware) (collectively, "**Hardware**"), the Purchaser will cooperate with the Vendors, at the Purchaser's cost and expense, in causing data contained or stored in such Hardware not relating primarily to the Business, the Purchased Assets, the Assumed Liabilities, the BMO/FCC Mortgage Debt and the Additional Assumed BMO Debt to be removed from such Hardware in a manner reasonably satisfactory to the Vendors prior to the Closing Date or within a reasonable period of time thereafter, provided that such removal shall be carried out in a manner that does not damage or otherwise interfere with any Data contained or stored in such Hardware primarily Related to the Business or the Purchased Assets. Any third party provider selected by the Purchaser and the Vendors to provide such services shall be agreed upon by the Purchaser and the Vendors, acting reasonably.
- (2) With respect to any information technology assets Related to the Business to be acquired by the Purchaser hereunder and contained on or in desktops, laptops, mobile phones, servers and related hardware, which is not being transferred to the Purchaser (the "**Vendor's Hardware**"), the Vendors will use reasonable commercial efforts to cooperate with the Purchaser in causing data contained or stored in such Vendor's Hardware to be removed from such Vendor's Hardware and provided to the Purchaser in a manner reasonably satisfactory to the Parties prior to the Closing Date, or within a reasonable time thereafter provided that such removal shall be attempted in a manner that does not damage or otherwise interfere with any other data contained or stored in such Vendor's Hardware.

5.8 Regulatory Approvals. The Purchaser, with the assistance of the Vendors shall, as promptly as possible: (a) make, or cause or be made, all filings and submissions, as applicable, required under any Law applicable to such Party or any of its Affiliates; and (b) use commercially reasonable efforts to obtain, or cause to be obtained, all consents, authorizations, Orders and approvals from all Governmental Authorities that may be or become necessary for its execution and delivery of this Agreement and the performance of its obligations pursuant to this Agreement. The Vendors shall cooperate reasonably with the Purchaser and its Affiliates in promptly seeking to obtain all such consents, authorizations, Orders, approvals and clearance

certificates. The Parties shall not willfully take any action that will have the effect of delaying, impairing or impeding the receipt of any required consents, authorizations, Orders and approvals.

5.9 Post-Closing Intellectual Property. In the event that any Intellectual Property owned by the Vendors as of the Closing Date and not disclosed or specifically assigned to the Purchaser on the Closing Date is later discovered, the Vendors shall take all necessary steps to assign or transfer the same to the Purchaser.

5.10 Post-Closing Access to Yorkton Facility. For the period commencing on the Closing Date and ending on the date that is the earlier of (i) 180 days after the Closing Date, or (ii) the sale of the Yorkton plant to a third party, the Purchaser and its Representatives shall have access, upon reasonable notice to the Vendors, to the Yorkton property associated with the Business for the purposes of storing, removing and transitioning any Purchased Assets located thereat and to facilitate the transfer of operations from such Yorkton property. The Purchaser shall indemnify the Vendors for any damage caused by the negligence or wilful misconduct of Purchaser and/or its Representatives as a result of any of the foregoing.

5.11 Cooperation and Consultation with Governmental Authorities. All meetings, submissions, filings, and proposals made by or on behalf of either Party before any Governmental Authority or the staff or regulators of any Governmental Authority, in connection with the consummation of the transactions contemplated hereunder (but, for the avoidance of doubt, not including any interactions between the Vendors or the Purchaser with Governmental Authorities in the ordinary course of business, any disclosure which is not permitted by Law or any disclosure containing confidential information) shall be disclosed to the other Party hereunder in advance of any filing, submission or attendance, it being the intent that the Parties will consult and cooperate with one another, and consider in good faith the views of one another, in connection with any such filings, meetings, submissions and proposals. Each Party shall give notice to the other Party with respect to any meeting, submission, discussion, appearance or contact with any Governmental Authority or the staff or regulators of any Governmental Authority, with such notice being sufficient to provide the other Party with the opportunity to attend and participate in such meeting, discussion, appearance or contact (except where such Governmental Authority expressly requests that such Party not attend or participate in such meeting, discussion, appearance or contact). Notwithstanding any requirement under this Section 5.9, a Party shall not be required to provide the other Party with any information required to be provided under this Section 5.9 where the information is confidential and competitively sensitive, in which case the supplying Party shall provide a redacted version to the requesting Party and shall provide the information on a non-redacted basis to the receiving Party's external counsel, and the receiving Party agrees that it shall neither request nor receive such non-redacted information from its external counsel.

5.12 Summers Transaction. The Purchaser shall use commercially reasonable efforts to enter into an arrangement with Summers Manufacturing Company, Inc., by no later than December 31, 2021, whereby Summers Manufacturing Company, Inc. will become, *inter alia*, a sponsor of the Purchaser for purposes of financing with BMO and/or FCC. Upon the closing of the aforementioned transaction, the Purchaser agrees to use commercially reasonable efforts to cause certain conditions subsequent to be satisfied, all as more particularly described in the Purchaser's financing agreements with BMO and/or FCC and as required by BMO and FCC in accordance therewith.

ARTICLE 6 CLOSING ARRANGEMENTS

6.1 Closing. The Closing may take place in person at the offices of the Vendors' solicitors or may be effected by way of a virtual Closing, whereby required executed Closing deliverables are circulated by electronic mail in pdf and released at such time and pursuant to such protocols and confirmations as the Parties may agree.

6.2 Vendors' Closing Deliveries. At the Closing, the Vendors shall deliver or cause to be delivered to the Purchaser the following:

- (1) the Purchased Assets, with delivery to occur *in situ* wherever such Purchased Assets are located at the Closing Time;
- (2) a copy of the Approval and Vesting Order, which shall be a Final Order;
- (3) a copy of any Assignment Order, if applicable, in respect of any Critical Contracts for which consents to assignment were required which have not been obtained, which Assignment Order shall be a Final Order;
- (4) the General Conveyance, duly executed by the Vendors;
- (5) the Assignment and Assumption Agreement, duly executed by the Vendors;
- (6) a bring-down certificate executed by a senior officer of the Vendors dated as of the Closing Date, in form and substance satisfactory to the Purchaser, acting reasonably, certifying that: (a) all of the representations and warranties of the Vendors hereunder remain true and correct in all material respects as of the Closing Date as if made on and as of such date or, if made as of a date specified therein, as of such date; and (b) all of the terms and conditions set out in this Agreement to be complied with or performed by the Vendors at or prior to Closing have been complied with or performed by the Vendors in all material respects;
- (7) the election referred to in Section 3.6 of this Agreement, if applicable;
- (8) an Assignment of all Intellectual Property in favour of the Purchaser, in a form prepared by and acceptable to the Purchaser, acting reasonably ; and
- (9) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the transactions provided for in this Agreement, or as are required to be delivered by the Vendors or Vendors' counsel under this Agreement, including the amendment agreement described in Section 5.9 hereof, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

6.3 Purchaser's Closing Deliveries. At the Closing, the Purchaser shall deliver or cause to be delivered to the Vendors (or as otherwise indicated below), the following:

- (1) the Closing Cash Consideration;
- (2) the Assignment and Assumption Agreement, duly executed by the Purchaser;

- (3) the BMO/FCC Mortgage Debt Documentation, duly executed by the Purchaser, BMO and FCC;
- (4) the payment of all Transfer Taxes (if any) required to be paid on Closing, which shall be paid to the Monitor;
- (5) the General Conveyance, duly executed by the Purchaser;
- (6) copies of: (a) the counterparty consents to the assignment of the Assigned Contracts contemplated by Section 2.3(1); (b) the Permits and Licences contemplated by Section 2.4(1), to the extent obtained by the Vendors prior to Closing; and (c) the regulatory approvals contemplated by Section 5.10.;
- (7) a bring-down certificate executed by a senior officer of the Purchaser dated as of the Closing Date, in form and substance satisfactory to the Vendors, acting reasonably, certifying that: (a) all of the representations and warranties of the Purchaser hereunder remain true and correct in all material respects as of the Closing Date as if made on and as of such date or, if made as of a date specified therein, as of such date; and (b) all of the terms and conditions set out in this Agreement to be complied with or performed by the Purchaser at or prior to Closing have been complied with or performed by the Purchaser in all material respects;
- (8) a summary satisfactory to the Vendors and the Monitor of the financial terms of each renegotiated Assigned Contract to be assumed by the Purchaser and the quantum of the unsecured claim that such party will have against the Vendors;
- (9) evidence satisfactory to the Vendors that all payments owing to the applicable counterparties under the Assigned Contracts are current up to the Closing Date;
- (10) the election referred to in Section 3.6 of this Agreement, if applicable;
- (11) confirmation that:
 - (a) RW and BMO have entered into an irrevocable option agreement, in form and content satisfactory to BMO, pursuant to which BMO (or its nominee) will have the right to acquire all shares of Purchaser from RW, free and clear of all Encumbrances, for the purchase price of [REDACTED] and at specified times; and
 - (b) the shares of the Purchaser are held in escrow together with all necessary transfer documentation to ensure an orderly transfer to BMO (or its nominee) if such irrevocable option agreement is exercised; and
- (12) such other agreements, documents and instruments as may be reasonably required by the Vendors to complete the transactions provided for in this Agreement, or as are required to be delivered by the Purchaser or the Purchaser's counsel under this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

ARTICLE 7 CONDITIONS OF CLOSING

7.1 Purchaser's Conditions. The Purchaser shall not be obligated to complete the transactions contemplated by this Agreement unless, each of the conditions listed below in this Section 7.1 (the "**Purchaser's Conditions**") have been satisfied, it being understood that the said Purchaser's Conditions are included for the exclusive benefit of the Purchaser, and may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall only be binding on the Purchaser if made in writing:

- (1) *Court Approval.* The Approval and Vesting Order and, if applicable, the Assignment Order shall each have been issued and entered by the Court and be a Final Order.
- (2) *Vendors' Deliveries.* The Vendors shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 6.2.
- (3) *No Violation of Orders or Law.* During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any Final Order or Law which has the effect of: (a) making any of the transactions contemplated by this Agreement illegal; or (b) otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by this Agreement.
- (4) *No MAC.* There shall have been no material adverse change in the Business prior to Closing.
- (5) *No Breach of Representations and Warranties.* Each of the representations and warranties contained in Section 4.2 shall be materially true and correct: (a) as of the Closing Date as if made on and as of such date; or (b) if made as of a date specified therein, as of such date.
- (6) *No Breach of Covenants.* The Vendors shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Vendors on or before the Closing.

7.2 Vendors' Conditions. The Vendors shall not be obligated to complete the transactions contemplated by this Agreement unless, at or before the Closing Time, each of the conditions listed below in this Section 7.2 (the "**Vendors' Conditions**") have been satisfied, it being understood that the said Vendors' Conditions are included for the exclusive benefit of the Vendors, and may be waived by the Vendors, with the consent of the Monitor, in whole or in part, without prejudice to any of their rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall only be binding on the Vendors if made in writing.

- (1) *Court Approval.* The Approval and Vesting Order and, if applicable, the Assignment Order shall each have been issued and entered by the Court and be a Final Order.
- (2) *Purchaser's Deliverables.* The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendors at the Closing all the documents and payments contemplated in Section 6.3 to the satisfaction of the Vendors.

- (3) *Execution by the Purchaser.* This Agreement shall be executed by a duly authorized representative of the Purchaser.
- (4) *No Violation of Orders or Law.* During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any Final Order or Law which has the effect of: (a) making any of the transactions contemplated by this Agreement illegal; or (b) otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by this Agreement.
- (5) *No MAC.* There shall have been no material adverse change in the Business or the Purchaser prior to Closing.
- (6) *No Breach of Representations and Warranties.* Each of the representations and warranties contained in Section 4.1 shall be materially true and correct: (a) as of the Closing Date as if made on and as of such date; or (b) if made as of a date specified therein, as of such date.
- (7) *No Breach of Covenants.* The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser, on or before the Closing.

7.3 Monitor's Certificate. When the conditions to Closing set out in Section 7.1 and Section 7.2, have been satisfied and/or waived by the Vendors or the Purchaser, as applicable, the Vendors and the Purchaser will each deliver to the Monitor written confirmation: (a) that such conditions of Closing, as applicable, have been satisfied and/or waived; and (b) of the amounts of Transfer Taxes required to be paid at Closing (if any is payable) and the Cure Costs payable by the Purchaser on Closing (the "**Conditions Certificates**"). Upon receipt of the executed Assignment and Assumption Agreement and the payment in full of the Closing Cash Consideration, the Transfer Taxes, required to be paid at Closing (if any is payable) and of the Cure Costs payable by the Purchaser on Closing, and receipt of each of the Conditions Certificates, the Monitor shall: (a) issue forthwith its Monitor's Certificate concurrently to the Vendors and the Purchaser, at which time the Closing will be deemed to have occurred; and (b) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to the Vendors and the Purchaser). In the case of clauses (a) and (b), above, the Monitor will be relying exclusively on the basis of the Conditions Certificates and without any obligation whatsoever to verify the satisfaction or waiver of the applicable conditions.

ARTICLE 8 TERMINATION

8.1 Grounds for Termination. This Agreement may be terminated prior to the Closing Time:

- (1) by the mutual written agreement of the Vendors and the Purchaser, provided however that if this Agreement has been approved by the Court, any such termination shall require either the consent of the Monitor, or approval of the Court;
- (2) by written notice from the Purchaser to the Vendors and the Monitor in accordance with Section 5.4;

- (3) by written notice from the Purchaser to the Vendors and the Monitor if there has been a material breach by the Vendors of any representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and such breach is not curable and has rendered the satisfaction of any condition in Section 7.1 impossible by the Closing Date, provided that at the time of providing such notice of termination, the Purchaser is not in breach of any of its obligations under this Agreement;
- (4) by written notice from the Vendors (with the consent of the Monitor) to the Purchaser if there has been a material breach by the Purchaser of any representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendors and such breach is not curable and has rendered the satisfaction of any condition in Section 7.2 impossible by the Closing Date, provided that at the time of providing such notice of termination, the Vendors are not in breach of any of their obligations under this Agreement; and
- (5) by the Purchaser, on the one hand, or by the Vendors (with the consent of the Monitor), on the other hand, upon written notice to the other Party if the Closing has not occurred by December 31, 2020, provided, however, that the right to terminate this Agreement pursuant to this Section 8.1(5) shall not be available to any Party whose breach hereof has been the principal cause of, or has directly resulted in the Closing not occurring by December 31, 2020.

8.2 Effect of Termination. If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder, except as contemplated in Sections 5.3 (*Transaction Personal Information*), 8.2 (*Effect of Termination*), 9.2 (*Expenses*), 9.3 (*Public Announcements*), 9.4 (*Notices*), 9.8 (*Entire Agreement*), 9.9 (*Amendment*), 9.12 (*Severability*), 9.14 (*Governing Law*), 9.15 (*Dispute Resolution*), 9.16 (*Attornment*), 9.17 (*Successors and Assigns*), 9.18 (*Assignment*), 9.19 (*Monitor's Capacity*) and 9.20 (*Third Party Beneficiaries*), which shall survive such termination.

ARTICLE 9 GENERAL

9.1 Survival. All representations, warranties, covenants and agreements of the Vendors or the Purchaser made in this Agreement or any other agreement, certificate or instrument delivered pursuant to this Agreement shall merge and shall not survive the Closing except where, and only to the extent that, the terms of any such covenant or agreement expressly provide for rights, duties or obligations extending after the Closing, or as otherwise expressly provided in this Agreement. For greater certainty, the following Sections shall survive Closing: 2.2 (*Assumption of Assumed Liabilities*), 2.3(6) (*Intercompany Corporate Services*), 2.4(4) (*Post-Closing Assignment*), 3.34 (*Allocation of Purchase Price*), 3.4 (*Taxes*), 3.5 (*Tax Elections*), 4.2(6) (*Commissions*), 4.3 (*As is, Where is*), 5.3 (*Transaction Personal Information*), 5.6 (*Books and Records*), 7.3 (*Monitor's Certificate*), 9.1 (*Survival*), 9.2 (*Expenses*), 9.3 (*Public Announcements*), 9.4 (*Notices*), 9.5 (*Time of Essence*), 9.6 (*Further Assurances*), 9.7 (*Post-Closing Wind-Up of CCAA Proceedings*), 9.8 (*Entire Agreement*), 9.9 (*Amendment*), 9.11 (*Waiver*), 9.12 (*Severability*), 9.13 (*Remedies Cumulative*), 9.14 (*Governing Law*), 9.15 (*Dispute Resolution*), 9.16 (*Attornment*), 9.17 (*Successors and Assigns*), 9.18 (*Assignment*), 9.19 (*Monitor's Capacity*) and 9.20 (*Third Party Beneficiaries*).

9.2 Expenses. Except as otherwise expressly provided herein, each Party shall be responsible for all costs and expenses (including any Taxes imposed on such expenses) incurred by it in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the transactions contemplated by this Agreement (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisers). Notwithstanding the forgoing, the cost of retaining a notary and a land surveyor, if necessary, in connection with the preparation of the legal descriptions of any real property subject to the Real Property Leases shall be borne by the Purchaser.

9.3 Public Announcements. The Vendors shall be entitled to disclose this Agreement (on an unredacted basis) and all information provided by the Purchaser in connection herewith to the Court and parties of interest in the CCAA Proceedings and a copy of this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings. Notwithstanding any other provision of this Agreement, unless such information is otherwise publicly disclosed or, upon the advice of counsel, required by Applicable Law or by any Governmental Authority to be disclosed (including in any Tax Returns), the Purchaser shall not disclose the quantum of the Purchase Price, Cash Purchase Price, Assumed Liabilities, the BMO/FCC Mortgage Debt and the Additional Assumed BMO Debt or the allocation of Purchase Price without the prior written consent of the Vendors and the Monitor.

9.4 Notices.

(1) *Mode of Giving Notice.* Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if: (a) delivered personally; (b) sent by prepaid courier service; or (c) sent by e-mail or other similar means of electronic communication, in each case to the applicable address set out below:

(2) if to the Vendors, to:

Morris Industries Ltd.
c/o Alvarez & Marsal Canada Inc.
Bow Valley Square 4
Suite 1110, 250 6th Avenue SW
Calgary, Alberta, T2P 3H7

Attention: Orest Konowalchuk / Chad Artem
Email: okonowalchuk@alvarezandmarsal.com /
cartem@alvarezandmarsal.com

with a copy (which shall not constitute notice) to:

MLT Aikins LLP
Suite 1201 - 409 3rd Avenue S
Saskatoon, Saskatchewan S7K 5R5

Attention: Jeff Lee / Ryan Hallman
Email: jmlee@mltaikins.com / rhallman@mltaikins.com

- (3) if to the Purchaser, to:

Morris Equipment Ltd.
1500 –1874 Scarth Street
Regina, Saskatchewan, S4P 4E9

Attention: Heather Forbes / Cameron Johnson
Email: heather@ritewaymfg.com / cameron.johnson@johnsonadvisory.ca

with a copy (which shall not constitute notice) to:

OWZW LLP
1000-2002 Victoria Avenue
Regina, Saskatchewan, S4P 0R7

Attention: Randy Sandbeck, Q.C.
Email: rsandbeck@owzw.com

- (4) and in either case, with a copy to the Monitor, to:

Alvarez & Marsal Canada Inc.
Bow Valley Square 4
Suite 1110, 250 6th Avenue SW
Calgary, Alberta, T2P 3H7

Attention: Orest Konowalchuk / Chad Artem
Email: okonowalchuk@alvarezandmarsal.com /
cartem@alvarezandmarsal.com

with a copy (which shall not constitute notice) to:

MLT Aikins LLP
Suite 1201 - 409 3rd Avenue S
Saskatoon, Saskatchewan S7K 5R5

Attention: Jeff Lee / Ryan Hallman
Email: jmlee@mltaikins.com / rhallman@mltaikins.com

- (5) *Deemed Delivery of Notice.* Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of e-mailing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, e-mailed or sent before 5:00 p.m. (Saskatoon time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.
- (6) *Change of Address.* Any Party may from time to time change its address under this Section 9.4 by notice to the other Party given in the manner provided by this Section 9.4.

9.5 Time of Essence. Time shall be of the essence of this Agreement in all respects.

9.6 Further Assurances. The Vendors and the Purchaser shall, at the sole expense of the requesting Party, from time to time promptly execute and deliver or cause to be executed and delivered all such further documents and instruments and shall do or cause to be done all such further acts and things in connection with this Agreement that the other Party may reasonably require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

9.7 Post-Closing Wind-Up of CCAA Proceedings. Notwithstanding any other provision of this Agreement, nothing in this Agreement shall operate to restrict in any way the rights of the Vendors to distribute any of their assets or otherwise wind up the CCAA Proceedings as they may determine in their sole discretion after the Closing, even if doing so may impair the Vendors' ability to provide or perform any further cooperation, assistance or further assurances as may otherwise be provided under this Agreement.

9.8 Entire Agreement. Other than any confidentiality agreement, non-disclosure agreement or similar undertaking or agreement signed by the Purchaser in favour of any of the Vendors, which remain in full force and effect, except as amended by this Agreement, this Agreement and the agreements contemplated hereby constitute the entire agreement between the Parties or any of them pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written (including any letter of intent or expression of interest submitted by the Purchaser). There are no conditions, representations, warranties, obligations or other agreements between the Parties in connection with the subject matter of this Agreement (whether oral or written, express or implied, statutory or otherwise) except as explicitly set out in this Agreement.

9.9 Previous Agreements. The transactions contemplated by this Agreement supersede and replace: (i) the Asset Purchase Agreements each dated as of June 30, 2020, as amended, between the Vendors, as vendors, and each of RW and SFLP, respectively, as purchasers; and (ii) the Asset Purchase Agreement dated as of December 3, 2020, between the Vendors, as vendors, and the Purchaser, as purchaser.

9.10 Amendment. No amendment of this Agreement shall be effective unless made in writing and signed by the Parties.

9.11 Waiver. A waiver of any default, breach or non-compliance under this Agreement shall not be effective unless in writing and signed by the Party to be bound by the waiver and then only in the specific instance and for the specific purpose for which it has been given. No waiver shall be inferred from or implied by any failure to act or delay in acting by a Party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other Party. The waiver by a Party of any default, breach or non-compliance under this Agreement will not operate as a waiver of that Party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

9.12 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

9.13 Remedies Cumulative. The rights, remedies, powers and privileges herein provided to a Party are cumulative and in addition to and not exclusive of or in substitution for any rights, remedies, powers and privileges otherwise available to that Party.

9.14 Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the Province of Saskatchewan and the Laws of Canada applicable therein.

9.15 Dispute Resolution. If any dispute arises with respect to the interpretation or enforcement of this Agreement, including as to what constitutes a breach or material breach of this Agreement for the purposes of Article 9, such dispute shall be determined by the Court within the CCAA Proceedings, or by such other Person or in such other manner as the Court may direct. Without prejudice to the ability of any of the Vendors or the Purchaser to enforce this Agreement in any other proper jurisdiction, the Purchaser and the Vendors irrevocably submit and attorn to the non-exclusive jurisdiction of the Court.

9.16 Attornment. Each Party agrees: (a) that any Legal Proceeding relating to this Agreement must be brought in the Court, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of the Court; (b) that it irrevocably waives any right to, and shall not, oppose any such Legal Proceeding in the Province of Saskatchewan on any jurisdictional basis, including *forum non conveniens*; and (c) not to oppose the enforcement against it in any other jurisdiction of any Order duly obtained from the Court as contemplated by this Section 9.16. Each Party agrees that service of process on such Party as provided in Section 9.4 shall be deemed effective service of process on such Party.

9.17 Successors and Assigns. This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

9.18 Assignment. The Purchaser may not assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement.

9.19 Monitor's Capacity. The Purchaser acknowledges and agrees that the Monitor, acting in its capacity as the Monitor of certain of the Vendors in the CCAA Proceedings, will have no Liability in connection with this Agreement whatsoever in its capacity as Monitor, in its personal or corporate capacity or otherwise.

9.20 Third Party Beneficiaries. Except as set forth in Section 5.5, this Agreement is for the sole benefit of the Parties, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

9.21 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Party by e-mail in pdf format or by other electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Party.

[SIGNATURE PAGE TO FOLLOW]

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

MORRIS INDUSTRIES LTD., by and through its Court-appointed Monitor, ALVAREZ & MARSAL CANADA INC. (Alvarez & Marsal Canada Inc. is signing in its capacity as Monitor and not in its personal or corporate capacity)

By: 

Name: Orest Konowalchuk, LIT
Title: Senior Vice President

CONTOUR REALTY INC., by and through its Court-appointed Monitor, ALVAREZ & MARSAL CANADA INC. (Alvarez & Marsal Canada Inc. is signing in its capacity as Monitor and not in its personal or corporate capacity)

By: 

Name: Orest Konowalchuk, LIT
Title: Senior Vice President

MORRIS EQUIPMENT LTD.

By: 

Name: Cameron Johnson
Title: Chairman

By: 

Name: Heather Forbes
Title: President

SCHEDULE "A"

PURCHASED ASSETS

"Purchased Assets" means, other than Excluded Assets, collectively the following assets of the Vendors (or any of them):

- i. The Assigned Contracts;
- ii. The Owned Real Property;
- iii. The Inventory;
- iv. The Personal Property (other than Inventory);
- v. The Receivables of each of the Vendors which are Related to the Business (which Receivables include, for greater certainty, all RW Receivables as well as all other Receivables which are Related to the Business and which have been invoiced by, and/or become payable to, the Vendors prior to the Closing Time);
- vi. The Permits and Licences;
- vii. The Books and Records that are Related to the Business;
- viii. The Intellectual Property; and
- ix. All proceeds of any or all of the foregoing received or receivable after the Closing Time.

SCHEDULE "B"
ASSIGNED CONTRACTS

Critical Contracts

- a) The BMO/FCC Mortgage
- b) The BMO Capital Lease

Real Property Leases

- a) nil

Personal Property Leases

- a) The BMO Capital Lease

Other Contracts

- a) The Assignment of A/R Agreement dated effective October 5, 2020 between RW, SFLP, and Morris Industries Ltd.
- b) All of the rights of the Vendors under Letter of Understanding #8 between the Vendors and Retail, Wholesale and Department Store Union, Local 955 (but, for greater certainty, none of the obligations to make payments under such Letter of Understanding, which obligations are specifically retained by the Vendors)
- c) All other Contracts Related to the Business

SCHEDULE "C"

OWNED REAL PROPERTY

- a) Morris Industries Ltd.'s manufacturing plant and a nearby vacant site used for storage in Minnedosa, Manitoba, title to which is held by Morris Industries Ltd. as trustee for Contour Realty Inc. pursuant to a Bare Trust Declaration and Agreement dated August 1, 2013

Legal Description:

- i. All that portion of NW $\frac{1}{4}$ 2-15-18 WPM lying NELY of a line drawn parallel to and perp distant 120 feet NELY from the centre line of Railway Plan 301 NLTO exc: Railway Plan 302 NLTO
- ii. Parcel A Plan 5293 NLTO Exc Road Plan 5301 NLTO subject to special reservations as to mines minerals and other matters as particularly defined in the original grant from the Crown in SW $\frac{1}{4}$ 11-15-18 WPM
- iii. Lots 3 to 5 Block 23 Plan G NLTO Exc: Railway Plan 302 NLTO excepting thereout all mines and minerals vested in the Crown (Manitoba) by the Real Property Act in NE $\frac{1}{4}$ 2-15-18 WPM
- iv. Parcel 1: Lots 1 to 8 Block 24 Plan G NLTO exc: Out of Lot 6, Railway Plan 302 NLTO in NE $\frac{1}{4}$ 2-15-18 WPM and Parcel 3: Lots 2 to 4 Block 25 Plan G NLTO exc: Railway Plan 302 NLTO in NE $\frac{1}{4}$ 2-15-18 WPM

SCHEDULE “D”**PURCHASE PRICE ALLOCATION**

Purchased Asset	Purchase Price Allocation
The Assigned Contracts	
The Owned Real Property	
The Inventory	
The Receivables	
The Personal Property (other than Inventory)	
The Permits and Licences	
The Books and Records that are Related to the Business	
The Intellectual Property	

SCHEDULE “E”
INTELLECTUAL PROPERTY

TRADEMARKS

Country	Serial Details	Mark
CANADA	Application 1945749	BALE TITAN RXR
CANADA	Registration TMA648608	PROAG
CANADA	Registration TMA854979	ICT
CANADA	Registration TMA854978	INPUT CONTROL
CANADA	Registration TMA243586	M and Design
CANADA	Registration TMA447943	MAXIM
CANADA	Registration TMA820429	MORRIS 360 SERVICE and Design
CANADA	Registration TMA850941	RAZR
CANADA	Application 1877486	SHIELDCORE
UNITED STATES	Application 88/317286	BALE TITAN RXR
UNITED STATES	Registration 4511082	MORRIS 360 SERVICE and Design
UNITED STATES	Registration 4686678	RAZR
AUSTRALIA	Registration 951770	PROAG
AUSTRALIA	Registration 1449205	MORRIS 360 SERVICE and Design

PATENTS

Country	Serial Details	Title
CANADA	Patent 2433461	HAY BALE STACKER
CANADA	Patent 2419757	LOCKING WING LIFT MECHANISM FOR FARM IMPLEMENTS

CANADA	Patent 2431975	PRODUCT DIVERTER VALVE AND COLLECTOR APPARATUS FOR AIR DRILL SEEDING SYSTEM
CANADA	Patent 2496216	PNEUMATIC DISTRIBUTION SYSTEM FOR AIR SEEDERS
CANADA	Patent 2498503	HYDRAULIC HOLDING CYLINDER FOR WING LIFT MECHANISM
CANADA	Patent 2644615	COMBINATION HYDRAULIC HOLD-DOWN AND LIFT SYSTEM FOR AN AGRICULTURAL IMPLEMENT
CANADA	Patent 2637352	SEED AND FERTILIZER PLACEMENT APPARATUS HAVING DOUBLE SHOOT SEED BOOT
CANADA	Patent 2768369	SEEDER WITH METERING SYSTEM HAVING SELECTIVELY POWERED METERING SECTIONS
CANADA	Application 2990091	SEEDER WITH METERING SYSTEM HAVING SELECTIVELY POWERED METERING SECTIONS
CANADA	Application 2871859	MOLDED BOOT FOR DISPENSING SEEDS AND TREATMENT
CANADA	Application 2872214	ANHYDROUS AMMONIA INJECTOR FOR DISK OPENER
CANADA	Application 2876644	SENSOR FOR AIR CART METERING SYSTEM
CANADA	Application 2932805	MULTI-TANK AIR CART TENDER WITH INDIVIDUAL TANK CONVEYORS

CANADA	Application 2943099	WALKING BEAM FURROW CLOSING SYSTEM FOR DISC SEEDER
CANADA	Application 2954882	AIR SEEDER HAVING INDIVIDUALLY CONTROLLABLE METERING WHEELS IN COMMON METER BODY
CANADA	Application 3033543	AGRICULTURAL IMPLEMENT FRAME ASSEMBLY
CANADA	Application 3079343	HIGH SPEED AGRICULTURAL SEEDER
CANADA	Application 3033549	MOUNTING BRACKET FOR AGRICULTURAL ROW UNIT
CANADA	Application 3029229	SOIL OPENER WITH COMPOUND CARBIDE PROTECTION
CANADA	Application 3038841	AGRICULTURAL SEEDER
CANADA	Application 3029230	CARBIDE CLAD HARROW TWINE
UNITED STATES	Patent 6997663	HAY BALE STACKER
UNITED STATES	Patent 6761228	LOCKING WING LIFT MECHANISM FOR FARM IMPLEMENTS
UNITED STATES	Patent 6834599	PRODUCT DIVERTER VALVE AND COLLECTOR APPARATUS FOR AIR DRILL SEEDING SYSTEM
UNITED STATES	Patent 7162962	PNEUMATIC DISTRIBUTION SYSTEM FOR AIR SEEDERS
UNITED STATES	Patent 7073604	HYDRAULIC HOLDING CYLINDER FOR WING LIFT MECHANISM

UNITED STATES	Patent 7617782	SEED AND FERTILIZER PLACEMENT APPARATUS HAVING DOUBLE SHOOT SEED BOOT
UNITED STATES	Patent 8915200	SEEDER WITH METERING SYSTEM HAVING SELECTIVELY POWERED METERING SECTIONS
UNITED STATES	Patent 9578801	SEEDER WITH METERING SYSTEM HAVING SELECTIVELY POWERED METERING SECTIONS
UNITED STATES	Patent 10058021	SEEDER WITH METERING SYSTEM HAVING SELECTIVELY POWERED METERING SECTIONS
UNITED STATES	Patent 9717173	MOLDED BOOT FOR DISPENSING SEEDS AND MULTIPLE TREATMENTS
UNITED STATES	Application 15/461273	MOLDED BOOT FOR DISPENSING SEEDS AND MULTIPLE TREATMENTS
UNITED STATES	Patent 9497899	SENSOR FOR AIR CART METERING SYSTEM
UNITED STATES	Application 15/178067	MULTI-TANK AIR CART TENDER WITH INDIVIDUAL TANK CONVEYORS
UNITED STATES	Patent 9943030	WALKING BEAM FURROW CLOSING SYSTEM FOR DISC SEEDER
UNITED STATES	Patent 10080324	AIR SEEDER HAVING INDIVIDUALLY CONTROLLABLE METERING WHEELS IN COMMON METER BODY
UNITED STATES	Application 15/794987	AGRICULTURAL SEEDER

UNITED STATES	Application 16/041488	AUTONOMOUS AGRICULTURAL IMPLEMENT WITH MODULAR PRODUCT CONTAINER
UNITED STATES	Application 16/041503	AGRICULTURAL SYSTEM WITH AUTOMATED INTERCHANGE OF MODULAR PRODUCT CONTAINERS
UNITED STATES	Application 16/041513	PORTABLE STATION FOR MODULAR AGRICULTURAL PRODUCT CONTAINERS
UNITED STATES	Patent 10433477	SYSTEM AND COMPUTER-IMPLEMENTED METHOD FOR FACILITATING TRANSFERS OF PRODUCT CONTAINERS BETWEEN A STATION AND AN AUTONOMOUS MACHINE
UNITED STATES	Application 62/614156	SOIL OPENER WITH COMPOUND CARBIDE PROTECTION
UNITED STATES	Application 62/614161	CARBIDE CLAD HARROW TINE
UNITED STATES	Application 62/628549	AGRICULTURAL IMPLEMENT FRAME ASSEMBLY
UNITED STATES	Application 62/628558	MOUNTING BRACKET FOR AGRICULTURAL ROW UNIT
UNITED STATES	Application 62/838777	HIGH SPEED AGRICULTURAL SEEDER
UNITED STATES	Application 16/856119	HIGH SPEED AGRICULTURAL SEEDER
UNITED STATES	Application 16/271470	MOUNTING BRACKET FOR AGRICULTURAL ROW UNIT

UNITED STATES	Application 16/271477	MOUNTING BRACKET FOR AGRICULTURAL ROW UNIT
UNITED STATES	Application 16/238,287	SOIL OPENER WITH COMPOUND CARBIDE PROTECTION
UNITED STATES	Application 16/238294	CARBIDE CLAD HARROW TWINE
AUSTRALIA	Patent 2002241822	HAY BALE STACKER
AUSTRALIA	Patent 2003204701	PRODUCT DIVERTER VALVE AND COLLECTOR APPARATUS FOR AIR DRILL SEEDING SYSTEM
AUSTRALIA	Patent 2005201460	PNEUMATIC DISTRIBUTION SYSTEM FOR AIR SEEDERS
AUSTRALIA	Patent 2005201459	HYDRAULIC HOLDING CYLINDER FOR WING LIFT MECHANISM
AUSTRALIA	Patent 2007308706	COMBINATION HYDRAULIC HOLD-DOWN AND LIFT SYSTEM FOR AN AGRICULTURAL IMPLEMENT
AUSTRALIA	Patent 2008203021	SEED AND FERTILIZER PLACEMENT APPARATUS HAVING DOUBLE SHOOT SEED BOOT
AUSTRALIA	Patent 2012200946	SEEDER WITH METERING SYSTEM HAVING SELECTIVELY POWERED METERING SECTIONS
AUSTRALIA	Patent 2014227499	SEEDER WITH METERING SYSTEM HAVING SELECTIVELY POWERED METERING SECTIONS

AUSTRALIA	Application 2017251799	SEEDER WITH METERING SYSTEM HAVING SELECTIVELY POWERED METERING SECTIONS
AUSTRALIA	Application 2014265086	MOLDED BOOT FOR DISPENSING SEEDS AND TREATMENT
AUSTRALIA	Application 2017210555	MOLDED BOOT FOR DISPENSING SEEDS AND TREATMENT
AUSTRALIA	Application 201710555	MOLDED BOOT FOR DISPENSING SEEDS AND MULTIPLE TREATMENTS
AUSTRALIA	Patent 2015200000	SENSOR FOR AIR CART METERING SYSTEM
AUSTRALIA	Application 2016203915	MULTI-TANK AIR CART TENDER WITH INDIVIDUAL TANK CONVEYORS
AUSTRALIA	Application 2016231605	WALKING BEAM FURROW CLOSING SYSTEM FOR DISC SEEDER
AUSTRALIA	Application 2017200246	AIR SEEDER HAVING INDIVIDUALLY CONTROLLABLE METERING WHEELS IN COMMON METER BODY
AUSTRALIA	Application 2020202750	HIGH SPEED AGRICULTURAL SEEDER
AUSTRALIA	Application 2019200913	Mounting bracket for agricultural row unit
AUSTRALIA	Application 2019200914	Mounting bracket for agricultural row unit
AUSTRALIA	Application 2019200052	SOIL OPENER WITH COMPOUND CARBIDE PROTECTION

AUSTRALIA	Application 201734866	AGRICULTURAL SEEDER
AUSTRALIA	Application 2019200053	CARBIDE CLAD HARROW TWINE
OTHER	German Patent 60246404.8	HAY BALE STACKER
OTHER	French Patent 1353822	HAY BALE STACKER
OTHER	United Kingdom Patent 1353822	HAY BALE STACKER
OTHER	Italian Patent 502014902297079	HAY BALE STACKER
OTHER	PCT Application PCT/CA2017/051279	AGRICULTURAL SEEDER
OTHER	PCT Application PCT/2018/050888	AUTONOMOUS AGRICULTURAL SYSTEM