Tab N

THIS IS EXHIBIT "N" REFERRED TO IN THE AFFIDAVIT OF KEVIN ADAIR SWORN BEFORE ME AT SASKATOON, SASKATCHEWAN THIS 3rd DAY OF JANUARY, 2020.

A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF SASKATCHEWAN BEING A SOLICITOR

Saskatchewan Personal Property Registry Search Result

Current - Exact

Registration Type:	Personal Property Security Agreement	**Registration #:**	301074225
Registration Date:	28-Aug-2013 12:02:55	**Expiry Date:**	28-Aug-2033

Event Type: Setup
Transaction Reason: Regular

Notations
Trust Indenture: NO

Registrant

Party ID:	150000519-1	**Address:**	4126 Norland Avenue
Entity Type:	Business		Burnaby, British Columbia
Name:	Canadian Securities Registration Systems		V5G3S8
			Canada

Secured Party

Item #:	1	**Address:**	9th Floor, 350 - 7th Avenue SW
Party ID:	151784252-1		CALGARY, Alberta
Entity Type:	Business		T2P3N9
Name:	Bank of Montreal		Canada
Item #:	2	**Address:**	2400, 2322 - 9th Avenue, P.O. Box 937
Party ID:	151907073-1		HUMBOLDT, Saskatchewan
Entity Type:	Business		S0K2A0
Name:	Farm Credit Canada		Canada
Item #:	3	**Address:**	9th Floor, 350 - 7th Avenue SW
Party ID:	151907074-1		CALGARY, Alberta
Entity Type:	Business		T2P3N9
Name:	Bank of Montreal, as Collateral Agent		Canada

Debtor Party

* **Item #:**	1	**Address:**	2131 Airport Drive
Party ID:	151907071-1		Saskatoon, Saskatchewan
Entity Type:	Business		S7L7E1
Name:	Contour Realty Inc.		Canada
Item #:	2	**Address:**	2131 Airport Drive
Party ID:	151907072-1		Saskatoon, Saskatchewan
Entity Type:	Business		S7L7E1
Name:	Morris Sales & Service Ltd.		Canada

General Property

All of the Debtors' present and after-acquired personal property. Proceeds: goods, chattel paper, investment property, documents of title, instruments, money and intangibles (as defined in the PPSA).

Saskatchewan
Personal Property Registry
Search Result

Current - Exact

Registration Type:	Personal Property Security Agreement	**Registration #:**	301666879
Registration Date:	25-Aug-2017 14:26:48	**Expiry Date:**	25-Aug-2027

Event Type: Setup
Transaction Reason: Regular

Notations
Trust Indenture: NO

Registrant

Party ID:	150000519-1	**Address:**	4126 Norland Avenue
Entity Type:	Business		Burnaby, British Columbia
Name:	Canadian Securities Registration Systems		V5G3S8
			Canada

Secured Party

Item #:	1	**Address:**	500, 400 Crowfoot Crescent NW
Party ID:	152845316-1		CALGARY, Alberta
Entity Type:	Business		T3G5H6
Name:	AVRIO SUBORDINATED DEBT GENERAL PARTNER II LTD., as collateral agent		Canada

Debtor Party

*** Item #:**	1	**Address:**	2131 Airport Drive
Party ID:	152845317-1		SASKATOON, Saskatchewan
Entity Type:	Business		S7L7E1
Name:	Contour Realty Inc.		Canada

General Property

All of the Debtor's present and after-acquired personal property. Proceeds: goods, chattel paper, investment property, documents of title, instruments, money and intangibles (as defined in the PPSA).

End of Search Result

Tab O

LOAN AGREEMENT

by and between

AVRIO SUBORDINATED DEBT LIMITED PARTNERSHIP II and 2040842 ALBERTA LTD.

as Lenders

and

101098672 SASKATCHEWAN LTD.

as Borrower

Dated: August 31, 2017

THIS IS EXHIBIT "O" REFERRED TO IN THE AFFIDAVIT OF KEVIN ADAIR SWORN BEFORE ME AT SASKATOON, SASKATCHEWAN THIS 3rd DAY OF JANUARY, 2020.

A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF SASKATCHEWAN BEING A SOLICITOR

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LOAN AGREEMENT

This Loan Agreement dated as of August 31, 2017 is entered into among **Avrio Subordinated Debt Limited Partnership II,** by its general partner, **Avrio Subordinated Debt General Partner II Ltd**., ("**Avrio**") and **2040842 Alberta Ltd.** ("**BrownCo**") (Avrio and BrownCo shall be collectively referred to herein as the "**Lenders**"), **Avrio Subordinated Debt General Partner II Ltd**. (the "**Security Agent**"), and **101098672 Saskatchewan Ltd.**, a corporation incorporated under the laws of the Province of Saskatchewan (the "**Borrower**") and such other Obligors identified on the signature pages hereof.

WHEREAS, the Borrower wishes to borrow funds from the Lenders to fund the redemption of 3,000,000 Class B Shares in the capital of the Borrower, from Welshpool Investments Ltd.;

AND WHEREAS, the Lenders are willing to grant the Loans to the Borrower on the terms and conditions set out in this Agreement;

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1 - DEFINITIONS

1.1 Definitions

All terms used herein which are defined in the PPSA and/or the UCC shall, to the extent the context so admits, have the meanings given therein unless otherwise defined in this Agreement. All references to the plural herein shall also mean the singular and to the singular shall also mean the plural unless the context otherwise requires. All references to the Borrower and the Lenders pursuant to the definitions set forth in the recitals hereto, or to any other person herein, shall include their respective successors and assigns. The words "hereof", "herein", "hereunder", "this Agreement" and words of similar import when used in this Agreement (including the Exhibits hereto) shall refer to this Agreement as a whole and not any particular provision of this Agreement and as this Agreement now exists or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced. The word "including" when used in this Agreement shall mean "including, without limitation". References herein to any statute or any provision thereof include such statute or provision as amended, revised, re-enacted and/or consolidated from time to time and any successor statute thereto. An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with Section 11.3 or is cured to the satisfaction of the Lenders, if such Event of Default is capable of being cured as determined by the Lenders. Any accounting term used herein unless otherwise defined in this Agreement shall, unless the context otherwise requires, have the meanings customarily given to such term in accordance with ASPE. Canadian Dollars and the sign "$" mean lawful currency of Canada. "US Dollars" and the sign "US$" mean lawful money of the United States of America. All monetary amounts referred to in this Agreement are in Canadian Dollars unless otherwise stated. For purposes of this Agreement, the capitalized terms not otherwise defined in this Agreement shall have the respective meanings given to them in Exhibit A.

SECTION 2 - LOAN, INTEREST AND FEES

2.1 The Loans

Subject to fulfilment of each of the conditions precedent set out in Section 4.1 hereof, the Lenders have agreed to extend to the Borrower, the following Loans:

Avrio – $3,250,000

BrownCo - $750,000

The Loans are to be advanced to the Borrower by the Lenders in full on the Closing Date. Net proceeds of the Loans, after deducting issue expenses, shall be used by the Borrower to redeem the 3,000,000 Class B Shares held by Welshpool Investments Ltd., with any excess to be used for working capital.

No related party debts outside the ordinary course of business or as permitted in accordance with Section 9.10, if any, may be paid without the Lenders' prior written consent and no change to the use of proceeds is permitted without the Lenders' prior written consent.

2.2 Evidence of Indebtedness

Indebtedness of the Borrower to the Lenders in respect of the Loans will be evidenced by the Notes, which will be issued by the Borrower to the Lenders on the Closing Date.

2.3 Repayment of Loans

(a) **Principal**

Subject to the provisions of this Agreement, the Outstanding Principal Obligations are due and payable to the Lenders in accordance with the Notes and shall be repaid to the Lenders in full on the Maturity Date.

(b) **Interest**

(i) Subject to Section 2.8, the Borrower agrees that interest shall accrue and be paid quarterly in advance on the Outstanding Principal Obligations at the Interest Rate, on the first Business Day of each quarter (each an **"Interest Payment Date"**) commencing October 1, 2017 both before and after demand and before and after default, judgment and execution from the date thereof until payment in full of all amounts owing to the Lenders hereunder have been paid, in accordance with terms of Section 2.3(a) hereof. If the date of advance is not the last Business Day of a month, the first interest payment shall include all interest payable from the date of advance, up to and including the first Interest Payment Date. Interest shall be paid on a quarterly basis thereafter.

(ii) The Borrower shall also pay to the Lenders interest on any overdue and unpaid interest at the Interest Rate calculated and compounded monthly, and payable on demand, from the date the interest is due until paid in full to the Lenders.

2.4 Fees

The Borrower shall pay the Lenders a commitment fee equal to $36,832.00, which shall be withheld from the first advance by the Lenders hereunder.

2.5 Payments by the Borrower

Any payment by the Borrower on account of any amount due and payable by it hereunder or under the Notes, whether on account of principal, interest, premiums, fees, costs and expenses or otherwise, shall be made by the Borrower to the Lenders and no such payment by the Borrower shall be effective until such time as it is received by the Lenders. Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest or fees, as the case may be, payable on such date. All payments to be made by the Borrower to the Lenders shall be in immediately available funds and received by the Lenders no later than 1:00 p.m. (MST) on the date of payment in order to obtain same day credit. Any such payment so received after such time on such date shall be deemed to have been paid on, and shall be credited on the next following Business Day. Any interest on any portion of the Loans which is not paid when due shall bear interest as if such unpaid interest was an unpaid principal amount under the Loans. All payments received by the Lenders shall be applied by the Lenders to pay, in reverse order of maturity, all interest on overdue interest, all interest payments due and owing and Outstanding Principal Obligations, in that order.

2.6 Optional Prepayments

(a) At any time after the second (2nd) anniversary of the Closing Date, provided that the Borrower gives irrevocable written notice to the Lenders of any prepayment hereunder at least 5 Business Days prior to such prepayment date, and upon payment of any applicable Prepayment Premium, the Borrower shall have the right, when not in default under this Agreement, to prepay, in whole or in part, the then Outstanding Principal Obligations and any capitalized, accrued and unpaid interest thereon up to the date of prepayment. The Prepayment Premium shall only be payable if the Loans or any portion thereof are repaid prior to the 3rd anniversary of the Closing Date.

(b) Any repayments under this paragraph shall be applied by the Lenders to prepay, in reverse order of maturity, all interest on overdue interest, all accrued interest, whether or not due, all interest payments due and owing and all Outstanding Principal Obligations, in that order.

(c) The notice provisions and provisions as to application of prepayment monies in reverse order of maturity as set out in this Section 2.6 shall also apply *mutatis mutandis* to partial prepayments.

2.7 Advance of Loans

The Borrower agrees that neither the execution, nor registration, of any of the Security, nor the advancing in part of the Loans, shall bind the Lenders to advance the Loans or any un-advanced portion thereof and the advance of the Loans or any part thereof shall be in the sole discretion of the Lenders.

2.8 Interest and Loans Charges Not to Exceed Maximum Allowed by Law

Notwithstanding any other provision of this Agreement or any of the Financing Agreements, in no event shall the aggregate "interest" (as that term is defined in Section 347 of the *Criminal Code* (Canada)) received by or payable to the Lenders in connection with the transactions contemplated in this Agreement, the Financing Agreements exceed the effective annual rate of interest on the "credit advanced" (as defined therein) lawfully permitted under that section. The effective annual rate of interest shall be determined in accordance with generally accepted accounting practices and principles over the term that the principal amount of the Loans is outstanding and in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuary appointed by the Lenders shall be conclusive for the purposes of such determination. The parties do not intend that the aggregate interest payable in connection with the transactions contemplated under the Financing Agreements shall exceed such lawfully permitted rate or amount. Notwithstanding anything to the contrary herein contained, if the aggregate interest payable hereunder exceeds such lawfully permitted rate or amount, the rate and the amount of interest on the principal hereof shall be deemed to have been adjusted with retroactive effect to the maximum rate and amount permitted by law, such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows: first, by reducing the amount or rate of interest, and, thereafter, by reducing any fees, commissions, expenses, premiums and other amounts required to be paid to the Lenders which would constitute "interest" (as that term is defined in Section 347 of the *Criminal Code* (Canada)). Further, the Lenders shall be entitled to defer the timing of receipt or vary the manner of payment of any interest or amounts paid or payable to the Lenders in connection with the transactions contemplated hereunder or thereunder, or to otherwise vary the terms pursuant to which such interest or any portion thereof or any other amount shall be paid to the Lenders so that such payment shall not be in violation of Applicable Law. If such payments, regardless of timing, are determined to be contrary to the provisions of Section 347 of the *Criminal Code* (Canada), such payment, collection or demand shall be deemed to have been made by mutual mistake of the Borrower and the Lenders and the amount of such payment or collection shall be refunded to the Borrower.

2.9 Interest Act (Canada)

Whenever a rate of interest or other rate per annum hereunder is calculated on the basis of a year (the "**deemed year**") which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest or other rate shall be expressed as a yearly rate for purposes of the *Interest Act* (Canada) by multiplying such rate of interest or other rate by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

Whenever a rate of interest or other rate per annum hereunder is expressed or calculated on the basis of a year of 360 days, such rate of interest or other rate shall be expressed as a rate per annum, calculated on the basis of a 365 day year, by multiplying such rate of interest or other rate by 365 and dividing it by 360.

2.10 Nominal Rates; No Deemed Reinvestment

The principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement; all interest payments to be made hereunder shall be paid without allowance or deduction for deemed reinvestment or otherwise, before and after maturity, default and judgment. The rates of interest specified in this Agreement are intended to be nominal rates and not effective rates. Interest calculated hereunder shall be calculated using the nominal rate method and not the effective rate method of calculation.

2.11 Waiver

To the extent permitted by Applicable Law, the covenant of the Borrower to pay interest at the rates provided herein shall not merge in any judgment relating to any obligation of the Borrower to the Lenders and any provision of the *Interest Act* (Canada) or *The Pre-judgment Interest Act* (Saskatchewan) which restricts any rate of interest set forth herein shall be inapplicable to this Agreement and is hereby waived by the Borrower.

SECTION 3 - INDEMNITY, TAX AND RELATED PROVISIONS

3.1 Taxes

(a) **Payments Subject to Taxes.** If any Obligor, or the Lenders, is required by Applicable Law to deduct or pay any Indemnified Taxes (including any Other Taxes) in respect of any payment by or on account of any obligation of an Obligor hereunder or under any other Financing Agreement, then (i) the sum payable shall be increased by that Obligor when payable as necessary so that after making or allowing for all required deductions and payments (including deductions and payments applicable to additional sums payable under this Section) the Lenders receives an amount equal to the sum it would have received had no such deductions or payments been required, (ii) the Obligor shall make any such deductions required to be made by it under Applicable Law, and (iii) the Obligor shall timely pay the full amount required to be deducted to the relevant Governmental Authority in accordance with Applicable Law.

(b) **Payment of Other Taxes by the Borrower.** Without limiting the provisions of paragraph (a) above, the Borrower shall timely pay, or cause to be paid, any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(c) **Indemnification by the Borrower.** The Borrower shall indemnify the Lenders for and pay, within 15 Business Days after demand therefor, the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Lenders and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by the Lenders shall be *prima facie* evidence thereof.

(d) **Evidence of Payments.** As soon as practicable after any payment of Indemnified Taxes or Other Taxes by an Obligor to a Governmental Authority, the Obligor shall deliver to the Lenders the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Lenders.

(e) **Treatment of Certain Refunds and Tax Reductions.** If the Lenders determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes to which it has been indemnified by the Borrower or with respect to which an Obligor has paid additional amounts pursuant to this Section or that, because of the payment of such Taxes or Other Taxes, it has benefited from a reduction in Excluded Taxes otherwise payable by it, it shall pay to the Borrower or the Obligor, as applicable, an amount equal to such refund or reduction (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower or the Obligor under this Section with respect to the Taxes or Other Taxes giving rise to such refund or reduction), net of all out-of-pocket expenses of the Lenders and without interest (other than any net after-tax interest paid by the relevant Governmental Authority with respect to such refund). The Borrower or Obligor as applicable, upon the request of the Lenders, agrees to repay the amount paid over to the Borrower or the Obligor (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Lenders if the Lenders are required to repay such refund or reduction to such Governmental Authority. This paragraph shall not be construed to require the Lenders to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person, to arrange its affairs in any particular manner or to claim any available refund or reduction.

(f) **Accounting.** Upon request of the Borrower, the Lenders shall provide a detailed computation of any Taxes or Other Taxes for which it requests compensation under this Section 3.1.

3.2 Indemnity for Transactional and Environmental Liability

(a) The Borrower hereby agrees to indemnify, exonerate and hold the Lenders and its shareholders, partners, officers, directors, employees and agents (collectively, the "**Indemnified Parties**") free and harmless from and against any and all claims, demands, actions, causes of action, suits, losses, costs (including, without limitation, all documentary, recording, filing, mortgage or other stamp taxes or duties), charges, liabilities and damages, and expenses in connection therewith (irrespective of whether such Indemnified Party is a party to the action for which indemnification hereunder is sought), and including, without limitation, reasonable legal fees and out of pocket disbursements and amounts paid in settlement of any and every kind whatsoever when such amounts paid in settlement have been approved by the Borrower, acting reasonably (collectively, in this Section 3.2(a), the **"Indemnified Liabilities"**), paid, incurred or suffered by, or asserted against, the Indemnified Parties or any of them as a result of, or arising out of, or relating to (i) any transaction financed or to be financed in whole or in part, directly or indirectly, with the proceeds of any credit extended hereunder, (ii) any actual or threatened investigation, litigation or other proceeding relating to any credit extended or proposed to be extended as contemplated herein or (iii) the occurrence of any Event of Default, except for any such Indemnified Liabilities which a court of competent jurisdiction determines, pursuant to a final non-appealable order, arose on account of the relevant Indemnified Party's breach of any Financing Agreement, gross negligence or wilful misconduct.

(b) Without limiting the generality of the indemnity set out in Section 3.2(a), the Borrower hereby further agrees to indemnify, exonerate and hold the Indemnified Parties free and harmless from and against any and all claims, demands, actions, causes of action, suits, losses, costs, charges, liabilities and damages, and expenses in connection therewith, including, without limitation, reasonable legal fees and out of pocket disbursements, and amounts paid in settlement of any and every kind whatsoever when such amounts paid in settlement have been approved by the Borrower (collectively, in this Section 3.2(b), the "**Indemnified Liabilities**"), paid, incurred or suffered by, or asserted against, the Indemnified Parties or any of them for, with respect to, or as a direct or indirect result of, (i) the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from, any real property legally or beneficially owned (or any estate or interest which is owned), leased, used or operated by the Borrower or any other Obligor of any Hazardous Material or (ii) the breach or violation of any Environmental Law by the Borrower or any other Obligor, regardless of whether caused by, or within the control of, the Borrower or Obligor, as the case may be, except for any such Indemnified Liabilities which a court of competent jurisdiction determines, pursuant to a final non-appealable order, arose on account of the relevant Indemnified Party's breach of any Financing Agreement, gross negligence or wilful misconduct.

(c) All obligations provided for in this Section 3.2 shall survive the payment of the Obligations and the termination and non-renewal of this Agreement and shall not be reduced or impaired by any investigation made by or on behalf of the Lenders.

(d) The Borrower hereby agrees that, for the purposes of effectively allocating the risk of loss placed on the Borrower by this Section 3.2, the Lenders shall be deemed to be acting as the agent or trustee on behalf of and for the benefit of its shareholders, partners, officers, directors, employees and agents.

(e) If, for any reason, the obligations of the Borrower pursuant to this Section 3.2 shall be unenforceable, the Borrower agrees to make the maximum contribution to the payment and satisfaction of each obligation that is permissible under Applicable Law, except to the extent that a court of competent jurisdiction determines such obligations arose on account of the breach of any Financing Agreement or the gross negligence or wilful misconduct of any Indemnified Party.

(f) To the fullest extent permitted by Applicable Law, the Borrower shall not assert, and hereby waives, any claim against any Indemnified Party, on any theory of liability, for indirect, consequential, punitive, aggravated or exemplary damages (as opposed to direct damages) arising out of, in connection with, or as a result of, this Agreement, any other Financing Agreement or any agreement or instrument contemplated hereby (or any breach thereof), the transactions contemplated hereby or thereby, any Loans or the use of the proceeds thereof. Except to the extent resulting from the gross negligence or wilful misconduct of such Indemnified Party, no Indemnified Party shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Financing Agreements or the transactions contemplated hereby or thereby.

SECTION 4 - CONDITIONS PRECEDENT

4.1 Conditions Precedent to Loans

Each of the following is a condition precedent to the Lenders making the Loans (and the advance of the Loans) hereunder:

(a) the Lenders shall have completed, and be satisfied with, in its sole discretion, its due diligence review, such due diligence review to include access to any auditors, consultants or other professionals engaged by the Borrower or any other Obligor and any reports produced thereby or otherwise provided to any of the Senior Lenders;

(b) the Lenders shall have received evidence in form and substance satisfactory to the Lenders, that the Lenders has valid registered, perfected security interests in and liens upon the Collateral and any other property which is intended to be security for the Obligations or the liability of any Obligor in respect thereof, in such priority as agreed by the Lenders, subject only to Permitted Liens;

(c) all requisite corporate action and proceedings in connection with this Agreement and the other Financing Agreements shall be satisfactory in form and substance to the Lenders, and the Lenders shall have received all information and copies of all documents, including, without limitation, certificates of incumbency of each of the Obligors, records of requisite corporate action and proceedings which the Lenders may have requested in connection therewith, such documents where requested by the Lenders or its counsel to be certified by appropriate corporate officers or Governmental Authorities;

(d) no Material Adverse Change shall have occurred since June 30, 2017;

(e) the Lenders shall have received and be satisfied with, in its sole discretion: any shareholders' agreements, pooling agreements, voting trust agreements, partnership agreements or similar agreements relating to the Obligors, if any;

(f) the Lenders shall be satisfied with and shall have reviewed and approved copies of all existing and proposed Material Contracts;

(g) the Lenders shall have received, in form and substance satisfactory to the Lenders in its sole discretion, the most recent monthly financial statements of the Borrower and the other Obligors;

(h) the Lenders shall have received, in form and substance satisfactory to the Lenders, all consents, waivers, acknowledgments and other agreements from third persons which the Lenders may deem necessary or desirable in order to permit, protect and perfect its security interests in and liens upon the Collateral or to effectuate the provisions or purposes of this Agreement (including but not limited to those of the Senior Lenders) and the other Financing Agreements.

(i) the Lenders shall have received evidence of insurance and loss payee endorsements required hereunder and under the other Financing Agreements, in form and substance satisfactory to the Lenders, and certificates of insurance policies and/or endorsements naming Lenders as loss payee and additional insured, as applicable;

(j) the Lenders shall have received, in form and substance satisfactory to the Lenders, such opinion letters of counsel to the Borrower and the Obligors with respect to the Financing Agreements and such other matters as the Lenders may request;

(k) the other Financing Agreements and all instruments and documents hereunder and thereunder shall have been duly executed and delivered to the Lenders, in form and substance satisfactory to the Lenders;

(l) the Lenders shall have received and be satisfied in its sole discretion, with the loan and/or credit agreements between the Obligors and each of the Senior Lenders in relation to indebtedness with the Senior Lenders;

(m) the Lenders' investment committee shall have approved the Loans on substantially the terms set out herein, in its sole discretion;

(n) the acquisition by Seedrite Capital Inc. of 75% of the Borrower's issued and outstanding securities substantially on the terms and conditions as set forth in the Share Purchase Agreement presented to the Lenders and dated on or about August 31, 2017 among the Borrower, Thomas G. Davis, Seedrite Capital Inc. as purchaser and Prairie Rise Holdings Ltd. and 101060460 Saskatchewan Ltd., as vendors has been completed and closed;

(o) all representations and warranties contained herein and in the other Financing Agreements shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date of the making of the Loans and after giving effect thereto, provided that the Borrower shall be permitted to revise from time to time any Schedule or Exhibit attached hereto to render any factual matters referred to therein true, accurate and complete in all material respects as at such time by supplying an officer's certificate to the Lenders to such effect, whereupon any repetition of representations and warranties referable to such Schedules shall thereafter be deemed made with reference to those Schedules as so revised; and

(p) no Event of Default shall exist or have occurred and be continuing on and as of the date of the making of any advance of the Loans and after giving effect thereto.

SECTION 5 - COLLATERAL REPORTING AND COVENANTS

5.1 Collateral Reporting

Concurrently with provision of financial statements, documents, certificate, appraisals, reports or similar documentation to any of the Senior Lenders under the Senior Credit Agreements, including but not limited to the reports and documentation to be delivered pursuant to Section 9.5 hereof, the Borrower shall provide copies of such documentation and reports to the Lenders in the form provided to the Senior Lenders.

5.2 Verification of Collateral

The Lenders or a Receiver authorized by the Lenders, shall have the right, from time to time, so long as there are any outstanding Obligations, to verify the existence, state and value of the Accounts and Inventory and the books and records, systems and business in general of the Borrower, in any manner the Lenders may, acting reasonably, consider appropriate.

SECTION 6 - SECURITY

6.1 Security

The Borrower and each Obligor shall execute and deliver the Security to which it is a party. In addition, the Borrower and each Obligor shall execute and deliver, or shall cause to be executed and delivered, all such guarantees and mortgages, assignments and other agreements and instruments as may be required by the Lenders, acting reasonably (each in form and substance satisfactory to the Lenders, acting reasonably) in order to, or to more effectively, charge in favour of the Lenders, grant or perfect Security Interests in favour of the Lenders in, to and against all present and future real and personal property, assets and undertaking of the Borrower or a Obligor as continuing collateral security for the payment and performance by the Borrower of all Obligations. For clarity, the Lenders may at any time request the Borrower and any Obligor to deliver duly executed and registerable mortgages over the Real Property owned by them from time to time, subject only to the interests of the Senior Lenders.

6.2 Registration

The Lenders shall, at the Borrower's expense, register, file or record the Security in all offices where such registration, filing or recording is necessary or of advantage to the creation, perfection and preserving of the security applicable to it. The Lenders (or the Borrower on request of the Lenders) shall amend and renew such registrations, filings and recordings from time to time as and when required to keep them in full force and effect or to preserve the priority established by any prior registration, filing or recording thereof and promptly furnish to the Lenders proof of the foregoing.

6.3 Forms

The forms of Security shall have been or be prepared based upon the laws of Canada and the laws of the relevant Provinces or such other Applicable Laws as the Lenders and its counsel has determined, in each case, in effect at the date hereof. The Lenders shall have the right to require that:

(a) any such Security be amended to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise, in order to confer upon the Lenders the Security Interests intended to be created thereby; and

(b) the Borrower and Obligors execute and deliver to the Lenders such other and further mortgages, trust deeds, assignments and security agreements as may be reasonably required to ensure that the Lenders holds, subject to Permitted Liens, priority, perfected Security Interests on and against all present and future property, assets and undertaking of the Borrower and the Obligors,

except that in no event shall the Lenders require that the foregoing be effected if the result thereof would be to grant the Lenders greater rights than is otherwise contemplated herein or therein.

6.4 Continuing Security

Each item or part of the Security shall for all purposes be treated as a separate and continuing collateral security and shall be deemed to have been given in addition to and not in place of any other item or part of the Security or any other security now held or hereafter acquired by the Lenders. No item or part of the Security shall be merged or be deemed to have been merged in or by this Agreement or any documents, instruments or acknowledgements delivered hereunder, or any simple contract debt or any judgment, and any realization of or steps taken under or pursuant to any security, instrument or agreement shall be independent of and not create a merger with any other right available to the Lenders under any security, instruments or agreements held by it or at law or in equity.

6.5 Dealing with Security

The Lenders may grant extensions of time or other indulgences, take and give up securities (including the Security or any part or parts thereof), accept compositions, grant releases and discharges and otherwise deal with the Borrower, the Obligors, and other parties and with security (including without limitation, the Security and each part thereof) as the Lenders may see fit, without prejudice to or in any way limiting the liability of the Borrower or a Obligor or any of their respective Subsidiaries under this Agreement or the other Financing Documents or under any of the Security or any other collateral security.

6.6 Discharge and Release of Security

Subject to the following sentence, the Obligors, or any of them, shall not be discharged from the Security or any part thereof except pursuant to a written release and discharge or other document to like effect signed by the Lenders. If an Obligor transfers an asset or assets in any manner not prohibited by this Agreement or the other Financing Agreements, such Obligor shall be entitled to obtain a release and discharge of the Security with respect to such asset or assets. If an Obligor creates or permits to subsist a lien referred to in paragraphs (e), (f) or (g) of the definition of Permitted Lien, such Obligor shall be entitled to obtain a subordination of the Lenders' liens and security interests to the property subject to such Permitted Lien.

Following all of the outstanding Obligations having been permanently repaid, paid, satisfied and discharged in full and the Loans having been fully, permanently and irrevocably cancelled, the interest of the Lenders in the Security shall be released and discharged.

SECTION 7 - AGENCY

7.1 Authorization and Action

Each Lender hereby appoints and authorizes the Security Agent to take such action as the Security Agent on its behalf and to exercise such powers under this Agreement and any other Financing Agreements as are delegated to the Security Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. The Security Agent hereby accepts such appointment and authorization on the terms and conditions set forth herein and acknowledges that it holds the Security as agent and trustee for the Lenders. Such appointment and authorization is subject to the Security Agent acting in compliance with the terms of the Financing

Agreements. Each Lender hereby authorizes the Security Agent to enter into the Security for the benefit of the Lenders in accordance with the terms hereof and thereof, and to exercise such rights and powers under this Agreement and the Security as are specifically delegated to the Security Agent by the terms hereof and thereof, together with such other rights and powers as a reasonably incidental thereto or as are customarily and typically exercised by an agent or trustee performing duties similar to the duties of the Security Agent hereunder and under the Security, subject, however, to any express limitations set forth herein or in the Security. As to any matters not expressly provided for by this Agreement or such other Financing Agreements, the Security Agent will not be required to exercise any discretion or take any action, but will be required to act or to refrain from acting (and will be fully indemnified and protected in so acting or refraining from acting) upon the upon written consent of Lenders holding more than 60% of the then outstanding principal amount of the Notes (the "**Majority Lenders**"). Instructions of the Majority Lenders and such instructions (and indemnification) will be binding upon all Lenders; provided that the Security Agent will not be required to take any action which exposes it to personal liability or which is contrary to this Agreement or such other Financing Agreements or Applicable Law.

7.2 Duration of Appointment

The Security Agent shall hold office until the Security Agent resigns or is removed (in each case, as contemplated in Section 7.8) or until the repayment in full of the Obligations.

7.3 Actions by Security Agent or Lenders

Notwithstanding anything contained in this Agreement or any Financing Agreements, any action to be taken by or any decision to be made by Lenders, including any instruction to the Security Agent, may be taken or made upon written consent of the Majority Lenders, effective at the date specified in the consent or resolution as its effective date or, if no such date is specified, the date the resolution or notice is sent to the Lenders to elicit their consents. Only the Security Agent shall have the right to solicit written consent of the Majority Lenders hereunder.

7.4 Duties and Obligations

The duties and obligations of the Security Agent hereunder will be mechanical and administrative in nature, will be as expressly set forth in this Agreement and the Security and may include any other functions assigned to it by the Majority Lenders, provided such other functions are expressly accepted by the Security Agent. The Security Agent shall have all powers as are reasonably incidental to the exercise of its duties and obligations under the Financing Agreements.

The Security Agent and its respective directors, officers, partners agents or employees will not be liable to any Lender for any action taken or omitted to be taken by it or them under or in connection with this Agreement or any other Financing Agreements except for actions taken in breach of any Financing Agreements or its or their own gross negligence or wilful misconduct. Without limiting the generality of the foregoing, the Security Agent:

(a) may treat any Lender as the payee of amounts attributable to such Lender's Note unless and until the Security Agent receives written notice of the assignment thereof signed by such Lender and the Security Agent receives the written agreement of the assignee that such assignee is bound hereby as if it had been an original Lender party hereto, in each case in form satisfactory to the Security Agent;

(b) may consult with legal counsel (including counsel for the Borrower), independent chartered accountants and other experts selected by it and will not be liable to the Lenders for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts;

(c) will incur no liability under or in respect of this Agreement or any other Financing Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by fax, electronic communication, telegram, cable, facsimile or similar means of recorded communication) believed by it to be genuine and signed or sent by the proper party or parties or by acting upon any representation or warranty of the Borrower made or deemed to be made hereunder or thereunder;

(d) may assume that no demand has been made;

(e) may rely as to any matters of fact which might reasonably be expected to be within the knowledge of any Person upon a certificate signed by or on behalf of such Person;

(f) makes no warranty or representation to any Lender and will not be responsible to any Lender for the accuracy or completeness of the documents, information or financial data made available to the Lenders in connection with the negotiation of this Agreement, or for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement or any other Financing Agreement;

(g) will not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or any other Financing Agreement on the part of the Borrower or any other Person or to inspect any assets (including books and records);

(h) will not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other Financing Agreement; and

(i) will have no other obligation or liability to any Lender except performing its obligations specified in this Agreement and no unstated functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against the Security Agent.

The Security Agent will promptly distribute to the Lenders copies of all material received from the Borrower in compliance with the Borrower's reporting obligations hereunder, at the expense of the Borrower.

7.5 Agents and Affiliates

The parties hereto acknowledge and agree that Avrio Subordinated Debt Limited Partnership II (the "**Avrio Lender**") is an affiliate of the Security Agent, but will nonetheless have the same rights and powers under this Agreement and every other Financing Agreement as any other Lender and may exercise the same as though it were not an agent; and the terms "Lender" and "Lenders" will for all purposes include the Avrio Lender. Each Lender and its affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower and its affiliates, or any corporation or other entity owned or controlled by such persons, and any Person which may do business with such Persons, all as if it were not a party hereto and without any duty to account therefor to any Lender; provided that nothing in this Section 7.5 will affect in any manner whatsoever any covenant or other obligation on the part of the Borrower or any other Person to be observed or performed under this Agreement or any other Financing Agreement.

7.6 Lender Credit Decision

It is understood and agreed by each Lender that it has itself been, and will continue to be, solely responsible for making its own independent appraisal of and investigations into the financial condition, creditworthiness, condition, affairs, status and nature of the Borrower and its affiliates and each has obtained or had the opportunity to obtain independent legal advice, separate from the Borrower, its affiliates, the Security Agent and each other Lender. Accordingly, each Lender confirms to the Security Agent, the Borrower and each other Lender that it has not relied, and will not hereafter rely, on the Security Agent or any other Lender:

(a) to verify or inquire on its behalf into the adequacy, accuracy or completeness of any information provided by or on behalf of the Borrower or any affiliate under or in connection with this Agreement or any other Financing Agreement or the transactions herein or therein contemplated (whether or not such information has been or is hereafter distributed to such Lender by the Security Agent; or

(b) to assess or keep under review on its behalf the financial condition, creditworthiness, condition, affairs, status or nature of the Borrower or any affiliate.

Each Lender acknowledges that a copy of this Agreement and the Security has been made available to it for its review and that it is satisfied with the form and substance hereof.

7.7 Indemnifications

Each Lender will severally and not jointly indemnify the Security Agent, each respective affiliate thereof, and each respective director, officer, partner and employee of the Security Agent and of each such affiliate (to the extent not reimbursed by the Borrower) (each an "**Indemnitee**"), with all other Lenders *pro rata* according to the respective original principal amounts of their respective Notes from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (each an "**Indemnified Expense**") which may be imposed on, incurred by, or asserted against the

Security Agent or any such affiliate, director, officer or employee in any way relating to or arising out of this Agreement or any other Financing Agreement or any action taken or omitted by the Security Agent or any such affiliate, director, officer or employee under this Agreement or any such other Financing Agreement to the extent that the Security Agent or such affiliate, director, officer or employee is not reimbursed for such expenses by the Borrower; provided that no Lender will be liable for any portion of an Indemnified Expense resulting from (i) the Security Agent's failure to comply with this Agreement or any other Financing Agreement; (ii) the gross negligence or willful misconduct of an Indemnitee; (iii) an action taken by the Security Agent on behalf of the Lenders without the approval of the Majority Lenders and in breach of this Agreement; or (iv) an omission by the Security Agent to take an action as directed by the Majority Lenders, in breach of this Agreement. Without limiting the generality of the foregoing, each Lender agrees to reimburse the Indemnitee promptly upon demand for its share (determined rateably as aforesaid) of any reasonable out-of-pocket expenses (including counsel fees) incurred by the Indemnitee in connection with the preservation of any rights of the Security Agent or the Lenders under, or the enforcement of, or legal advice in respect of rights or responsibilities under, this Agreement or any such other Financing Agreement, to the extent that the Indemnitee is not reimbursed for such expenses by the Borrower.

7.8 Resignation and Removal of the Security Agent

The Security Agent may, as hereinafter provided, resign at any time by giving 30 days' prior written notice thereof to the Lenders and to the Borrower or, if a Receiver has been appointed, to the Receiver. Such resignation shall be effective on the 30th day following the date that Security Agent has delivered its notice in accordance with the provisions of this Agreement. The Security Agent may be removed at any time by the Majority Lenders with or without any cause. For greater certainty, a Receiver (as defined in the General Security Agreement) appointed by the Security Agent under the General Security Agreement shall be entitled to dismiss the Security Agent and direct the Security Agent to deliver to the Receiver the Security with such endorsements, authorizations and transfers as the Receiver may request for the purpose of enabling the Receiver to enforce the Security for the benefit of the Lenders. Upon any such resignation or removal, the Lenders, after consultation with the Borrower, will have the right to appoint a successor agent, which will be a Lender or a chartered bank or trust company. If a Receiver has not been appointed, forthwith upon the resignation of the Security Agent becoming effective, the Lenders shall appoint a replacement Security Agent by a vote passed by the Majority Lenders and notify the Person who has resigned as Security Agent, the Borrower and the other Lenders of the identity and address of the replacement Security Agent, whereupon the Person which has resigned as Security Agent shall deliver the Security to the replacement Security Agent. If no successor agent has been so appointed by the Lenders and accepted such appointment within 30 days after the retiring Security Agent's giving of notice of resignation or the Lenders' removal of the retiring Security Agent, then the retiring Security Agent will on behalf of the Lenders forthwith designate one of the Lenders the interim successor Security Agent, and such designated Lender will act as Security Agent hereunder pending the appointment of its successor. Upon the acceptance of any appointment as Security Agent hereunder by a successor Security Agent, such successor Security Agent will thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Security Agent, and the retiring Security Agent will be discharged from any further duties and obligations under this Agreement. After any retiring Security Agent's resignation or removal hereunder as Security Agent, the provisions of this Section 7.8 will enure to its benefit as to any actions taken or omitted to be taken by it while it was Security Agent under this Agreement. If the Security Agent is dismissed pursuant to a vote passed by the Majority Lenders other than by dismissal by a Receiver, the Security Agent shall not deliver the Security to any Person unless such delivery is expressly authorized by the Majority Lenders. Notwithstanding a resignation of the Security Agent becoming effective, a Person who has resigned as Security Agent shall not deliver the Security to any Person other than a Receiver or a replacement Security Agent unless such delivery has been expressly authorized by the Majority Lenders or by the order of a court of competent jurisdiction.

7.9 Assignment of Security

Upon the resignation or removal of the Security Agent pursuant to this Agreement, the retiring Security Agent will assign and transfer to the successor Security Agent all of its right, title and interest, as agent, in and to the Financing Agreements. The successor Security Agent will ensure that all required notices, registrations and filings in connection with such assignment are given or made, as the case may be, and the Borrower will reimburse the successor Security Agent for and in respect of all of its reasonable costs and expenses in connection therewith.

SECTION 8 - REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties

To induce the Lenders to enter into this Agreement, the Borrower and each Obligor (but only to the extent applicable to an Obligor) hereby makes the representations and warranties described in Exhibit B (which shall survive the execution and delivery of this Agreement), the truth and accuracy of which are a continuing condition of the making and continuance of the Loans by the Lenders to the Borrower.

8.2 Survival of Warranties; Cumulative

All representations and warranties contained in this Agreement or any of the other Financing Agreements shall survive the execution and delivery of this Agreement and, to the extent applicable on such date, shall be deemed to have been made again to the Lenders on the date of each advance, additional borrowing or other credit accommodation hereunder and shall be conclusively presumed to have been relied on by the Lenders regardless of any investigation made or information possessed by the Lenders. The representations and warranties set forth herein shall be cumulative and in addition to any other representations or warranties which the Borrower or the other Obligors shall now or hereafter give, or cause to be given, to the Lenders.

SECTION 9 - AFFIRMATIVE AND NEGATIVE COVENANTS

9.1 Maintenance of Existence

Each Obligor shall at all times preserve, renew and keep in full, force and effect its corporate existence, if applicable, and rights and franchises with respect thereto and maintain in full force and effect all permits, licenses, trademarks, trade names, approvals, authorizations, leases and contracts necessary to carry on the business as presently or proposed to be conducted, except to the extent failure to so comply or failure to do so does not have and would not reasonably be expected to result in a Material Adverse Change. Borrower shall give Lenders thirty (30) days' prior written notice of any proposed change in any Obligors' corporate name, which notice shall set forth such new name and Borrower shall deliver, or cause to be delivered, to Lenders, a certified copy of the Certificate or Articles of Amendment of such Obligor providing for such name change promptly following its filing.

9.2 Compliance with Laws, Regulations, Etc.

(a) The Borrower shall, and shall cause each Obligor to, at all times, comply in all material respects with all Applicable Law except for any matter that the Borrower or the respective Obligor is contesting by appropriate proceedings diligently pursued or where such non-compliance could not reasonably be expected to result in a Material Adverse Change.

(b) Each Obligor shall, at its expense, take such measures as it deems reasonably necessary to ensure continued compliance with all material Environmental Laws applicable to all of its operations, which shall include annual reviews of such compliance by employees or agents of such Obligor who are familiar with the requirements of the Environmental Laws. Copies of all environmental surveys, audits, assessments, feasibility studies and results of remedial investigations shall be promptly furnished, or caused to be furnished, by each Obligor to the Lenders upon the request of the Lenders or when provided to the Senior Lenders. Each Obligor shall take prompt and appropriate action to respond to any material non-compliance with any of the Environmental Laws.

(c) Each Obligor shall give written notice to the Lenders promptly upon the Obligor's receipt of any notice of, or such Obligor's otherwise obtaining knowledge of, (i) the occurrence of any reportable event involving the release, spill or discharge, threatened or actual, of any Hazardous Material at, on, under or from any real property owned, leased or operated by such Obligor, or (ii) any investigation, proceeding, complaint, order, directive, claims, citation or notice with respect to: (A) any material non-compliance with or violation of any Environmental Law by such Obligor or (B) the reportable release, spill or discharge, threatened or actual, of any Hazardous Material at, on, under or from any real property owned, leased or operated by such Obligor, or (C) the generation, use, storage, treatment, transportation, manufacture, handling, production or disposal of any Hazardous Materials at, on, under or from any real property owned, leased or operated by such Obligor, or (D) any other environmental, health or safety matter; in each case of (A), (B), (C) and (D), which could reasonably be expected to result in a Material Adverse Change.

(d) Without limiting the generality of the foregoing, whenever the Lenders determines, acting reasonably, that there is material non-compliance, or any condition which requires any action by or on behalf of an Obligor in order to avoid any material non-compliance, with any Environmental Law, such Obligor shall, at the Lenders' request and such Obligor's expense: (i) cause an independent environmental engineer acceptable to the Lenders to conduct such tests of the site where such Obligor's non-compliance or alleged non-compliance with such Environmental Laws has occurred as to such non-compliance and prepare and deliver to the Lenders a report as to such non-compliance setting forth the results of such tests, a proposed plan for responding to any environmental problems described therein, and an estimate of the costs thereof and (ii) provide to the Lenders a supplemental report of such engineer whenever the scope of such non-compliance, or such Obligor's response thereto or the estimated costs thereof, shall change in any material adverse respect.

9.3 Payment of Taxes and Claims

The Borrower shall, and shall cause each Obligor to, duly pay and discharge all taxes, assessments, contributions and governmental charges upon or against it or its properties or assets, except to the extent failure to do so could not reasonably be expected to result in a Material Adverse Change and except for taxes the validity of which are being contested in good faith by appropriate proceedings diligently pursued and available to the Borrower or such Obligor and with respect to which adequate reserves have been set aside on its books.

9.4 Insurance

The Borrower shall, and shall cause each Obligor to, at all times, maintain with financially sound and reputable insurers insurance with respect to the Collateral against loss or damage and all other insurance of the kinds and in the amounts customarily insured against or carried by corporations of established reputation engaged in the same or similar businesses and similarly situated. Said policies of insurance shall be satisfactory to the Lenders, acting reasonably, as to form, amount and insurer. The Borrower shall furnish certificates to the Lenders as the Lenders shall reasonably require as proof of such insurance, and, if the Borrower fails to do so, the Lenders are authorized, but not required, to obtain such insurance at the expense of the Borrower. All policies shall provide for at least thirty (30) days' (or such lesser period as the insurer is only prepared to agree to) prior written notice to the Lenders of any cancellation or reduction of coverage and that the Lenders may act as attorney for the Borrower in obtaining, and at any time an Event of Default exists or has occurred and is continuing, adjusting, settling, amending and cancelling such insurance. The Borrower shall cause the Lenders to be named as a loss payee in respect of any insurance proceeds otherwise payable to an Obligor and as an additional insured (but without any liability for any premiums) in relation to third party liability under such insurance policies and the Borrower shall obtain non-contributory lender's loss payable endorsements or its equivalent in respect of any insurance proceeds to all insurance policies in the same form and substance as provided to the Senior Lenders. Such lender's loss payable endorsements or its equivalent shall specify that the proceeds of such insurance otherwise payable to an Obligor shall be payable to Lenders as its interests may appear and further specify that Lenders shall be paid regardless of any act or omission by Borrower or any of their Affiliates. If no Event of Default exists, Lenders shall release any insurance proceeds received by it to Borrower. If an Event of Default exists, at its option, Lenders may apply any insurance proceeds received by Lenders at any time to the cost of repairs or replacement of Collateral and/or to payment of the Obligations, whether or not then due, in any order and in such manner as the Lenders may determine or, if no Obligations are then due and payable, hold such proceeds as cash collateral for the Obligations to be applied in payment thereof as and when they become due and payable. All such rights of Lenders and obligations of Obligors are subordinate to the applicable rights of the Senior Lenders pursuant to the terms of the Senior Credit Agreements.

9.5 Financial Statements and Other Information

(a) The Borrower shall keep or cause to be kept, proper books and records in which true and complete entries shall be made of all dealings or transactions of or in relation to the Collateral and the business of each Obligor and its Subsidiaries (if any) in accordance with ASPE and each Obligor shall furnish or cause to be furnished to the Lenders:

(i) within forty-five (45) days after the end of each month, monthly unaudited unconsolidated financial statements for the Borrower and all Subsidiaries (including in each case balance sheets, statements of income and loss, statements of cash flow and statements of shareholders' equity), all in reasonable detail, fairly presenting the financial position and the results of the operations of the Borrower and all Subsidiaries as of the end of and through such month;

(ii) within thirty (30) days after the end of each fiscal quarter, quarterly unaudited consolidated and unconsolidated financial statements for the Borrower (including in each case balance sheets, statements of income and loss, statements of cash flow and statements of shareholders' equity), all in reasonable detail, fairly presenting the financial position and the results of the operations of the Borrower and all Subsidiaries as of the end of and through such fiscal quarter; and

(iii) within 120 days after fiscal year ending August 31, 2017, unaudited consolidated financial statements of the Borrower, audited consolidated financial statements of Morris Industries Ltd. and unaudited financial statements of the remaining Obligors together with the management discussion and analysis. Within 120 days after 2018 and subsequent fiscal years ending August 31, audited consolidated financial statements of the Borrower, audited consolidated financial statements of Morris Industries Ltd. and unaudited financial statements of the remaining Obligors, together with the management discussion and analysis.

(b) The Borrower shall promptly notify the Lenders in writing of the details of (i) any loss, damage, investigation, action, suit, proceeding or claim relating to the Collateral or any other property which is security for the Obligations and which could reasonably be expected to result in a Material Adverse Change, and (ii) the occurrence of any Default or Event of Default.

(c) The Lenders are, subject to Section 12.9, hereby authorized to deliver a copy of any financial statement or any other information relating to the business of an Obligor to any partner, participant or assignee or prospective partner participant or assignee, or, if required by Applicable Law, to any Governmental Authority. Each Obligor shall deliver to the Lenders, at the Borrower's expense, copies of the financial statements of each Obligor and any audit related reports prepared by their accountants or auditors on behalf of each Obligor and shall disclose to the Lenders such audit related reports; provided that, for greater certainty, such disclosure shall not relate to reports or letters which relate to business consulting services unrelated to audit services. Any documents, schedules, invoices or other papers delivered to the Lenders may be destroyed or otherwise disposed of by the Lenders one (1) year after the same are delivered to the Lenders, except as otherwise designated by the Borrower to the Lenders in writing.

(d) The Borrower shall, concurrently provide to the Lenders copies of all compliance certificates provided to Senior Lenders with respect to the financial covenants calculated in accordance with the Senior Credit Agreements as well as compliance with all other matters as required under the Senior Credit Agreements.

(e) The Borrower shall furnish to the Lenders, commencing in the 2018 fiscal year, at least (60) days prior to the commencement of each fiscal year, each Obligor's annual operating budget for the then following fiscal year, prepared on a monthly basis and including a detailed Capital Expenditures budget, which operating budget shall be approved by the Borrower's Board of Directors and shall include, without limitation, balance sheets, income statements and cash flows which include detail on a monthly basis reflecting Capital Expenditures, acquisitions and financing required in connection therewith.

(f) The Borrower shall promptly notify the Lenders of any default under any lease of any of the Obligors' leased premises where material Inventory is located.

(g) The Borrower shall promptly provide the Lenders with such other information, as from time to time may be reasonably requested by the Lenders and senior management of the Borrower shall meet with representatives of the Lenders on a regular basis, as reasonably requested by the Lenders.

9.6 Sale of Assets, Consolidation, Amalgamation, Dissolution, Etc.

No Obligor shall, without prior written consent of the Lenders; directly or indirectly, (a) amalgamate with any other Person or permit any other Person to amalgamate with it, (b) except for Permitted Dispositions, sell, assign, lease, transfer, abandon or otherwise dispose of any shares or indebtedness to any other Person or any of its assets to any other Person, (c) form or acquire any Subsidiary, unless such Subsidiary becomes an Obligor, (d) wind up, liquidate or dissolve, or (e) agree to do any of the foregoing.

9.7 Encumbrances

No Obligor shall, without prior written consent of the Lenders; create, incur, assume or suffer to exist any security interest, mortgage, pledge, lien, charge or other encumbrance of any nature whatsoever on any of its assets or properties, including the Collateral, except Permitted Liens.

9.8 Indebtedness

No Obligor shall, without prior written consent of the Lenders; incur, create, assume, become or be liable in any manner with respect to, or permit to exist, any indebtedness for borrowed money, except Permitted Debt; provided, that, as to such Permitted Debt: (i) no Obligor shall (A) amend, modify, alter or change any of its terms or any agreement, document or instrument related thereto if such amendment, modification, alteration or change is materially disadvantageous to such Obligor, or (B) redeem, retire, defease, purchase or otherwise acquire the obligations arising pursuant thereto, or set aside or otherwise deposit or invest any sums for such purpose, except in accordance with the terms and conditions thereof or permitted thereby, (ii) the Borrower shall furnish to the Lenders all notices of default or demands for accelerated payment in connection therewith either received by an Obligor or on its behalf, promptly after the receipt thereof, or sent by an Obligor or on its behalf, concurrently with the sending thereof, as the case may be.

Notwithstanding the foregoing, the Borrower and each Obligor may make such principal, interest and all other payments as are expressly required or permitted under the Senior Credit Agreements.

9.9 Loans, Investments, Guarantees, Etc.

No Obligor shall, without prior written consent of the Lenders; directly or indirectly, make any loans or advance money or property to any Person, or invest in (by capital contribution, dividend or otherwise) or purchase or repurchase the shares (other than as may be permitted in accordance with Section 9.10) or create indebtedness or acquire all or a substantial part of the assets or property of any Person, or guarantee, assume, endorse, or otherwise become responsible for (directly or indirectly) the indebtedness, performance, obligations or dividends of any Person or agree to do any of the foregoing, except: (a) the endorsement of instruments for collection or deposit in the ordinary course of business; (b) investments in: (i) short-term direct obligations of the Government of Canada, the United States of America or any political subdivision of either thereof or any instrumentality of any of the foregoing, (ii) negotiable certificates of deposit issued by any bank whose long-term debt is investment grade or is otherwise satisfactory to the Lenders, payable to the order of an Obligor or to bearer and delivered to the Lenders or the security entitlements to which are credited to an account control agreement to which the Lenders are party, and (iii) commercial paper rated A1 or P1.

9.10 Dividends and Redemptions

No Obligor shall, without prior written consent of the Lenders; directly or indirectly, declare or make any Restricted Payment or agree to do so, except as set out in Schedule 9.10.

9.11 Transactions with Affiliates

No Obligor shall, without prior written consent of the Lenders; directly or indirectly, (a) purchase, acquire or lease any property from, or sell, transfer or lease any property to, any senior officer, director or other person affiliated with an Obligor, that is not an Obligor, except in the ordinary course of and pursuant to the reasonable requirements of an Obligor's business and upon fair and reasonable terms no less favorable to an Obligor than an Obligor would obtain in a comparable arm's length transaction with an unaffiliated person or (b) make any payments of management, consulting or other fees for management or similar services, or of any indebtedness owing to any officer, employee, shareholder, director or other person affiliated with an Obligor, that is not an Obligor, except (x) reasonable compensation to officers, employees and directors or such other persons for services rendered to an Obligor in the ordinary course of business, (y) services fees for legal, tax and accounting services or (z) as otherwise may be permitted hereunder. For clarity, employee discount programs are permitted in the ordinary course of business.

9.12 Financial Covenants

The Borrower and the Obligors shall, at all times, maintain the financial covenants set forth in the Senior Credit Agreements on the date hereof, calculated according to ASPE.

9.13 Intellectual Property

In the event an Obligor obtains or applies for any rights related to Intellectual Property, the Borrower shall promptly notify the Lenders thereof and shall provide to the Lenders copies of all written materials including, but not limited to, applications and licenses with respect to such Intellectual Property. At the Lenders' request, an Obligor shall promptly execute and deliver to the Lenders an intellectual property security agreement granting to the Lenders a perfected security interest in such Intellectual Property in form and substance satisfactory to the Lenders, acting reasonably, subject to the interests of the Senior Lenders.

9.14 Additional Bank Accounts

The Obligors shall not, directly or indirectly, open, establish or maintain any deposit account, investment account or any other account with any bank or other financial institution, other than the accounts permitted under the Senior Credit Agreements.

9.15 Applications under the Companies' Creditors Arrangement Act

The Borrower acknowledges that its business and financial relationships with the Lenders are unique from its relationship with any other of its creditors. The Borrower agrees that no Obligor shall file any plan of arrangement under the CCAA (**"CCAA Plan"**) which provides for, or would permit directly or indirectly, the Lenders to be classified with any other creditor of any Obligor for purposes of such CCAA Plan or otherwise.

9.16 Operation of Pension Plans

(a) The Obligors shall administer the Pension Plans in material compliance with the requirements of the applicable pension plan texts, funding agreements, the *Income Tax Act* (Canada), all applicable provincial pension benefits legislation and all other Applicable Law.

(b) If requested by the Lenders, the Obligors shall deliver to the Lenders an undertaking of any funding agent for any of the Pension Plans stating that the funding agent shall promptly notify the Lenders of the Obligor's failure to make any required contribution to the applicable Pension Plan.

(c) The Obligors shall not accept payment of any amount from any of the Pension Plans without the prior written consent of the Lenders, acting reasonably.

(d) Without the prior written consent of the Lenders, acting reasonably, the Obligors shall not terminate, or cause to be terminated, any of the Pension Plans.

(e) The Obligors shall promptly provide the Lenders with any documentation relating to any of the Pension Plans as the Lenders may reasonably request. The Obligors shall notify the Lenders within 30 days of (i) a material increase in the liabilities of any of the Pension Plans, (ii) the establishment of a new registered pension plan, (iii) commencing payment of contributions to a Pension Plan to which the Obligors had not previously been contributing.

9.17 Costs and Expenses

The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Lenders, and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Lenders, in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the other Financing Agreements or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all out-of-pocket expenses incurred by Lenders or any Lenders, including the fees, charges and disbursements of counsel, in connection with the enforcement or protection of its rights in connection with this Agreement and the other Financing Agreements, including its rights under this Section and including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect thereof.

Without limiting the foregoing, the Borrower shall pay all costs, expenses, filing fees incurred and taxes paid or payable for which the Borrower is responsible in connection with the preparation, negotiation, execution, delivery, recording, administration, collection, liquidation, enforcement and defense of the Obligations, the Lenders' rights in the Collateral, this Agreement, the other Financing Agreements and all other documents related hereto or thereto, including any amendments, supplements or consents which may hereafter be contemplated (whether or not executed) or entered into in respect hereof and thereof, including: (a) all costs and expenses paid or incurred of filing or recording (including PPSA and/or UCC financing statements and other similar filing and recording fees and taxes, documentary taxes, intangibles taxes and mortgage recording taxes and fees, if applicable); (b) all insurance premiums, appraisal fees and search fees paid or incurred; (c) costs and expenses paid or incurred in respect of remitting loan proceeds, collecting cheques and other items of payment, together with Lenders' reasonable and customary charges and fees with respect thereto; (d) reasonable costs and expenses paid or incurred in respect of preserving and protecting the Collateral; (e) reasonable costs and expenses paid or incurred in connection with obtaining payment of the Obligations, enforcing the security interests and liens of the Lenders, selling or otherwise realizing upon the Collateral, and otherwise enforcing the provisions of this Agreement and the other Financing Agreements or defending any claims made or threatened against the Lenders arising out of the transactions contemplated hereby and thereby (including, without limitation, preparations for and consultations concerning any such matters); (f) the reasonable fees and disbursements of counsel (including legal assistants) to the Lenders in connection with any of the foregoing.

All amounts due under this Section and Section 3 shall be payable promptly after demand therefor. A certificate of the Lenders setting forth the amount or amounts owing to the Lenders, as specified in this Section, including reasonable detail of the basis of calculation of the amount or amounts, and delivered to the Borrower shall be *prima facie* evidence thereof absent manifest error.

9.18 Senior Credit Facilities

The Borrower covenants and agrees that the total aggregate principal amount that may be drawn down by the Obligors pursuant to the Senior Credit Facilities shall not exceed an aggregate amount of $37,000,000 without the prior written consent of the Lenders, which consent shall not be unreasonably withheld and which consent or non-consent shall be given within 5 Business Days of Borrower's request for consideration by Lenders. The Borrower further covenants not to refinance the Senior Credit Facilities without the prior written consent of the Lenders, which consent shall not be unreasonably withheld, and which consent or non-consent shall be given within 5 Business Days of Borrower's request for consideration by the Lenders, provided that the terms of such new facilities are (i) consistent with the provisions set forth above with respect to principal; and (ii) do not materially adversely affect the rights and position of the Lenders as a subordinated lender in relation to such replacement facilities. For clarity, in the event that the conditions set forth in subsections (i) and (ii) are not satisfied, the Lenders shall not have any obligation to provide its consent. In addition, for clarity, the term refinance shall not include any renewals, extensions of maturity dates, pricing conversions, or routine servicing actions, none of which shall require the consent of the Lenders under this Section 9.18.

9.19 Further Assurances

At the request of the Lenders at any time and from time to time, each Obligor shall, at its expense, duly execute and deliver, or cause to be duly executed and delivered, such further agreements, documents and instruments, including but not limited to, the granting and registering of a mortgage or charge against any Real Property of any Obligor as may be requested, and do or cause to be done such further acts as may be reasonably necessary or proper to evidence, perfect, maintain and enforce the security interests and liens and the priority thereof in the Collateral or any Real Property of the Obligors (subject to the rights and priority of the Senior Lenders, as applicable) and to otherwise effectuate the provisions or purposes of this Agreement or any of the other Financing Agreements. Where permitted by law, each Obligor hereby authorizes the Lenders to execute and file one or more PPSA and/or UCC or other financing statements or notices signed only by the Lenders or the Lenders' representative. For greater certainty, each Obligor, as applicable, shall deliver a new general security agreement to the Lenders on an annual basis in the same form as provided to the Senior Lenders under the Senior Credit Agreements to reflect limitations on the effectiveness of security granted over crops pursuant to the PPSA, the UCC or other Applicable Law.

9.20 Most Favoured Lenders

In the event an Obligor enters into any material loan agreement evidencing indebtedness in respect of borrowed money with any lender containing one or more covenants (i) which are more restrictive on an Obligor than the covenants set forth in this Agreement; or (ii) which has the effect of establishing rights or benefits for a lender more favorable in substance to such lender than any rights or benefits in favor of the Lenders hereunder; each Obligor agrees, at the request of the Lenders, to amend this Agreement to include such restrictive covenants or such additional rights for so long as such other borrowed money remains outstanding. Nothing in this Section 9.20 shall be interpreted as a waiver of any covenant of any Obligor.

SECTION 10 - EVENTS OF DEFAULT AND REMEDIES

10.1 Events of Default

The occurrence or existence of any one or more of the following events are referred to herein individually as an **"Event of Default"**, and collectively as **"Events of Default"**:

(a) if the Borrower fails to pay when due any payment of principal, interest or reimbursement obligation hereunder or under the Notes or any other Financing Agreement, and such amount remains outstanding for at least five (5) days following the required date of payment;

(b) if an Event of Default occurs under any of the Senior Credit Agreements which is not cured;

(c) if any Obligor fails to perform any of the terms, covenants, conditions or provisions contained in this Agreement (other than as set forth in paragraphs (a) and (b)) or contained in any of the other Financing Agreements and such failure to perform (if capable of being cured) is not cured within fifteen (15) days of notice from the Lenders to do so;

(d) if any material representation, warranty or statement of fact made by any Obligor to the Lenders in this Agreement, the other Financing Agreements or any other agreement, schedule, confirmatory assignment or otherwise is when made or deemed to be made, false or misleading in any material respect;

(e) if any Obligor revokes or terminates or questions the enforceability of this Agreement or any of the other Financing Agreements;

(f) unless covered by applicable insurance or letter of credit, if any judgment for the payment of money is rendered against any Obligor in excess of $250,000 in the aggregate and remains unsatisfied, undischarged and unvacated for a period in excess of thirty (30) days or if execution thereon has been initiated shall at any time not be effectively stayed before any such execution is carried out;

(g) if any Obligor, which is a partnership, limited liability company, limited partnership, limited liability partnership or a corporation, dissolves or suspends or discontinues doing business without the prior written consent of the Lenders;

(h) if a petition, case or proceeding under the bankruptcy laws of Canada or similar laws of any foreign jurisdiction now or hereafter in effect or under any insolvency, arrangement, reorganization, moratorium, receivership, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction now or hereafter in effect (whether at law or in equity) is filed or commenced against any Obligor or all or any part of its properties and such petition or application is not dismissed within thirty (30) days after the date of its filing or any Obligor shall file any answer admitting or not contesting such petition or application or indicates its consent to, acquiescence in or approval of, any such action or proceeding or the relief requested is granted sooner;

(i) if a petition, case or proceeding under the bankruptcy laws of Canada or similar laws of any foreign jurisdiction now or hereafter in effect or under any insolvency, arrangement, reorganization, moratorium, receivership, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction now or hereafter in effect (whether at a law or equity) is filed or commenced by any Obligor for all or any part of its property including, without limitation, if any Obligor shall:

(i) apply for or consent to the appointment of a receiver, trustee or liquidator of it or of all or a substantial part of its property and assets;

(ii) be unable, or admit in writing its inability, to pay its debts as they mature, or commit any other act of bankruptcy;

(iii) make a general assignment for the benefit of creditors;

(iv) file a voluntary petition or assignment in bankruptcy or a proposal seeking a reorganization, compromise, moratorium or arrangement with its creditors;

(v) take advantage of any insolvency or other similar law pertaining to arrangements, moratoriums, compromises or reorganizations, or admit the material allegations of a petition or application filed in respect of it in any bankruptcy, reorganization or insolvency proceeding; or

(vi) take any corporate action for the purpose of effecting any of the foregoing;

(j) if there occurs any default by any Obligor under any agreement, document or instrument relating to any indebtedness for borrowed money owing to any person other than the Lenders, or any capitalized lease obligations, contingent indebtedness in connection with any guarantee, letter of credit, indemnity or similar type of instrument in favour of any person other than the Lenders, in any case in an amount in excess of $250,000;

(k) if there is any Change of Control in respect of any Obligor without the Lenders' prior written consent;

(l) on the occurrence of a Material Adverse Change;

(m) if there is a breach or failure to comply by any Obligor with the provisions of any inter-creditor agreement or subordination agreement to which the Lenders are party with respect to any Obligor;

(n) if a requirement from the Minister of National Revenue for payment pursuant to Section 224 or any successor section of the *Income Tax Act* (Canada) or Section 317, or any successor section or any other Person in respect of Borrower of the *Excise Tax Act* (Canada) or any comparable provision of similar legislation of any jurisdiction shall have been received by the Lenders or any other Person in respect of the Borrower or otherwise issued in respect of the Borrower which is not satisfied or discharged, as applicable, within thirty (30) days; or

(o) if this Agreement or any other Financing Agreements, or any provision hereof or thereof, shall at any time after execution and delivery hereof or thereof, for any reason, cease to be a legal, valid and binding obligation of any Obligor or cease to be enforceable against any Obligor in accordance with its terms or shall be declared to be null and void and as a result of any of the foregoing, the rights of the Lenders, taken as a whole under the Financing Agreements, are materially prejudiced.

10.2 Remedies

(a) At any time an Event of Default exists or has occurred and is continuing, the Lenders shall have all rights and remedies provided in this Agreement, the other Financing Agreements, the PPSA, the UCC and other Applicable Law, all of which rights and remedies may be exercised without notice to or consent by any Obligor, except as such notice or consent is expressly provided for hereunder or required by Applicable Law and subject to the provisions of the Interlender Agreements. All rights, remedies and powers granted to the Lenders hereunder, under any of the other Financing Agreements, the PPSA, the UCC or other Applicable Law, are cumulative, not exclusive and enforceable, in the Lenders' discretion, alternatively, successively, or concurrently on any one or more occasions, and shall include, without limitation, the right to apply to a court of equity for an injunction to restrain a breach or threatened breach by any Obligor of this Agreement or any of the other Financing Agreements. At any time an Event of Default exists, the Lenders may, at any time or times, proceed directly against any Obligor to collect the Obligations without prior recourse to the Collateral, subject always to the Interlender Agreements. All such rights and remedies of Lenders are subordinate and subject to the rights of the Senior Lenders pursuant to the Senior Credit Agreements.

(b) Without limiting the foregoing, at any time an Event of Default exists or has occurred and is continuing, the Lenders may, by written notice to Borrower (a "**Notice of Termination**"), accelerate the payment of all Obligations and demand immediate payment thereof to the Lenders (provided, that, upon the occurrence of any Event of Default described in Sections 10.1(h) and 10.1(i), all Obligations shall automatically become immediately due and payable without the requirement to give any notice, and in such event, a Notice of Termination shall deemed to have been given). Following the delivery of a Notice of Termination by the Lenders, and subject to the rights of the Senior Lenders, the Lenders may, in its discretion and without limitation: (i) with or without judicial process or the aid or assistance of others, enter upon any premises on or in which any of the Collateral may be located and take possession of the Collateral or complete processing, manufacturing and repair of all or any portion of the Collateral and carry on the business of each Obligor, (ii) require each Obligor, at each Obligor's expense, to assemble and make available to the Lenders any part or all of the Collateral at any place and time designated by the Lenders, (iii) collect, foreclose, receive, appropriate, setoff and realize upon any and all Collateral, (iv) remove any or all of the Collateral from any premises on or in which the same may be located for the purpose of effecting the sale, foreclosure or other disposition thereof or for any other purpose, (v) sell, lease, transfer, assign, deliver or otherwise dispose of any and all Collateral (including entering into contracts with respect thereto, public or private sales at any exchange, broker's board, at any office of the Lenders or elsewhere) at such prices or terms as the Lenders may deem reasonable, for cash, upon credit or for future delivery, with the Lenders having the right to purchase the whole or any part of the Collateral at any such public sale, all of the foregoing being free from any right or equity of redemption of the Obligors, which right or equity of redemption is hereby expressly waived and released by the Obligors, (vi) borrow money and use the Collateral directly or indirectly in carrying on the Obligors' business or as security for loans or advances for any such purposes, (vii) grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges, and otherwise deal with the Obligors, debtors of the Obligors, sureties and others as the Lenders may see fit without prejudice to the liability of the Obligors or the Lenders' right to hold and realize the security interest created under any Financing Agreement, and/or (viii) terminate this Agreement. If any of the Collateral is sold or leased by the Lenders upon credit terms or for future delivery, the Obligations shall not be reduced as a result thereof until payment therefor is finally collected by the Lenders. If notice of disposition of Collateral is required by law, fifteen (15) days' prior notice by the Lenders to the Borrower designating the time and place of any public sale or the time after which any private sale or other intended disposition of Collateral is to be made, shall be deemed to be notice thereof and the Obligors waive any other notice. In the event the Lenders institutes an action to recover any Collateral or seeks recovery of any Collateral by way of pre-judgment remedy, the Obligors waive the posting of any bond which might otherwise be required.

(c) The Lenders shall apply the cash proceeds of Collateral actually received by the Lenders from any sale, lease, foreclosure or other disposition of the Collateral to payment of the Obligations in accordance with Section 2.5, subject always to the provisions of the Interlender Agreements. Obligors shall remain liable to the Lenders for the payment of any deficiency with interest at the highest rate provided for herein and all costs and expenses of collection or enforcement, including reasonable legal costs and expenses.

(d) Subject to the provisions of the Interlender Agreements, the Lenders may appoint, remove and reappoint any person or persons, including an employee or agent of the Lenders to be a receiver (the "**Receiver**") which term shall include a receiver and manager of, or agent for, all or any part of the Collateral. Any such Receiver shall, as far as concerns responsibility for his acts, be deemed to be the agent of the Obligors and not of the Lenders, and the Lenders shall not in any way be responsible for any misconduct, negligence or non-feasance of such Receiver, his employees or agents. Except as otherwise directed by the Lenders, all money received by such Receiver shall be received in trust for and paid to the Lenders. Such Receiver shall have all of the powers and rights of the Lenders described in this Section 10.2. The Lenders may, either directly or through its agents or nominees, exercise any or all powers and rights of a Receiver.

(e) Obligors shall pay all reasonable costs, charges and expenses incurred by the Lenders or any Receiver or any nominee or agent of the Lenders, whether directly or for services rendered (including, without limitation, reasonable solicitor's costs on a full indemnity basis, auditor's costs, other legal expenses and Receiver remuneration) in enforcing this Agreement or any other Financing Agreement and in enforcing or collecting Obligations and all such expenses together with any money owing as a result of any borrowing permitted hereby shall be a charge on the proceeds of realization and shall be secured hereby.

SECTION 11 - WAIVERS AND CONSENTS; GOVERNING LAW

11.1 Governing Law; Choice of Forum; Service of Process

(a) The validity, interpretation and enforcement of this Agreement and the other Financing Agreements and any dispute arising out of the relationship between the parties hereto, whether in contract, tort, equity or otherwise, shall be governed by the laws of the Province of Saskatchewan and the federal laws of Canada applicable therein; except as otherwise may be provided in the Financing Agreements applicable to Morris Industries (USA) Inc. or any other U.S. Obligors.

(b) Except as otherwise provided in the Financing Agreements applicable to Morris Industries (USA) Inc. or any other U.S. Obligors, the Obligors and the Lenders irrevocably consent and submit to the non-exclusive jurisdiction of the courts of the Province of Saskatchewan and waive any objection based on venue or *forum non conveniens* with respect to any action instituted therein arising under this Agreement or any of the other Financing Agreements or in any way connected with or related or incidental to the dealings of the parties hereto in respect of this Agreement or any of the other Financing Agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise, and agree that any dispute with respect to any such matters shall be heard only in the courts described above (except that the Lenders shall have the right to bring any action or proceeding against any Obligor or its property in the courts of any other jurisdiction which the Lenders deems necessary or appropriate in order to realize on the Collateral or to otherwise enforce the Lenders' rights against any Obligor or its property).

(c) To the extent permitted by Applicable Law, each Obligor hereby waives personal service of any and all process upon it and consents that all such service of process may be made by registered mail (return receipt requested) directed to its address set forth on the signature pages hereof and service so made shall be deemed to be completed five (5) days after the same shall have been so deposited in the Canadian mail, or, at the Lenders' option, by service upon the Obligors in any other manner provided under the rules of any such courts. Within thirty (30) days after such service, such Obligor shall appear in answer to such process, failing which such Obligor shall, to the extent the applicable rules of civil procedure allow or permit, be deemed in default and judgment may be entered by the Lenders against such Obligor for the amount of the claim and other relief requested.

(d) The Lenders shall not have any liability to any Obligor (whether in tort, contract, equity or otherwise) for losses suffered by any Obligor in connection with, arising out of, or in any way related to the transactions or relationships contemplated by this Agreement or any other Financing Agreement, or any act, omission or event occurring in connection herewith, unless it is determined by a final judgment or court order binding on the Lenders, that the losses were the result of any breach of any Financing Agreements or acts or omissions constituting gross negligence or willful misconduct. In any such litigation, the Lenders shall be entitled to the benefit of the rebuttable presumption that it acted in good faith and with the exercise of ordinary care in the performance by it of the terms of this Agreement or any other Financing Agreement. Notwithstanding the foregoing, no claim may be made by Obligors or any other Person against the Lenders or the Affiliates, directors, officers, employees, or agents of any of them for any special, indirect, consequential or punitive damages in respect of any claim for breach of contract of any other theory of liability arising out of or related to the transactions contemplated by this Agreement or any other Financing Agreement, or any act, omission or event occurring in connection therewith, and each Obligor hereby waives, releases and agrees not to sue upon any claim for such damages, whether or not accrued and whether or not known or suspected to exist in its favour.

(e) Each Obligor hereby expressly waives, to the extent permitted by Applicable Law, all rights of notice and hearing of any kind prior to the exercise of rights by the Lenders at any time an Event of Default exists to repossess the Collateral with judicial process or to replevy, attach or levy upon the Collateral or other security for the Obligations. Each Obligor hereby waives, to the extent permitted by Applicable Law, the posting of any bond otherwise required of the Lenders in connection with any judicial process or proceeding to obtain possession of, replevy, attach or levy upon the Collateral or other security for the Obligations, to enforce any judgment or other court order entered in favour of the Lenders, or to enforce by specific performance, temporary restraining order, preliminary or permanent injunction, this Agreement or any other Financing Agreement.

11.2 Waiver of Notices

Each Obligor hereby expressly waives, to the extent permitted by Applicable Law, demand, presentment, protest and notice of protest and notice of dishonour with respect to any and all instruments and commercial paper, included in or evidencing any of the Obligations or the Collateral, and any and all other demands and notices of any kind or nature whatsoever with respect to the Obligations, the Collateral and this Agreement, except such as are expressly provided for herein. No notice to or demand on any Obligor which the Lenders may elect to give shall entitle such Obligor to any other or further notice or demand in the same, similar or other circumstances.

11.3 Amendments and Waivers

Any term, covenant or condition of any of the Financing Agreements may only be amended with the prior consent of Borrower and the Lenders or compliance therewith may be waived (either generally or in a particular instance and either retroactively or prospectively) by the Lenders and in any such event the failure to observe, perform or discharge any such covenant, condition or obligation, so amended or waived (whether such amendment is executed or such consent or waiver is given before or after such failure) shall not be construed as a breach of such covenant, condition or obligation or as a Default or Event of Default.

11.4 Waiver of Counterclaims

Except as otherwise provided in the Financing Agreements with respect to Lenders' gross negligence, fraud or intentional misconduct, each Obligor waives all rights to interpose any claims, deductions, setoffs or counterclaims of any nature (other than compulsory counterclaims) in any action or proceeding with respect to this Agreement, the other Financing Agreements, the Obligations, the Collateral or any matter arising therefrom or relating hereto or thereto.

SECTION 12 - MISCELLANEOUS

12.1 Notices; Effectiveness; Electronic Communication

(a) **Notices Generally.** Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile to the addresses or facsimile numbers specified elsewhere in this Agreement or, if to the Lenders, to it at its address or facsimile number specified in this Agreement or, if to an Obligor other than Borrower, in care of Borrower.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given on a Business Day between 9:00 a.m. and 5:00 p.m. local time where the recipient is located, shall be deemed to have been given at 9:00 a.m. on the next Business Day for the recipient). Notices delivered through electronic communications to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) **Electronic Communications.** Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and internet or intranet websites) pursuant to procedures approved by the Lenders. The Lenders or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Lenders otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) **Change of Address, Etc.** Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the Lenders and the other parties hereto.

12.2 Partial Invalidity

If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid or unenforceable and the rights and obligations of the parties shall be construed and enforced only to such extent as shall be permitted by Applicable Law.

12.3 Successors and Assigns

(a) **Successors and Assigns Generally.** The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Obligor may assign or otherwise transfer any of its rights or obligations hereunder or under any other Financing Agreement without the prior written consent of the Lenders and the Lenders may not assign or otherwise transfer any of its rights or obligations hereunder except in accordance with the provisions of paragraph (b) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, and, to the extent expressly contemplated hereby, the Related Parties of the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) **Assignments by Lenders.** Each of the Lenders may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement or the Notes (including all or a portion of the Loans at the time owing to it); <u>provided</u> that:

(i) except if an Event of Default has occurred and is continuing, the assignee shall not be a non-resident (as defined in the *Income Tax Act* (Canada));

(ii) except if an Event of Default has occurred and is continuing or in the case of an assignment of the entire remaining amount of the Loans or in the case of an assignment to an Affiliate of a Lender or an Approved Fund with respect to the Lenders, the principal outstanding balance of the Loans (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the applicable Lender or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$750,000 unless the Lenders and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents to a lower amount (each such consent not to be unreasonably withheld or delayed);

(iii) each partial assignment shall be made as an assignment of a proportionate part of all the applicable Lender's rights and obligations under this Agreement with respect to the

Loans assigned, except that this clause (iii) shall not prohibit a Lender from assigning all or a portion of its rights and obligations among separate credits on a non-*pro rata* basis; and

(iv) the parties to each assignment shall execute and deliver to the Lenders an Assignment and Assumption.

If an Event of Default has occurred and is continuing, each of the Lenders may assign to one or more persons, all or a portion of its rights under this Agreement, the Notes or the Security.

From and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of the Lenders under this Agreement and the other Financing Agreements, including any collateral security, and the Lenders shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of SECTION 5 and Section 9.17, and shall continue to be liable for any breach of this Agreement by such Lender, with respect to facts and circumstances occurring prior to the effective date of such assignment. Any payment by an assignee to either of the Lenders in connection with an assignment or transfer shall not be or be deemed to be a repayment by the Borrower or a new Loan to Borrower.

12.4 Entire Agreement

This Agreement, the other Financing Agreements, any supplements hereto or thereto, and any instruments or documents delivered or to be delivered in connection herewith or therewith represents the entire agreement and understanding concerning the subject matter hereof and thereof between the parties hereto, and supersede all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written, including without limitation the term sheet dated on or about June 20, 2017. In the event of any inconsistency between the terms of this Agreement and any schedule or exhibit hereto, the terms of this Agreement shall govern.

12.5 Headings

The division of this Agreement into Sections and the insertion of headings and a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

12.6 Judgment Currency

To the extent permitted by Applicable Law, the obligations of Borrower in respect of any amount due under this Agreement shall, notwithstanding any payment in any other currency (the "**Other Currency**") (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the currency in which it is due (the "**Agreed Currency**") that the Lenders may, in accordance with normal banking procedures, purchase with the sum paid in the Other Currency (after any premium and costs of exchange) on the Business Day immediately after the day on which the Lenders receives the payment. If the amount in the Agreed Currency that may be so purchased for any reason falls short of the amount originally due, the Borrower shall pay all additional amounts, in the Agreed Currency, as may be necessary to compensate for the shortfall. Any obligation of the Borrower not discharged by that payment shall, to the extent permitted by Applicable Law, be due as a separate and independent obligation and, until discharged as provided in this Section, continue in full force and effect.

12.7 Counterparts; Integration; Effectiveness; Electronic Execution

(a) **Counterparts; Integration; Effectiveness.** This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Except as provided in the conditions precedent Section(s) of this Agreement, this Agreement shall become effective when it has been executed by the Lenders and when the Lenders has received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) **Electronic Execution of Assignments.** The words "execution", "signed", "signature", and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable law, including Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada) and other similar federal or provincial laws based on the *Uniform Electronic Commerce Act* of the Uniform law Conference of Canada or its *Uniform Electronic Evidence Act*, as the case may be.

12.8 Credit Information

The Borrower hereby consents to the collection, use, exchange and disclosure on a confidential basis of credit or other information from time to time by the Lenders with its partners, any other financial institution, credit bureau, credit reporting agency and any Person with whom Borrower may have business dealings with for the purpose of managing and administering the Loans. The Borrower understands that this information may be used for any purpose relating to the Loans, including, without limitation, the exercise of the Lenders' rights hereunder or under any other agreement or document contemplated hereunder.

12.9 Confidentiality

The Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to each of its, and each of its Affiliates', limited partners, directors, officers, employees, agents and advisors, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made shall be informed of the confidential nature of such Information and shall be instructed and agree to keep such Information confidential), (b) to the extent requested by any regulatory authority or other Governmental Authority, or their legal counsel, (c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under any Financing Agreement or any suit, action or proceeding relating to any Financing Agreement or the enforcement of rights thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any actual or prospective assignee of or Participant (or such assignee's or Participant's advisors) in any of its rights or obligations under this Agreement, or (g) with the consent of the Borrower. For the purposes of this Section, "**Information**" means all information received from the Borrower or any Obligor relating to the Borrower, any of the Obligors, or their respective businesses, other than Information that (i) is or becomes publicly available other than as a result of a breach of this Section, (ii) is or becomes available to the Lenders on a non-confidential basis prior to disclosure by the Borrower, (iii) was already in the possession of the Lenders or not subject to any duty of confidentiality prior to its disclosure by the Borrower or any other Obligor or (iv) is marked "non-confidential" (or such other words or expression having the same or similar meaning by the Borrower or any other Obligor). Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information, acting prudently.

12.10 Right to Conduct Activities

The Borrower acknowledges that the Lenders may invest in other entities, some of which may be competitive with the Obligors or their Affiliates. The Lenders shall not be liable to the Obligors or any Affiliates for any claim arising out of, or based on: (i) the investment by the Lenders or any of its Affiliates in any entity competitive to the Obligors or their Affiliates; or (ii) actions taken by any partner, officer or other representative of the Lenders or its Affiliates to assist such entity (in the capacity as a director of such entity or otherwise), whether or not such action has a detrimental effect on the Obligors or any of their Affiliates, provided that the Lenders will, in all circumstances, maintain the confidentiality of all information provided to it by any Obligor or Affiliate, pursuant to the provisions of Section 12.9 hereof.

12.11 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of any other Financing Agreement, the provisions of this Agreement shall prevail and be paramount. If any covenant, representation, warranty or event of default contained in any other Financing Agreement deals differently with, is in conflict with or is inconsistent with a provision of this Agreement relating to the same specific matter, such covenant, representation, warranty or event of default shall be deemed to be amended to the extent necessary to ensure that it does not deal differently with, is not in conflict with or inconsistent with the provision of this Agreement relating to the same specific matter.

[Signature pages follow]

IN WITNESS WHEREOF, the Lenders and the Borrower have caused these presents to be duly executed as of the day and year first above written.

LENDERS

AVRIO SUBORDINATED DEBT LIMITED PARTNERSHIP II, by its general partner, AVRIO SUBORDINATED DEBT GENERAL PARTNER II LTD.

Per: ____________________
Name: Daniel McCrimmon
Title: Director

Per: ____________________
Name:
Title:

Address:

500, 400 Crowfoot Business Center NW
Calgary AB T3G 5H6

Attention: Dan McCrimmon
Fax: (403) 215-5495

2040842 ALBERTA LTD.

Per: ____________________
Name:
Title:

Per: ____________________
Name:
Title:

Address:
Suite 540 – 2424 4th Street SW
Calgary, AB T2S 2T4
Attention: ____________
Fax: ________________

SECURITY AGENT

AVRIO SUBORDINATED DEBT GENERAL PARTNER II LTD.

Per: ______________________________
Name: Daniel McCrimmon
Title: Director

Per: ______________________________
Name:
Title:

Address:

500, 400 Crowfoot Business Center NW
Calgary AB T3G 5H6

Attention: Dan McCrimmon
Fax: (403) 215-5495

BORROWER

101098672 SASKATCHEWAN LTD.

Per: ______________________________
Ben Voss, President and CEO

Chief Executive Office Address:

2131 Airport Drive
Saskatoon, SK S7L 7E1

Attention: Ben Voss
Fax: ______________________

IN WITNESS WHEREOF, the Lenders and the Borrower have caused these presents to be duly executed as of the day and year first above written.

LENDERS

AVRIO SUBORDINATED DEBT LIMITED PARTNERSHIP II, by its general partner, AVRIO SUBORDINATED DEBT GENERAL PARTNER II LTD.

Per: ____________________
Name:
Title:

Per: ____________________
Name:
Title:

Address:

500, 400 Crowfoot Business Center NW
Calgary AB T3G 5H6

Attention: Dan McCrimmon
Fax: (403) 215-5495

2040842 ALBERTA LTD.

Per: ____________________
Name: Jeff Padden
Title: Director

Per: ____________________
Name:
Title:

Address:
Suite 540 – 2424 4th Street SW
Calgary, AB T2S 2T4
Attention: Keith Brown
Fax: ____________

Acknowledgement

Each of the undersigned Obligors hereby acknowledges and agrees to be bound by the terms and conditions contained in this Agreement, as of the day and year first above written.

MORRIS INDUSTRIES LTD.

Per: ______________________
Ben Voss, President and CEO

Chief Executive Office Address:

2131 Airport Drive
Saskatoon, SK S7L 7E1
Attention: Ben Voss
Fax: ______________________

CONTOUR REALTY INC.

Per: ______________________
Ben Voss, President and CEO

Chief Executive Office Address:

2131 Airport Drive
Saskatoon, SK S7L 7E1
Attention: Ben Voss
Fax: ______________________

MORRIS SALES & SERVICE LTD.

Per: ______________________
Ben Voss, President and CEO

Chief Executive Office Address:

2131 Airport Drive
Saskatoon, SK S7L 7E1
Attention: Ben Voss
Fax: ______________________

MORRIS INDUSTRIES (USA) INC.

Per: ______________________
Ben Voss, President and CEO

Chief Executive Office Address:

2131 Airport Drive
Saskatoon, SK S7L 7E1
Attention: Ben Voss
Fax: ______________________

Exhibit A
Definitions

1. **"Accounts"**

"Accounts" shall mean all present and future rights of an Obligor to payment for goods sold or leased or for services rendered, and whether or not earned by performance.

2. **"Affiliate"**

"Affiliate" means, with respect to a specified Person, another Person that directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the Person specified.

3. **"Applicable Law"**

"Applicable Law" means (a) any domestic or foreign statute, law, treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise); (b) any judgement, order, writ, injunction, decision, ruling, decree or award; (c) any regulatory policy, practice, guideline or directive; or (d) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person; in each case to the extent having the force of law.

4. **"Approved Fund"**

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

5. **"ASPE"**

"ASPE" means Canadian accounting standards for private enterprises as provided from time to time by the Canadian Institute of Chartered Accountants and applied on a consistent basis.

6. **"Assignment and Assumption"**

"Assignment and Assumption" means an assignment and assumption entered into by the Lenders and an assignee, in substantially the form of Exhibit D or any other form approved by the Lenders.

7. **"BIA"**

"BIA" shall mean the *Bankruptcy and Insolvency Act* (Canada), as amended, supplemented, restated and superseded, in whole or in part, from time to time.

8. **"Business Day"**

"Business Day" shall mean a day (other than a Saturday, Sunday or statutory holiday in Alberta) on which the Lenders are open for business in the City of Calgary in the normal course.

9. **"Canadian Dollar Amount"**

"Canadian Dollar Amount" shall mean, at any time, (a) as to any amount denominated in Canadian Dollars, the amount thereof at such time, and (b) as to any amount denominated in any other currency, the equivalent amount in Canadian Dollars as determined by Lenders at such time on the basis of the Spot Rate for the purchase of Canadian Dollars with such currency.

10. **"Capital Expenditures"**

"Capital Expenditures" shall mean, for any fiscal period, any amounts accruing or paid in respect of any purchase or other acquisition for value of capital assets, and for greater certainty, excludes the value of any trade-in exchanged on such purchase and acquisition and amounts expended in respect of (i) the normal repair and maintenance of capital assets in the ordinary course of business, (ii) repair or replacement of capital assets the payment for which is funded by insurance proceeds, (iii) any business acquisition or (iv) capital lease payments.

11. **"CCAA"**

"CCAA" shall mean the *Companies' Creditors Arrangement Act* (Canada), as amended, supplemented, restated and superseded, in whole or part, from time to time.

12. **"Change of Control"**

"Change of Control" means if any person, excluding existing holders of such Equity Interests, acquires, directly or indirectly, alone or in concert with other persons within the meaning of *The Securities Act* (Saskatchewan), over a period of time or at any one time, Equity Interests of a person aggregating in excess of 50% of all of the issued and outstanding Voting Equity Interests; provided that the Borrower shall cause any new shareholder of each Obligor to provide to the Lenders a pledge of all of such shareholder's shares in the capital of such Obligor promptly upon becoming a shareholder.

13. **"Closing Date"**

"Closing Date" means the date on which the last of the conditions precedent to the extension of the Loans by the Lenders to the Borrower has been completed or satisfied.

14. **"Collateral"**

"Collateral" shall mean, collectively, Collateral as such term is defined in the General Security Agreements and all Real Property charged by mortgages or other security interests from time to time.

15. **"Default"**

"Default" means any event or condition that constitutes an Event of Default or that would constitute an Event of Default except for satisfaction of any condition subsequent required to make the event or condition an Event of Default, including giving of any notice, passage of time, or both.

16. **"EBITDA"**

"EBITDA" means in respect of any fiscal period, the consolidated net income of the Obligors in such fiscal period plus (x) without duplication and to the extent deducted in determining net income for such period, the sum of (i) Interest expense for such period, (ii) income tax expense for such period, (iii) all amounts attributable to depreciation and amortization expense for such period, (iv) any extraordinary non-cash or non-recurring charges for such period which are satisfactory and approved by the Lenders acting reasonably (excluding any loss or charge from any sale, transfer, lease or other disposition of assets during such period), minus (y) without duplication and to the extent included in net income for such period, the sum of any extraordinary non-cash or non-recurring gains for such period and any non-cash items of income for such period (excluding any gain from any sale, transfer, lease or other disposition of assets during such period); all determined in accordance with GAAP;

17. **"Eligible Assignee"**

"Eligible Assignee" means any Person (other than a natural person, any Obligor or any Affiliate of an Obligor), in respect of which any consent that is required by Section 12.3(b) has been obtained and any Person in respect of which no consent is required by Section 12.3(b).

18. **"Environmental Laws"**

"Environmental Laws" shall mean with respect to any Person all Applicable Law relating to health, safety, hazardous, dangerous or toxic substances, waste or material, pollution and environmental matters, as now or at any time hereafter in effect, applicable to such Person and/or its business and facilities (whether or not owned by it), including laws relating to emissions, discharges, releases or threatened releases of pollutants, contamination, chemicals, or hazardous, toxic or dangerous substances, materials or wastes into the environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata) or otherwise relating to the generation, manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals, or hazardous, toxic or dangerous substances, materials or wastes.

19. **"Equity Interests"**

"Equity Interests" means (a) in respect of a corporation, shares in its capital stock (including common and preferred shares), (b) in respect of a general partnership or a limited partnership, any partnership interest therein and any interest in the income or capital of or distributions from such partnership, whether any such interest is denominated in units or not; (c) in respect of a trust, any beneficial interest therein or in the assets or income thereof, whether denominated in units or not; and (d) in respect of any other person, any similar or corresponding interest in its capital, assets or equity; and includes any right, warrant, option or other security conferring a right to acquire any of the foregoing.

20. **"Event of Default"**

"Event of Default" shall mean the occurrence or existence of any event or condition described in Section 10.1 hereof.

21. **"Excluded Taxes"**

"Excluded Taxes" means, with respect to the Lenders or any other recipient of any payment to be made by or on account of any obligation of an Obligor hereunder, (a) taxes imposed on or measured by its capital, net income, and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lenders, in which its applicable lending office is located; and (b) any branch profits taxes or any similar tax imposed by any jurisdiction in which the Lenders are located.

22. **"Financing Agreements"**

"Financing Agreements" shall mean, collectively, this Agreement, the Notes, the Security, pledge agreements and all notes, assignments, guarantees, security agreements, mortgages and other agreements, documents and instruments now or at any time hereafter executed and/or delivered by any Obligor in connection with this Agreement, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

23. **"Fund"**

"Fund" means any Person (other than a natural person) that is (or shall be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

24. **"Funded Debt"**

"Funded Debt" means all indebtedness of the Borrower on a consolidated basis, for borrowed money (excluding normal course trade payables, deferred taxes and accrued liabilities), but excluding the loan or loans from Western Economic Development.

25. **"Funded Debt to EBITDA"**

"Funded Debt to EBITDA" means, in respect of the Borrower on a consolidated basis for any fiscal quarter calculated on a trailing four fiscal quarter basis, the ratio of Funded Debt to EBITDA

26. **"General Security Agreements"**

"General Security Agreements" shall mean the general security agreements and hypothecs (if applicable) given by Obligors in favour of the Lenders in respect of the Obligations.

27. **"Governmental Authority"**

"Governmental Authority" means the Government of Canada or any other nation, or of any political subdivision thereof, whether provincial, state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

28. **"Hazardous Materials"**

"Hazardous Materials" shall mean any hazardous, toxic or dangerous substances, materials and wastes, including, without limitation, hydrocarbons (including naturally occurring or man-made petroleum and hydrocarbons), flammable explosives, asbestos, urea formaldehyde insulation, radioactive materials, biological substances, polychlorinated biphenyls, pesticides, herbicides and any other kind and/or type of pollutants or contaminants (including, without limitation, materials which include hazardous constituents), sewage, sludge, industrial slag, solvents and/or any other similar substances, materials, or wastes and including any other substances, materials or wastes that are or become regulated under any Environmental Law (including, without limitation any that are or become classified as hazardous or toxic under any Environmental Law).

29. **"Indemnified Liabilities"**

"Indemnified Liabilities" has the meanings ascribed thereto in Section 3.2(a) and 3.2(b) hereof.

30. **"Indemnified Parties"**

"Indemnified Parties" has the meaning ascribed thereto in Section 3.2(a) hereof.

31. **"Indemnified Taxes"**

"Indemnified Taxes" means Taxes other than Excluded Taxes.

32. **"Intellectual Property"**

"Intellectual Property" shall mean all issued patents and patent applications, industrial design registrations, trade-marks, registrations and applications therefor, trade-names and styles, logos, copyright registrations and applications therefor which are owned by or licensed to an Obligor and used in or necessary to the operation of its business.

33. **"Interest Payment Date"**

"Interest Payment Date" shall have the meaning subscribed thereto in Section 2.3(b)(i).

34. **"Interest Rate"**

"Interest Rate" means: (i) a rate of 11% per annum, calculated and compounded quarterly for the first twelve months the Loans are outstanding; and thereafter (i) 11% per annum for any period in which the Funded Debt to EBITDA ratio is 3:1 or greater; or (ii) 9% per annum if the Borrower, on a consolidated basis, achieves a Funded Debt to EBITDA ratio of less than 3:1, tested quarterly.

35. **"Interlender Agreements"**

"Interlender Agreements" means all priority agreements, interlender agreements or subordination agreements which may be entered into between the Lenders and a Senior Lenders from time to time, each as may be amended, restated or replaced.

36. **"Inventory"**

"Inventory" means inventory of each Obligor as defined under the PPSA or the UCC, as applicable.

37. **"Loans"**

"Loans" shall mean the term loans in the aggregate principal amount not exceeding four million ($4,000,000) dollars to be extended by the Lenders to the Borrower pursuant to the terms of this Agreement.

38. **"Majority Lenders"**

"Majority Lenders" has the meaning ascribed thereto in Section 7.1 hereof.

39. **"Material Adverse Change"**

"Material Adverse Change" means any material adverse change in:

(a) the business, financial condition, operations, assets or properties of any of the Obligors which, taken as a whole, would reasonably be expected to adversely affect the ability of the Borrower to repay the Obligations; or

(b) the validity or enforceability of this Agreement or any other Financing Agreement; or

(c) the rights and remedies of the Lenders under this Agreement or any other Financing Agreement taken as a whole.

40. **"Material Contracts"**

"Material Contracts" means all contracts and agreements, written or unwritten, which are material to the operation of the business of the Borrower or any of the Obligors, all of which are listed in Exhibit H hereto.

41. **"Maturity Date"**

"Maturity Date" shall mean August 31, 2021.

42. **"Notes"**

"Notes" means the non-negotiable promissory notes to be issued by the Borrower to the Lenders as evidence of the Loans.

43. **"Notice of Termination"**

"Notice of Termination" has the meaning given to such term in Section 10.2(b).

44. **"Obligations"**

"Obligations" shall mean the Loans and all other obligations, liabilities and indebtedness of every kind, nature and description owing by any Obligor to the Lenders or its Affiliates, including principal, interest, charges, fees, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, arising under this Agreement or the other Financing Agreements, whether now existing or hereafter arising, whether arising before, during or after the initial or any renewal term of this Agreement or after the commencement of any proceeding with respect to any Obligor under the BIA, the CCAA, or any similar statute in any jurisdiction (including the payment of interest and other amounts which would accrue and become due but for the commencement of such proceeding, whether or not such amounts are allowed or allowable in whole or in part in such proceeding), whether direct or indirect, absolute or contingent, joint or several, due or not due, primary or secondary, liquidated or unliquidated, secured or unsecured, and however acquired by the Lenders or its Affiliates.

45. **"Obligor"**

"Obligor" shall mean Borrower and any guarantor, endorser, acceptor, surety or other person liable on or with respect to the Obligations or who is the owner of any property which is security for the Obligations. For greater certainty, any future subsidiary of the Borrower, Morris Industries Ltd., Morris Industries (USA) Inc., Contour Realty Inc. and Morris Sales & Service Ltd. shall be required to be an Obligor.

46. **"Other Taxes"**

"Other Taxes" means all present or future documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Financing Agreement or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Financing Agreement, other than Excluded Taxes.

47. **"Outstanding Principal Obligations"**

"Outstanding Principal Obligations" means, in relation to each Lender, at any time, the aggregate principal amount advanced by such Lender, plus all capitalized interest or overdue interest, less any and all payments of principal made in reduction of such amount.

48. **"Pension Plans"**

"Pension Plans" shall mean all benefit plans providing pensions, superannuation benefits or retirement savings, including pension plans, top up pensions or supplemental pensions, "registered retirement savings plans" (as defined in the *Income Tax Act* (Canada)), "registered pension plans" (as defined in the *Income Tax Act* (Canada)) and "retirement compensation arrangements" (as defined in the *Income Tax Act* (Canada)) which an Obligor sponsors or administers or into which an Obligor makes contributions.

49. **"Permitted Debt"**

"Permitted Debt" means (a) the Obligations; (b) trade obligations, taxes, governmental duties and charges and normal accruals in the ordinary course of business not past due, or with respect to which an Obligor is contesting the amount or validity thereof by appropriate proceedings diligently pursued and available to such Obligor, and with respect to which adequate reserves (to the extent required in accordance with ASPE) have been set aside on its books; (c) purchase money indebtedness (including capital leases) to the extent not incurred or secured by liens (including capital leases) in violation of any other provision of this Agreement, or if such purchase money indebtedness (including capital leases) is secured, such indebtedness does not exceed in aggregate Cdn.$250,000; (d) the indebtedness set forth on Schedule 9.8 hereto; and (e) the Senior Credit Facilities, to a maximum aggregate amount of $37,000,000.

50. **"Permitted Disposition"**

"Permitted Disposition" means sales or dispositions of inventory in the ordinary course of business and any of the following:

(a) a sale or disposition in the ordinary course of business and in accordance with sound industry practice of property that is obsolete, no longer used or useful for its intended purpose or is being replaced in the ordinary course of business;

(b) disposals of assets between Obligors;

(c) disposals of defaulted Accounts in order to realize on them in a commercially responsible manner;

(d) sales, exchanges and other dispositions of short term investments in securities in the ordinary course of business;

(e) sales or dispositions of assets in addition to those permitted elsewhere in this definition provided that the gross sale proceeds and fair market value of the assets so sold or disposed of does not exceed Cdn. $250,000 in any fiscal year and the net proceeds from such sale or disposition are either reinvested in the business of Borrower or paid to the Lenders.

51. **"Permitted Liens"**

"Permitted Liens" means (a) liens and security interests of the Lenders under or pursuant to this Agreement and any other Financing Agreement; (b) liens securing the payment of taxes, either not yet overdue or the validity of which are being contested by appropriate proceedings diligently pursued and available to an Obligor and with respect to which adequate reserves (to the extent required in accordance with ASPE) have been set aside on its books; (c) non-consensual statutory deemed trusts and liens (other than liens securing the payment of taxes) arising in the ordinary course of an Obligor's business to the extent: (i) such liens secure indebtedness which is not overdue or the validity of which is being contested by appropriate proceedings diligently pursued and available to an Obligor and with respect to which adequate reserves (to the extent required in accordance with ASPE) have been set aside in its books or (ii) such liens secure indebtedness relating to claims or liabilities which are fully insured and being defended at the sole cost and expense and at the sole risk of the insurer or being contested by appropriate proceedings diligently pursued and available to an Obligor, in each case prior to the commencement of foreclosure or other similar proceedings and with respect to which adequate reserves (to the extent required in accordance with ASPE) have been set aside on its books; (d) zoning restrictions, easements, minor title defects, encumbrances, licenses, covenants, rights reserved by Governmental Authorities, reservations of the Crown and other restrictions affecting the use of real property which do not interfere in any material respect with the ordinary conduct of the business of an Obligor; (e) purchase money security interests in personal property (including capital leases) not to exceed $250,000 in the aggregate at any time outstanding so long as such security interests do not apply to any property of an Obligor other than the personal property so acquired, any insurance related thereto and proceeds thereof and the indebtedness secured thereby does not exceed the cost of the personal property or real estate so acquired, as the case may be; (f) security interests and lines over cash and/or investments permitted by this Agreement; (g) security given by Borrower to a surety pursuant to a surety bond or indemnity agreement but only to the extent that such security secures indebtedness that only relates to a bond or indemnity agreement issued by a surety for a project and such security is limited to the specific assets of such project over assets that do not constitute Collateral; (h) any carrier's, warehousemen's, mechanic's and construction and other liens arising by contract or operation of Applicable Law in the ordinary course of an Obligor's business in respect of obligations which are not overdue for a period in excess of thirty (30) days or which are being contested by appropriate proceedings diligently pursued; (i) deposits of cash or securities in connection with any appeal, review or contestation of any security or lien and any bonding arrangements made in the ordinary course of business to secure the performance of bids, tenders, contracts, leases, customs duties and other similar obligations; (j) banker's liens and security interests, rights of combination of accounts or similar rights in the ordinary course of conducting day-to-day banking business in relation to deposit accounts or other funds maintained with a creditor depository institution; (k) liens and security interests in favour of securities intermediaries and clearing agencies relating to the operation of securities accounts and security entitlements credited thereto arising in the ordinary course of maintaining such securities accounts and acquiring, owning or disposing such security entitlements; (l) the reversionary interests of landlords under operating leases of real property; (m) the tenancy rights of tenants under operating leases of real property; (n) the interests (including liens and security interests in the property leased and any insurance and proceeds related thereto) of lessors under operating leases of property; (o) such other liens and security interests securing such obligations as may be approved by the Lenders from time to time, (p) security interests and liens securing Permitted Debt; and (q) the replacement, extension, modification or renewal of any lien or security interest referred to in this definition upon or in respect of the same property arising out of the extension, renewal, modification or replacement of the indebtedness secured thereby (without increase in the amount thereof), provided that the Lenders may contest improperly registered security interests in the event such registered creditors attempt to realize on their security.

52. **"Person" or "person"**

"Person" or "person" shall mean any individual, sole proprietorship, partnership, limited partnership, corporation, limited liability company, unlimited liability company, business trust, unincorporated association, joint stock corporation, trust, joint venture or other entity or any government or any agency or instrumentality or political subdivision thereof.

53. **"PPSA"**

"PPSA" shall mean *The Personal Property Security Act, 1993*(Saskatchewan), as amended, supplemented, restated and superseded, in whole or in part, from time to time, provided that, if the attachment, perfection or priority of Lenders' security in respect of any Collateral is governed by the laws of any jurisdiction other than Saskatchewan, PPSA shall mean those other laws for the purposes hereof relating to the attachment, perfection or priority.

54. **"Prepayment Premium"**

"Prepayment Premium" means the cash payment to be made by the Borrower to the Lenders equal to three (3) months interest on the Outstanding Principal Obligations to be prepaid; calculated at the Interest Rate in a manner consistent with Section 2.3(a).

55. **"Real Property"**

"Real Property" means any freehold or other interest in real and immovable property owned by the Borrower or any Obligor in connection with the operation of its business, including all plants, buildings, parking lots, roadways, structures, improvements, fixed machinery or equipment and fixtures situate on, or forming part of, such lands and premises.

56. **"Receiver"**

"Receiver" shall have the meaning ascribed thereto in Section 10.2(d) hereof.

57. **"Records"**

"Records" shall mean all of the Borrower's present and future books of account of every kind or nature, purchase and sale agreements, invoices, ledger cards, bills of lading and other shipping evidence, statements, correspondence, memoranda, credit files and other data relating to the Collateral or any account debtor, together with the tapes, disks, diskettes and other data and software storage media and devices, file cabinets or containers in or on which the foregoing are stored (including any rights of the Borrower with respect to the foregoing maintained with or by any other person).

58. **"Related Parties"**

"Related Parties" means, with respect to any Person, such Person's Affiliates and the directors, shareholders, partners and senior officers of such Person and of such Person's Affiliates, as well as any person which is not at arm's length from the Borrower or any other Obligor, and "Related Party" means any one of them.

59. **"Restricted Payment"**

"Restricted Payment" means:

(a) the declaration, payment or setting aside for payment of any dividend or other distribution on or in respect of any shares in the capital of the Borrower or any other Obligor (including distributions of interest on preferred shares and any return of capital on shares of any class);

(b) the redemption, retraction, purchase, retirement or other acquisition, in whole or in part, of any shares in the capital of the Borrower or any other Obligor, or any securities, instruments or contractual rights capable of being converted into, exchanged or exercised for shares in the capital thereof, including, without limitation, options, warrants, conversion or exchange privileges and similar rights, but excluding the redemption of Class B Shares of the Borrower owned by Welshpool Investments Ltd.;

(c) except as otherwise expressly permitted in this Agreement, the making of any loan or advance or any other provision of credit or financial assistance by the Borrower or any other Obligor to any Related Party;

(d) the repurchase or payment of any principal, interest, fees or other amounts on or in respect of any loans, advances or other Debt owing at any time by the Borrower or any other Obligor to any Related Party, other than to the Borrower or an Obligor, except as set out in Schedule 9.10;

(e) (i) the payment of any amount, (ii) the sale, transfer, lease or other disposition of any property or assets, or (iii) any granting or creation of any rights or interests, at any time, by the Borrower or another Obligor to or in favour of any Related Party, other than to the Borrower or another Obligor, except reasonable compensation to officers, employees and directors for services rendered to an Obligor in the ordinary course of business and except as set out in Exhibit G and Schedule 9.10;

(f) the payment of any compensation, management, consulting or similar fee or any bonus payment or comparable payment, or by way of gift or other gratuity, to any Related Party of such person, except reasonable compensation to officers, employees and directors for services rendered to an Obligor in the ordinary course of business; or

(g) payment for the purpose of setting apart any property for a sinking, defeasance or other analogous fund for any of the payments referenced above,

and whether any of the foregoing is made, paid or satisfied in or for cash, property or any combination thereof.

60. **"Security"**

"Security" means, collectively, the General Security Agreements, securities pledge agreements, guarantees, assignments and other security agreements, instruments and documents executed and delivered, or required to be executed and delivered, by the Borrower and each other Obligor under and pursuant to this Agreement, in each case, with such modifications and insertions as may be required by the Lenders, acting reasonably.

61. **"Security Agent"**

"Security Agent" means Avrio Subordinated Debt General Partner II Ltd., acting as agent on behalf of both Lenders.

62. **"Security Interest"**

"Security Interest" means mortgages, charges, pledges, hypothecs, assignments by way of security, conditional sales or other title retentions, liens, encumbrances, security interests or other interests in property, howsoever created or arising, whether fixed or floating, perfected or not, which secure payment or performance of an obligation and, including, in any event:

(a) deposits or transfers of cash, marketable securities or other financial assets under any agreement or arrangement whereby such cash, securities or assets may be withdrawn, returned or transferred only upon fulfilment of any condition as to the discharge of any other indebtedness or other obligation to any creditor;

(b) rights of set-off;

(c) the rights of lessors under capital leases or loans, operating leases and any other lease financing; and

(d) absolute assignments of accounts receivable.

63. **"Senior Credit Facilities**

"Senior Credit Facilities" means the indebtedness of the Borrower and/or any of the Obligors to the Senior Lenders pursuant to the term debt, operating lines, working capital facilities and capital leases as specified in the Senior Credit Agreements, the aggregate of which shall not, in any event, exceed an aggregate amount of $37,000,000, or such other amount as agreed by the Lenders. The details of the Senior Credit Facilities, as of the date hereof, are set forth in Schedule 9.18.

64. **"Senior Lenders"**

"Senior Lenders" means those lenders listed as secured parties in Exhibit F hereto and such other lenders as may be approved in writing by the Lenders from time to time as "Senior Lenders".

65. **"Senior Credit Agreements"**

"Senior Credit Agreements" means:

(a) the Credit Agreement dated July 13, 2015 between Farm Credit Canada and Morris Industries Ltd.;

(b) ISDA Master Agreement dated December 6, 2013 between Bank of Montreal and Contour Realty Inc.;

(c) Credit Agreement as amended on July 19, 2016 between Bank of Montreal and Morris Industries Ltd.;

(d) Letter Agreement dated August 29, 2013 between Bank of Montreal and Contour Realty Inc.;

(e) Credit Agreement dated August 23, 2013 between Farm Credit Canada and Contour Realty Inc.;

(f) any other agreement entered into with a creditor who becomes a "Senior Lender" pursuant to the terms of this Agreement from time to time; and

(g) any and all financing statements, deeds of trusts, fixture filings, severance agreements, security agreements and other documents or agreements which may be created by or on behalf of a Senior Lenders (and any and all amendments, renewals, modifications, continuations, and changes to such documents and instruments) in connection with the Senior Credit Facilities and which are approved in writing by the Lenders;

in each case amended, amended and restated or replaced from time to time pursuant to the terms hereof;

66. **"Spot Rate"**

"Spot Rate" shall mean, with respect to a currency, the rate quoted by the Canadian Reference Bank as the spot rate for the purchase by the Canadian Reference Bank of such currency with another currency at approximately 11:00 a.m. (Calgary time) on the date two (2) Business Days prior to the date as of which the foreign exchange computation is made.

67. **"Subsidiaries"**

"Subsidiaries" shall mean, with respect to any Person, any corporation, partnership or other entity of which at least fifty (50%) percent of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person and one or more Subsidiaries of such Person.

68. **"Taxes"**

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed, levied, collected, withheld or assessed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

69. **"UCC"**

"UCC" shall mean as it relates to the General Security Agreements to be executed and delivered by any U.S. Obligors, and the Collateral, as defined in such General Security Agreements, shall mean the Uniform Commercial Code as may, from time to time, be enacted and in effect in the applicable State where such U.S. Obligor conducts business or holds assets.

70. **"Voting Equity Interests"**

"Voting Equity Interests" means capital stock of any class of any corporation or other Equity Interests of any other person which carries voting rights to elect the board of directors (or in respect of a person other than a corporation, other persons performing similar functions, including the control, management or direction of such person) under any circumstances.

Exhibit B
Representations and Warranties

1. Corporate Existence, Power and Authority; Subsidiaries

Each Obligor is a corporation duly incorporated, validly existing and duly organized under the laws of its jurisdiction of incorporation and is duly qualified or registered as a foreign or extra-provincial corporation in all provinces, states or other jurisdictions where the nature and extent of the business transacted by it or the ownership of assets makes such qualification necessary, except for those jurisdictions in which the failure to so qualify would not result in a Material Adverse Change. The execution, delivery and performance of this Agreement, the other Financing Agreements and the transactions contemplated hereunder and thereunder are all within each Obligor's corporate powers, have been duly authorized and, to the knowledge of the party making such representation, are not in contravention of Applicable Law or the terms of such Obligor's certificate of incorporation, by-laws, or other organizational documentation, or any indenture, agreement or undertaking to which such Obligor is a party or by which such Obligor or its property are bound where such contravention of such indenture, agreement or undertaking would result in a Material Adverse Change. This Agreement and the other Financing Agreements constitute legal, valid and binding obligations of each Obligor, as applicable, enforceable in accordance with their respective terms, except as enforceability may be limited by general principles of equity and bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and by moratorium laws from time to time in effect. No Obligor has any Subsidiaries or Affiliates except as set forth in Exhibit G.

2. Share Capital and Organizational Matters

The issued and outstanding share capital of the Obligors is detailed accurately in Exhibit G, and there exist no other rights, options or entitlements of any Person to acquire any shares, warrants, options or other rights in the capital stock of the Obligors. All shareholders owning, directly or indirectly, issued and outstanding shares of the Obligors are listed in Exhibit G. As of the date hereof, none of the Obligors are subject to any obligation (contingent or otherwise) to repurchase, redeem, retire or otherwise acquire any of its issued securities or any warrants, options or other rights to acquire its securities other than as set forth in as Exhibit G. As of the date hereof, all of the outstanding securities of the Obligors are validly issued, fully paid and non-assessable. Except as set forth in as Exhibit G, there are no statutory or contractual pre-emptive rights, rights of first refusal, anti-dilution rights or any similar rights held by security holders of any Obligor. None of the Obligors have violated any applicable securities laws in connection with the offer, sale or issuance of any of its securities. There are no agreements among shareholders of the Obligors with respect to any other aspects of the Obligors' affairs, other than the unanimous shareholders agreement described in Exhibit G. There is no agreement, option, understanding or commitment, or any right or privilege capable of becoming an agreement, for the purchase from the Obligors of any of their respective securities other than those set forth in as Exhibit G. There are no other provisions in the Articles of Incorporation, By-laws or any other agreement affecting the Borrower or any Obligor requiring any vote or consent of the shareholders of any Obligor to borrow money or to authorize the mortgage or pledge of or creation of a security interest in any of its assets, or to provide any guarantee contemplated hereunder, except as set forth in the unanimous shareholders agreement described in Exhibit G. Such power is vested exclusively in the board of directors of each Obligor.

3. Financial Statements; No Material Adverse Change

All financial statements relating to an Obligor which have been or may hereafter be delivered by an Obligor to the Lenders have been prepared in accordance with ASPE and fairly present the financial condition and the results of operations of such Obligor as at the dates and for the periods set forth therein. Except as disclosed in any interim financial statements furnished by an Obligor to the Lenders prior to the date of this Agreement, there has been no Material Adverse Change affecting any of the Obligor's since the date of the most recent audited financial statements furnished by such Obligor to the Lenders prior to the date of this Agreement. Except as listed in the attached Schedule L, there are no and there have not been since: (i) August 31, 2016 in respect of the Borrower, Contour Realty Inc. and Morris Industries Ltd., and (ii) November 30, 2016 in respect of Morris Sales & Service Ltd.; any off-balance sheet transactions or transactions between any of the Borrower and any member of the Obligors or its Affiliates that are not otherwise reflected in the annual financial statements and the interim financial statements thereof, as applicable.

4. **Chief Executive Office; Collateral Locations**

The chief executive office and head office of each Obligor including each Obligor's Records concerning Accounts are located only at the address set forth in Exhibit C hereto and their only other places of business and the only other locations of Collateral, if any, are the addresses set forth in Exhibit C, subject to the right of the Borrower to update the Exhibit C accordingly. Exhibit C correctly identifies any of such locations which are not owned by an Obligor and sets forth the owners and/or operators thereof.

5. **Real Property**

Exhibit E sets out the legal descriptions and municipal addresses of all Real Property owned or leased by the Borrower and any other Obligor, and includes a general description of the material operations taking place on each such property. None of the Obligors has any option to acquire or lease, nor have any of them agreed to purchase or lease any other real property or interest in real property, other than the Real Property. With respect to the Real Property, to the knowledge of the applicable Obligor, after reasonable inquiry, as it relates to such Obligor's Real Property:

(a) there are no outstanding work orders or other requirements in respect of such property imposed by any Governmental Authority which impose a material obligation on the owner of the Real Property;

(b) the uses to which all Real Property have been and are being put by the Borrower or the Obligors, as the case may be, is not in breach of any Applicable Law or any private agreement;

(c) none of the buildings, structures or improvements located on any of the Real Property (or any equipment thereon) nor the operation or maintenance thereof, violates any restrictive covenant or any provision of any federal, provincial, state or municipal law, ordinance, rule or regulation, or encroaches on any property owned by others;

(d) no notice has been received of any material by-law or regulatory change affecting any of the Real Property or relating to any threatened or pending condemnation or expropriation thereof;

(e) each Real Property and all buildings, structures and improvements situated thereon and all systems therein and facilities and accessories and installations related thereto are in a good state of maintenance and repair, having regard to their age, which make them suitable for the purposes for which they are currently being used and each such property is serviced by all required public utility services; and

(f) there is adequate ingress and egress to and from each Real Property, to and from the public roads abutting or adjacent thereto for the operation of the business of the Borrower or the Obligors, as the case may be, in the ordinary course.

6. **Priority of Liens; Title to Properties**

The security interests and liens granted to the Lenders under this Agreement and the other Financing Agreements constitute valid and perfected liens and security interests in and upon the Collateral subject only to Permitted Liens. Each of the Obligors have good and marketable title to all of their respective properties and assets, including but not limited to the Real Property, subject to no liens, mortgages, pledges, security interests, hypothecs, encumbrances or charges of any kind, except those granted to the Lenders and Permitted Liens. Each of the Obligors, as applicable, have full right, power and authority to mortgage and charge the Real Property, subject only to the rights and interests of the Senior Lenders.

7. **Tax Returns**

Each Obligor has filed, or caused to be filed, in a timely manner all material tax returns, reports and declarations which are required to be filed by it (without requests for extension except as previously disclosed in writing to the Lenders). All information in such tax returns, reports and declarations is complete and accurate in all material respects. Except as described in Schedule L hereto, each Obligor has paid or caused to be paid all taxes due and payable or claimed due and payable in any assessment received by it, except to an extent which would not reasonably be expected to result in a Material Adverse Change and taxes, the validity of which are being contested by appropriate proceedings diligently pursued and available to such Obligor and with respect to which adequate reserves have been set aside on its books (to the extent required by ASPE). Adequate provision has been made for the payment of all accrued and unpaid federal, provincial, municipal, local, foreign and other taxes whether or not yet due and payable and whether or not disputed.

8. **Litigation**

Except as disclosed in Exhibit J hereto, there is no present investigation by any Governmental Authority pending, or to the best of the Borrower's knowledge threatened, against or affecting any Obligor, their assets or business and there is no action, suit, proceeding or claim by any Person pending, or to the best of the Borrower's knowledge threatened, against any Obligor, or their assets or goodwill, or against or affecting any transactions contemplated by this Agreement, which has a reasonable prospect of succeeding and if adversely determined against such Obligor could reasonably be expected to result in a Material Adverse Change.

9. **Compliance with Other Agreements and Applicable Laws**

Except as disclosed in writing to the Lenders, no Obligor is in default under, or in violation of the terms of, any agreement, contract, instrument, lease or other commitment to which it is a party or by which it or any of its assets are bound where such default or violation could reasonably be expected to result in a Material Adverse Change and each Obligor, to the best of its knowledge, is in compliance with all Applicable Law, except to the extent failure to so comply would not reasonably be expected to result in a Material Adverse Change.

10. **Employees**

Except for the Collective Agreement dated May 12, 2016, effective as of December 1, 2015 between Morris Industries Ltd. and Retail, Wholesale and Department Store Union Local 955, none of the Obligors are a party to any collective bargaining agreement, contract or legally binding commitment to any trade union or employee organization or group in respect of or affecting employees of any Obligor. None of the Obligors are currently engaged in any labour negotiation. To the best of their knowledge, no Obligor is a party to any application, complaint or other proceeding under any employment statute. No Obligor is engaged in any unfair or unlawful labour practice and to the best of its knowledge, none of the Obligors are aware of any pending or threatened complaint regarding any unfair labour practices. There is no strike, labour dispute, work slowdown or stoppage pending or threatened against any Obligor. None of the Obligors experienced any work stoppage. To the best of their knowledge, no Obligor is the subject of any other union organization effort except as provided for in the Collective Agreement described above.

11. **Material Contracts**

All of the Material Contracts to which any Obligor is a party are listed in Exhibit H:

Each of the Material Contracts has been validly authorized, executed and delivered by the relevant Obligor and, to the best of their knowledge, by all other parties to them, and constitute legal, valid and binding obligations enforceable in accordance with their terms against the relevant Obligors, and against all other parties to them. Except as disclosed in Exhibit H, each of the Material Contracts is in full force and effect without amendment, and there has been no material default under any of them by the Obligors or, to the best of their knowledge, by any other party. Each Obligor is in compliance in all material respects with all the terms and conditions relating to the Material Contracts.

12. **Bank Accounts**

All of the deposit accounts, investment accounts or other accounts in the name of or used by each Obligor maintained at any bank or other financial institution are set forth on Schedule 9.14 hereto, subject to the right of each Obligor to establish new accounts in accordance with Section 9.14 hereof.

13. **Accuracy and Completeness of Information**

All information furnished by or on behalf of the Obligors in writing to the Lenders in connection with this Agreement or any of the other Financing Agreements or any transaction contemplated hereby or thereby, including all information set forth in the Schedules and Exhibits hereto, is true and correct in all material respects on the date as of which such information is dated or certified and does not omit any material fact necessary in order to make such information not misleading. To the best of each Obligor's knowledge after reasonable inquiry, no event or circumstance has occurred which has had or could be expected to result in a Material Adverse Change, which has not been fully and accurately disclosed to Lenders in writing.

14. **Status of Pension Plans**

Except as disclosed in writing to the Lenders:

(a) each Pension Plan has been established, registered, qualified, amended, funded, administered and invested in material compliance with the terms of such Pension Plan, all provincial pension benefits legislation and any collective agreements, as applicable;

(b) all material obligations of each Obligor (including fiduciary, funding, investment and administration obligations) required to be performed in connection with the Pension Plans or the funding agreements therefor have been performed in a timely fashion and there are no outstanding disputes concerning the assets held pursuant to any such funding agreement;

(c) all contributions or premiums required to be made by each Obligor to the Pension Plans have been made in a timely fashion in material compliance with the terms of the Pension Plans and all Applicable Law;

(d) all employee contributions to the Pension Plans required to be made by way of authorized payroll deduction have been properly withheld by each Obligor and fully paid into the Pension Plans in a timely fashion;

(e) all material reports and disclosures relating to the Pension Plans required by any Applicable Laws have been filed or distributed in a timely fashion;

(f) any payments, distributions or withdrawals from or transfers of assets to or from any Pension Plan have been made in accordance with the valid terms of such Pension Plan, applicable collective agreements and all Applicable Law and occurred with the consent of any applicable Governmental Authority (where required);

(g) no amount is owing by any of the Pension Plans under the *Income Tax Act* (Canada) or any provincial taxation statute or any other applicable legislation;

(h) the Pension Plans are fully funded both on an ongoing basis and on a solvency basis (using actuarial assumptions and methods which are consistent with the valuations last filed with the applicable governmental authorities and which are consistent with generally accepted actuarial principles); and

(i) each Obligor has complied with all of its obligations in respect of the Pension Plans; each Obligor, after diligent enquiry, has neither any knowledge, nor any grounds for believing, that any of the Pension Plans is the subject of an investigation, any other proceeding, an action or a claim; and there exists no state of facts which after notice or lapse of time or both could be expected to give rise to any such proceeding, action or claim,

save for any matters referred to in the foregoing which could not reasonably be expected to result in a Material Adverse Change.

15. **Environmental Compliance**

Except as set forth in Exhibit K hereto:

(a) no Obligor has generated, used, stored, treated, transported, manufactured, handled, produced or disposed of any Hazardous Materials, on or off its premises (whether or not owned by it) in any manner which at any time violates any applicable Environmental Law or any license, permit, certificate, approval or similar authorization thereunder which gives rise to a material liability on such Obligor and the operations of each Obligor comply in all material respects with all Environmental Laws and all licenses, permits, certificates, approvals and similar authorizations thereunder, except in each case to the extent failure to comply would not reasonably be expected to result in a Material Adverse Change;

(b) there has been no investigation, proceeding, complaint, order, directive, claim, citation or notice by any Governmental Authority or any other person nor is any pending or to the best of the Borrower's knowledge threatened, with respect to any non-compliance with or violation of the requirements of any Environmental Law by either Obligor or the release, spill or discharge, threatened or actual, of any Hazardous Material or the generation, use, storage, treatment, transportation, manufacture, handling, production or disposal of any Hazardous Materials or any other environmental, health or safety matter, in each case, which would result in a Material Adverse Change;

(c) no Obligor has any material liability (contingent or otherwise) in connection with a release, spill or discharge, threatened or actual, of any Hazardous Materials or the generation, use, storage, treatment, transportation, manufacture, handling, production or disposal of any Hazardous Materials which would result in a Material Adverse Change; and

(d) each Obligor has all licenses, permits, certificates, approvals or similar authorizations required to be obtained or filed in connection with its operations under any Environmental Law and all of such licenses, permits, certificates, approvals or similar authorizations are valid and in full force and effect, except to the extent failure to comply would not reasonably be expected to result in a Material Adverse Change.

16. **Restrictions on Doing Business**

Neither the Borrower nor any Obligor is a party to or bound by any agreement which would restrict or limit its right to carry on any business or activity or to solicit business from any Person or in any geographical area or otherwise to conduct the business of the Borrower and the Obligors, as currently carried on or proposed to be carried on. No Obligor has executed or is bound by any agreement which would impose any restriction or limitation on the right of any of them to carry on their business or which would have any Material Adverse Effect. No Obligor is subject to any legislation or any judgment, order or requirement of any Governmental Authority which is not of general application to persons carrying on a business similar to the business conduct by each of the Borrower and the Obligors.

17. **Intellectual Property**

None of the Obligors own or license any registered trademarks, industrial designs, patents, copyrights or other Intellectual Property except as set forth in Exhibit I. Except as disclosed in writing to the Lenders, (a) each Obligor is the sole and exclusive owner or licensee of, with all right, title and interest in and to (free and clear of any known claims by any Person), its Intellectual Property, and has sole and exclusive rights to the use thereof, except to an extent which would not reasonably be expected to result in a Material Adverse Change, (b) no Obligor has knowingly infringed or violated and is not aware of any infringement or violation of any Intellectual Property or other proprietary rights of any other Person which would result in a Material Adverse Change, and no Person has made any such claim, and (c) none of the Intellectual Property has been assigned or licensed to any other Person (excluding an Obligor); except as set forth in Exhibit I.

18. **Full Disclosure**

None of the information and material delivered to the Lenders by or on behalf of any of the Obligors contains any untrue statement of a material fact or has omitted a material fact necessary to make the statements contained therein not materially misleading, and all such statements, taken as a whole, together with this Agreement, do not contain any untrue statement of a material fact or omit a material fact necessary to make the statements contained herein or therein not materially misleading. There is no fact known to Borrower, which the Borrower has not disclosed in writing to the Lenders which materially adversely affects the assets, liabilities, affairs, business, prospects, operations or conditions, financial or otherwise of any operations or conditions, financial or otherwise of any Obligor or the ability of such person to perform its obligations under the Financing Agreements.

Exhibit C
Chief Executive Offices and
Locations of Collateral

Chief Executive Offices of the Obligors:

2131 Airport Drive
Saskatoon, SK S7L 7E1

See reference to Exhibit E for details on real property

In addition to the real property listed in Exhibit E, the Obligors have arrangements for warehousing and parts handling as follows:

1. Arrangements with Porter Warehousing and Distribution Inc., for space at Edmonton, Alberta;

2. Arrangements with Robbins Farm Equipment Inc., for space at Baker City, Oregon; and

3. Farmers Union Oil Co., for space at Minot, North Dakota.

Exhibit D
Assignment and Assumption

This Assignment and Assumption (the "**Assignment and Assumption**") is dated as of the Effective Date set forth below and is entered into by and between *[Insert name of Assignor]* (the "**Assignor**") and *[Insert name of Assignee]* (the "**Assignee**"). Capitalized terms used but not defined herein shall have the meanings given to them in the Loan Agreement identified below (as amended, the "**Loan Agreement**"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Loan Agreement, as of the Effective Date inserted by Lender as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Loan Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor and (ii) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Loan Agreement, any other documents or instruments delivered pursuant thereto or the loan-transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clause (i) and (ii) above being referred to herein collectively as, the "**Assigned Interest**"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1.	Assignor:	_______
2.	Assignee:	_______
3.	Borrower:	101098672 Saskatchewan Ltd.
5.	Loan Agreement:	The Loan Agreement dated as of ___________, 2017 between 101098672 Saskatchewan Ltd. and Avrio Subordinated Debt Limited Partnership II and 2040842 Alberta Ltd.
6.	Assigned Interest:	__________

[7. Trade Date: ____________________][1]

Effective Date: _______________, 20____ [TO BE INSERTED BY LENDER AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

[1] To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

ASSIGNOR
[NAME OF ASSIGNOR]

By: ______________________
Title:

ASSIGNEE
[NAME OF ASSIGNEE]

By: ______________________
Title:

[Consented to and][2] Accepted:

[NAME OF LENDER, as Lender

By: ______________________
Title:

[Consented to][3]

[NAME OF RELEVANT PARTY]

By: ______________________
Title:

2 To be added only if the consent of the Lender is required by the terms of the Loan Agreement.

3 To be added only if the consent of Borrower and/or other parties is required by the terms of the Loan Agreement.

ANNEX 1 to Assignment and Assumption

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties

Assignor

The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Loan Agreement or any other Financing Agreement, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Financing Agreements or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates, any Obligor or any other Person obligated in respect of any Financing Agreement or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any Obligor or any other Person of any of their respective obligations under any Financing Agreement.

Assignee

The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Loan Agreement, (ii) it meets all requirements of an Eligible Assignee under the Loan Agreement (subject to receipt of such consents as may be required under the Loan Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Loan Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, and (iv) it has received a copy of the Loan Agreement, together with copies of the most recent financial statements delivered pursuant to Section 9.5 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Lenders; and (b) agrees that (i) it shall, independently and without reliance on the Assignor, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Financing Agreements, and (ii) it shall perform in accordance with their terms all of the obligations which by the terms of the Financing Agreements are required to be performed by it as a lender.

General Provisions

This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and permitted assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law governing the Loan Agreement.

Exhibit E
Real Property

Real Property owned by Contour Realty Inc. and Licensed or Leased to Morris Industries Ltd.:

"Licensed Lands":

(a) Surface Parcel #1455205502, being Blk/Par B Plan No 101577810 Ext 38, (vacant parcel adjacent to the Yorkton West Property)

(b) The westerly 20 acres of Surface Parcel #164388259, being Blk/Par A Plan No 101577810 Ext 40, at Yorkton (vacant parcel adjacent to Yorkton West Property); and

(c) Title #2068794, being Parcel A Plan 5293, at Minnedosa (vacant parcel across the road from the Minnedosa Property).

"Leased Lands":

(a) the "Yorkton East Property" comprised of:

(i) Surface Parcel #143109176, being Lot 15 Blk/Par 9 Plan No 00Y00664 Ext 0;

(ii) Surface Parcel #143100357, being Lot 16 Blk/Par 9 Plan No 00Y00664 Ext 0; and

(iii) Surface Parcel #143106757, being Blk/Par Z Plan No 67Y09629 Ext 0;

and having civic addresses 55 and 85 York Road West, Yorkton, SK;

(b) the "Yorkton West Property" comprised of Surface Parcel #164388259, being Blk/Par A Plan No 101577810 Ext 40, but excluding any of the Licensed Land; This parcel consists of the R&D Facility, having civic address 605 York Road West, Yorkton SK; and the manufacturing plant, having civic address 671 York Road West, Yorkton;

(c) the "Minnedosa Property" at 284 – 6th Avenue N.W., Minnedosa, Manitoba, R0M 2C0, comprised of:

(i) Title #2068790, being NW¼ 2-15-18 WPM;

(ii) Title #2068803, being Lots 3 to 5 Block 23 Plan G; and

(iii) Title #2068804, being Parcel 1 Lots 1 to 8 Block 24 Plan G and Parcel 3 Lots 2 to 4 Block 25 Plan G.

The registered owner of the Minnedosa Property is Morris Industries, but beneficial owner is Contour Realty Inc. pursuant to a trust agreement dated August 1, 2013 between Contour, as owner, and Morris Industries Ltd., as trustee.

Real Property Owned by Morris Industries

The "Head Office Property" at 2131 Airport Drive, Saskatoon, Saskatchewan, S7L 7E1, comprised of Surface Parcel No. 131621408, being Lot 21 Blk/Par 2 Plan No 79S17444 Ext 7

Real Property leased by Morris Sales & Service Ltd. from Bruce's Four Seasons (1984) Ltd. at Virden, Manitoba pursuant to lease dated May 2016, as amended:

Box 1480, Hwy #1, Virden, Manitoba, R0M 2C0, at

Lot 11 Plan 773 BLTO
EXC Firstly: Road Plan 1330 BLTO
Secondly: Road Plan 38772 BLTO
And Thirdly: All Mines and Minerals
In S 1/2 27-10-26 WPM and in Government Road Allowance, now closed

Head Office Property/Potential Lease

In the event that Terra Firma Holdings Inc. exercises an option to acquire from Morris Industries Ltd. the "Head Office Property" at 2131 Airport Drive, Saskatoon, Saskatchewan, S7L 7E1, comprised of Surface Parcel No. 131621408, being Lot 21 Blk/Par 2 Plan No 79S17444 Ext 7, such property would become subject to a lease by Morris Industries Ltd. from Terra Firma Holdings Inc..

The following is a general description of the material operations taking place the above properties:

Manufacturing, research and development, storage and office space.

Exhibit F
Senior Lenders

Bank of Montreal

Farm Credit Canada

Exhibit G
Organizational Matters

Corporation	Shareholders	Number and Class issued
Borrower	Seedrite Capital	75 Class "A" Series II
	340	25 Class "A"Series I
	340	3,750,000 Class C preferred shares
	Welshpool Investments Ltd.	3,000,000 Class B
Morris Industries	672	100 Class "A"
	Contour	2,150,000 Class "C" Series I
Morris Sales & Service:	672	100 Class "A"
Morris (USA)	Morris Industries	159.5449 Common shares
Contour	672	100 Class "A" and 7,925,000 Class "C"

There is a Unanimous Shareholders' Agreement among the Borrower, 102030340 Saskatchewan Ltd., Seedrite Capital Inc., Morris Industries Ltd., Morris Sales & Service Ltd., Contour Realty Inc. and Morris Industries (USA) Inc.

There are also certain rights and privileges granted to the holders of shares as set forth in the articles of each of the Obligors.

Exhibit H
Material Contracts

PURCHASE CONTRACTS:

Contracts for the purchase of goods and supplies with/from each of the following during the period September 1, 2016 to July 19, 2017, the purchase amounts and descriptions of which have been provided to the Purchaser are in excess of $125,000 in value during that period:

TITAN TIRE CORPORATION

TRUMPF INC

SAMUEL COIL PROCESSING

TOPCON PRECISION AGRICULTURE

ATLAS TUBE

CONTOUR REALTY INC

AXALTA COATING SYSTEMS

ATOM-JET INDUSTRIES

MONARCH INDUSTRIES

PRITCHARD MACHINE

CONTITECH CANADA

KSI CONVEYORS & BULK SYSTEMS

SASKPOWER

BOSCH REXROTH CANADA

CANADIAN TOOL & DIE LTD

MANULIFE

VM TRANSPORT

LETHBRIDGE IRON WORKS CO

ATLAS HYDRAULICS

EQUITABLE LIFE OF CANADA

OTICO

XPERT TECHNICAL SERVICES INC

THE DAUGHERTY COMPANIES, INC

GBGI INC

MARMON/KEYSTONE CANADA

THE CARLSTAR GROUP ULC

PRAXAIR DISTRIBUTION

NORTHERN PLASTICS LTD

TERHORST MFG. CO

PROCUSTOM TOOL & DIE

VARSTEEL LTD

SASKENERGY
UNION DRAWN STEEL
INFASCO DISTRIBUTION
CITY OF YORKTON
WIL-TECH INDUSTRIES LTD
S3 MANUFACTURING
MANITOULIN TRANSPORT
RAM INDUSTRIES
PRINCE MANUFACTURING CORP
MANITOBA HYDRO
SCOT INDUSTRIES
RINGBALL CORPORATION
BALGONIE PALLET & CRATE
WOODRUFF SWEITZER
RWDS UNION
JEM TECHNICAL CANADA
HYDAC CANADA
RONCO FREIGHT INC
AGRABASE
MERCURY SPECIALTY PRODUCTS
SASKATOON SETUP SERVICES
HOVEY WILLIAMS LLP
JOHNSTON INDUSTRIAL PLASTICS
STANDENS
VIRTUS GROUP
IGUS, INC
CYLINDERS & VALVES

DEALER/DISTRIBUTOR CONTRACTS

Dealer and distribution agreements entered into in the ordinary course of its business by Morris Industries Ltd. with agricultural equipment dealers selling Morris goods.

OTHER CONTRACTS

1. Agreements with Bank of Montreal, Farm Credit Canada, National Bank of Canada, De Lage Landen Financial Services Canada Inc., Agricredit Acceptance LLC, Trumpf Finance, and Her Majesty the Queen in Right of Canada as represented by the Minister responsible for Western Economic Diversification Canada, as lenders, in respect of the loan and financing arrangements with such lenders, including agreements providing security to such lenders.
2. The leases, as disclosed in this Agreement;

3. Agreements with Tractors and Farm Equipment Limited (TAFE), consisting of Memorandum of Understanding dated November 10, 2016, Tooling Agreement dated 2017; Procurement Agreement dated 2017;

4. Memorandum of Understanding between Morris Industries Ltd. and Tech-Con Automation ULC dated October 7, 2016.

5. Professional Services Agreement between Morris Industries Ltd. and XPERT Technical Services Inc. dated April 2017, and Convention of Deposit between such parties and Notaire-Direct Inc. dated May 2017.

6. The WEDC Agreement.

7. The IRAP Agreement.

8. Equipment Contribution and Lease Agreement between Morris Industries Ltd. and the University of Saskatchewan dated by Morris Industries Ltd. July 26, 2016.

9. Covenant Not to Sue between Morris Industries Ltd. and Seed Hawk Inc. dated October 1, 2010.

10. Commodity Sale of Nature Gas Disclosure Statement and Appointment of Agent dated March 11, 2015 between Morris Industries Ltd. and SaskEnergy Incorporated, and Hudson Energy Canada Corp., as agent.

11. Collective Agreement between Morris Industries Ltd. and Retail, Wholesale and Department Store Union, Local 955 dated the 12th day of May, 2016, including Letters of Understanding #1 through to #9 inclusive.

12. Letter of Understanding #10 between d Morris Industries Ltd. and Retail, Wholesale and Department Store Union, Local 955 dated the 30th day of August, 2016.

13. Internet services contracts entered into the ordinary course.

14. Software subscriptions entered into in the ordinary course.

15. Other contracts and agreements expressly disclosed in this Agreement.

16. Unanimous Shareholders' Agreement among the Borrower, 102030340 Saskatchewan Ltd., Seedrite Capital Inc., Morris Industries Ltd., Morris Sales & Service Ltd., Contour Realty Inc. and Morris Industries (USA) Inc.

17. The Share Purchase Agreement dated concurrently hereto between Seedrite Capital Inc., as purchaser, Prairie Rise Holdings Ltd. and 101060460 Saskatchewan Ltd., as vendors, Thomas G. Davis, as principal and 101098672 Saskatchewan Ltd, and all documents and agreements contemplated thereby or related to the transactions contemplated therein.

Exhibit I
Intellectual Property

PATENTS

Docket Number	Country	Title	Application Number	File Date	Case Status	Publication Number	Publication Date	Registration Number	Registration Date	Owner Name
32575-CA	Canada	LOCKING WING LIFT MECHANISM FOR FARM IMPLEMENTS	2419757	25-Feb-2003	Granted	2419757	09-Apr-2004	2419757	29-Nov-2005	Morris Industries Ltd.
32575-US	United States of America	LOCKING WING LIFT MECHANISM FOR FARM IMPLEMENTS	10/268875	09-Oct-2002	Granted	US-2004-0069510-A1	15-Apr-2004	6761228	13-Jul-2004	Morris Industries Ltd.
33338-AU	Australia	HAY BALE STACKER	2002241822	04-Jan-2002	Granted			2002241822	04-Nov-2004	Morris Industries Ltd.
33338-CA	Canada	HAY BALE STACKER	2433461	04-Jan-2002	Granted	2433461	11-Jul-2002	2433461	01-Apr-2008	Morris Industries Ltd.
33338-DE	Germany	HAY BALE STACKER	02707411.1	04-Jan-2002	Granted	1353822		60246404.8	02-Jul-2014	Morris Industries Ltd.
33338-EP	European Patent Convention	HAY BALE STACKER	02707411.1	04-Jan-2002	Granted-NR	1353822		1353822	02-Jul-2014	Morris Industries Ltd.
33338-FR	France	HAY BALE STACKER	02707411.1	04-Jan-2002	Granted	1353822		1353822	02-Jul-2014	Morris Industries Ltd.
33338-GB	United Kingdom	HAY BALE STACKER	02707411.1	04-Jan-2002	Granted	1353822		1353822	02-Jul-2014	Morris Industries Ltd.
33338-IT	Italy	HAY BALE STACKER	02707411.1	04-Jan-2002	Granted	1353822		1353822	02-Jul-2014	Morris Industries Ltd.
33338-US	United States of America	HAY BALE STACKER	10/040589	04-Jan-2002	Granted			6997663	14-Feb-2006	MORRIS INDUSTRIES (USA) INC.
33465-AU	Australia	PRODUCT DIVERTER VALVE AND COLLECTOR APPARATUS FOR AIR DRILL SEEDING SYSTEM	2003204701	13-Jun-2003	Granted			2003204701	16-Dec-2005	Morris Industries Ltd.
33465-CA	Canada	PRODUCT DIVERTER VALVE AND COLLECTOR APPARATUS FOR AIR DRILL SEEDING SYSTEM	2431975	12-Jun-2003	Granted	2431975	10-Dec-2004	2431975	20-Mar-2007	Morris Industries Ltd.

33465-US	United States of America	PRODUCT DIVERTER VALVE AND COLLECTOR APPARATUS FOR AIR DRILL SEEDING SYSTEM	10/458467	10-Jun-2003	Granted	US-2004-0250742-A1	16-Dec-2004	6834599	28-Dec-2004	Morris Industries Ltd.
35321-AU	Australia	PNEUMATIC DISTRIBUTION SYSTEM FOR AIR SEEDERS	2005201460	06-Apr-2005	Granted			2005201460	12-Jan-2012	Morris Industries Ltd.
35321-CA	Canada	PNEUMATIC DISTRIBUTION SYSTEM FOR AIR SEEDERS	2496216	08-Feb-2005	Granted	2496216	21-Jul-2006	2496216	07-Apr-2009	Morris Industries Ltd.
35321-US	United States of America	PNEUMATIC DISTRIBUTION SYSTEM FOR AIR SEEDERS	11/040070	21-Jan-2005	Granted	US-2006-0162630-A1	27-Jul-2006	7162962	16-Jan-2007	Morris Industries Ltd.
35535-AU	Australia	HYDRAULIC HOLDING CYLINDER FOR WING LIFT MECHANISM	2005201459	06-Apr-2005	Granted			2005201459	05-Jan-2012	Morris Industries Ltd.
35535-CA	Canada	HYDRAULIC HOLDING CYLINDER FOR WING LIFT MECHANISM	2498503	25-Feb-2005	Granted	2498503	22-Aug-2006	2498503	02-Sep-2008	Morris Industries Ltd.
35535-US	United States of America	HYDRAULIC HOLDING CYLINDER FOR WING LIFT MECHANISM	11/063112	22-Feb-2005	Granted			7073604	11-Jul-2006	Morris Industries Ltd.
37706-AU	Australia	COMBINATION HYDRAULIC HOLD-DOWN AND LIFT SYSTEM FOR AN AGRICULTURAL IMPLEMENT	2007308706	14-Jul-2008	Granted			2007308706	10-Jan-2013	Morris Industries Ltd.
37706-CA	Canada	COMBINATION HYDRAULIC HOLD-DOWN AND LIFT SYSTEM FOR AN AGRICULTURAL IMPLEMENT	2644615	23-Oct-2007	Granted	2644615	02-May-2008	2644615	30-Sep-2011	Morris Industries Ltd.
38407-AU	Australia	SEED AND FERTILIZER PLACEMENT APPARATUS HAVING DOUBLE SHOOT SEED BOOT	2008203021	08-Jul-2008	Granted			2008203021	17-May-2010	Morris Industries Ltd.

38407-CA	Canada	SEED AND FERTILIZER PLACEMENT APPARATUS HAVING DOUBLE SHOOT SEED BOOT	2637352	11-Jul-2008	Granted	2637352	12-Jan-2009	2637352	18-Jan-2011	Morris Industries Ltd.
38407-US	United States of America	SEED AND FERTILIZER PLACEMENT APPARATUS HAVING DOUBLE SHOOT SEED BOOT	12/166542	02-Jul-2008	Granted	US-2009-0013910-A1	15-Jan-2009	7617782	17-Nov-2009	Morris Industries Ltd.
42737-AU	Australia	SEEDER WITH METERING SYSTEM HAVING SELECTIVELY POWERED METERING SECTIONS	2012200946	17-Feb-2012	Granted		22-Jan-2015	2012200946	22-Jan-2015	Morris Industries Ltd.
42737-AU-DIV1	Australia	SEEDER WITH METERING SYSTEM HAVING SELECTIVELY POWERED METERING SECTIONS	2014227499	17-Feb-2012	Allowed					Morris Industries Ltd.
42737-CA	Canada	SEEDER WITH METERING SYSTEM HAVING SELECTIVELY POWERED METERING SECTIONS	2768369	17-Feb-2012	Published	2768369	18-Aug-2012			Morris Industries Ltd.
42737-US	United States of America	SEEDER WITH METERING SYSTEM HAVING SELECTIVELY POWERED METERING SECTIONS	13/398557	16-Feb-2012	Granted	US-2012-0211508-A1	23-Aug-2012	8915200	23-Dec-2014	Morris Industries Ltd.
42737-US-DIV1	United States of America	SEEDER WITH METERING SYSTEM HAVING SELECTIVELY POWERED METERING SECTIONS	14/546878	16-Feb-2012	Granted	US-2015-0071745-A1	12-Mar-2015	9578801	28-Feb-2017	Morris Industries Ltd.
42737-US-DIV1-CNT1	United States of America	SEEDER WITH METERING SYSTEM HAVING SELECTIVELY POWERED METERING SECTIONS	15/436528	17-Feb-2017	Published	US-2017-0156259-A1	08-Jun-2017			Morris Industries Ltd.

45839-AU	Australia	MOLDED BOOT FOR DISPENSING SEEDS AND TREATMENT	2014265086	21-Nov-2014	Pending					Morris Industries Ltd.
45839-AU-DIV1	Australia	MOLDED BOOT FOR DISPENSING SEEDS AND TREATMENT	2017210555	02-Aug-2017	Pending					Morris Industries Ltd.
45839-CA	Canada	MOLDED BOOT FOR DISPENSING SEEDS AND TREATMENT	2871859	19-Nov-2014	Published	2871859	25-May-2015			Morris Industries Ltd.
45839-US	United States of America	MOLDED BOOT FOR DISPENSING SEEDS AND MULTIPLE TREATMENTS	14/541997	14-Nov-2014	Granted	US-2015-0144042-A1	28-May-2015	9717173	01-Aug-2017	Morris Industries Ltd.
45839-US-CNT1	United States of America	MOLDED BOOT FOR DISPENSING SEEDS AND TREATMENT	15/461273	16-Mar-2017	Published	US-2017-0181370-A1	29-Jun-2017			Morris Industries Ltd.
45853-CA	Canada	ANHYDROUS AMMONIA INJECTOR FOR DISK OPENER	2872214	24-Nov-2014	Published	2872214	25-May-2015			Morris Industries Ltd.
45947-AU	Australia	SENSOR FOR AIR CART METERING SYSTEM	2015200000	02-Jan-2015	Pending					Morris Industries Ltd.
45947-CA	Canada	SENSOR FOR AIR CART METERING SYSTEM	2876644	30-Dec-2014	Published	2876644	30-Jun-2015			Morris Industries Ltd.
45947-US	United States of America	SENSOR FOR AIR CART METERING SYSTEM	14/584827	29-Dec-2014	Granted	US-2015-0181800-A1	02-Jul-2015	9497899	22-Nov-2016	Morris Industries Ltd.
47469-AU	Australia	MULTI-TANK AIR CART TENDER WITH INDIVIDUAL TANK CONVEYORS	2016203915	10-Jun-2016	Pending					Morris Industries Ltd.
47469-CA	Canada	MULTI-TANK AIR CART TENDER WITH INDIVIDUAL TANK CONVEYORS	2932805	10-Jun-2016	Published	2932805	10-Dec-2016			Morris Industries Ltd.
47469-US	United States of America	MULTI-TANK AIR CART TENDER WITH INDIVIDUAL TANK CONVEYORS	15/178067	09-Jun-2016	Pending	US-2016-0362036-A1	15-Dec-2016			Morris Industries Ltd.
47749-AU	Australia	WALKING BEAM FURROW CLOSING SYSTEM FOR DISC SEEDER	2016231605	23-Sep-2016	Pending					Morris Industries Ltd.
47749-CA	Canada	WALKING BEAM FURROW CLOSING SYSTEM FOR DISC SEEDER	2943099	22-Sep-2016	Published	2943099	23-Mar-2017			Morris Industries Ltd.

47749-US	United States of America	WALKING BEAM FURROW CLOSING SYSTEM FOR DISC SEEDER	15/271797	21-Sep-2016	Pending	US-2017-0079193-A1	23-Mar-2017			Morris Industries Ltd.
48028-AU	Australia	AIR SEEDER HAVING INDIVIDUALLY CONTROLLABLE METERING WHEELS IN COMMON METER BODY	2017200246	13-Jan-2017	Pending					Morris Industries Ltd.
48028-CA	Canada	AIR SEEDER HAVING INDIVIDUALLY CONTROLLABLE METERING WHEELS IN COMMON METER BODY	2954882	13-Jan-2017	Published	2954882	13-Jul-2017			Morris Industries Ltd.
48028-US	United States of America	AIR SEEDER HAVING INDIVIDUALLY CONTROLLABLE METERING WHEELS IN COMMON METER BODY	15/405126	12-Jan-2017	Published	US-2017-0196162-A1	13-Jul-2017			Morris Industries Ltd.
49064-US-PRO	United States of America	INDEPENDENTLY DEPTH CONTROLLED DISC OPENER AND SHANK OPENER MOUNTED TO COMMON WALKING BEAM	62/413334	26-Oct-2016	Pending					Morris Industries Ltd.
49880-US-PRO	United States of America	MOBILE AUTONOMOUS SEEDING SYSTEM	62/535702	21-Jul-2017	Pending					

TRADE-MARKS

CANADA
1. ProAg
2. Eight Series
3. Never Pin
4. Input Control
5. M & Design
6. ICT
7. Maxim
8. RAZR
9. Morris 360 Service Design
10. Transit (Allowed but not yet registered)
11. XPress

UNITED STATES OF AMERICA
1. RAZR
2. Morris 360 Service Design

3. ProAg

AUSTRALIA

1. ProAg
2. Morris 360 Service Design

Corporate and Business Names

1. **Morris Industries Ltd.** is a registered corporate name in the following jurisdictions:
    a. Saskatchewan;
    b. Alberta;
    c. Manitoba;
    d. Washington; and
    e. North Dakota.
2. **Morris Sales & Service Ltd.** is a registered corporate name in the following jurisdictions:
    a. Saskatchewan; and
    b. Manitoba.
3. **Contour Realty Inc.** is a registered corporate name in the following jurisdictions:
    a. Saskatchewan; and

b. Manitoba.

4. **101098672 Saskatchewan Ltd.** is a registered corporate name is the Province of Saskatchewan.

5. **Morris Industries (USA) Inc**. is a registered corporate name in the following jurisdictions:

a. Montana;

b. North Dakota; and

c. Washington.

INTERESTS, ENCUMBRANCES and DEFICIENCIES AFFECTING THE REGISTERED INTELLECTUAL PROPERTY

1. "Covenant not to Sue" Agreement made between Morris Industries Ltd. and Seed Hawk Inc. whereby Seed Hawk Inc. was granted a license to use the inventions stated in the patent set out in Exhibit 'A' thereto, in exchange for a CPI adjusted royalty of $450.00 CDN per unit sold that includes the patent protected inventions. Morris Industries has also received advice from the firm of Hovey Williams relating to verbal suggestions by Seed Hawk Inc. that Morris Industries Ltd. infringes upon patent rights of Seed Hawk Inc.

2. The trade-mark application for "RAZR" in the jurisdiction of Australia was denied by the Australian Intellectual Property Office because it was confusingly similar to prior registered trade-marks in the same class of goods. To date, there has been no demand by the registrants of the prior trade-marks cited against the failed application to cease using the RAZR name in Australia.

Exhibit J
Litigation

CLAIMS

1. Clarence Biller v. Morris Industries Ltd., Nick's Service Ltd. and Garth Bennefeld

McKercher LLP was approached by Dave Amson of Morris Industries Ltd. to document a settlement that had been negotiated directly between the parties. Mr. Amson had acted on behalf of Morris Industries in his administrative role at the company.

A Final Release was prepared by McKercher LLP for execution by the claimant, Clarence Biller, to acknowledge receipt of settlement proceeds in total of $25,000 sourced from Morris Industries Ltd. and Nick's Service Ltd. The settlement was funded on the basis that Morris Industries Ltd. paid $15,000 and Nick's Service (the dealer) paid $10,000. The source of the claim was that of a restriction to an air cart divertor that affected some wheat acreage seeded in May of 2017.

2. Fred Knoppers operating as Holland Farms and Michael Knoppers operating as Holland Farms v. Morris Industries Ltd. and Parkland Farm Equipment (2004) Ltd.

This claim had been initiated by counsel for Mr. Knoppers in 2016 after some initial exchange. It involved a claim for a deficiency to a used air cart that had been purchased by Mr. Knoppers from Parkland in 2014 and had been used as the seeder for a custom seeding business run by Mr. Knoppers. There was some documented misses to the seeded acreage in 2014 and then again in 2015. The claim was for a significant amount in excess of $105,000. The claim was reported to Sentry Insurance of Stevens Point, Wisconsin who is the liability insurer for Morris Industries Ltd. On their instructions a settlement was negotiated with Mr. Knoppers and a Release was secured in May 2017 in exchange for the payment of the total of $45,000 (Cdn) all inclusive.

Employee Grievances

Current open grievance relating to three day suspension of employee issued in July of 2017.

Exhibit K
Environmental

Certain of the buildings at the facilities in Yorkton, Saskatchewan and Minnedosa, Manitoba have contained and continue to contain asbestos in the walls; there are no outstanding orders or non-compliance notices relating to such matters.

Matters disclosed in environmental reports provided to the Lenders.

Exhibit L
Tax Matters

Exceptions:

1. Floor plan financing is in place with De Lage Landen Financial Services Canada Inc. and Agricredit Acceptance LLC ("AgriCredit") relating to sales of inventory in Canada and the United States, which provides for payment to Morris following shipment of the inventory, with residual obligations of Morris to take back inventory or repay funds to AgriCredit in certain situations.

2. Factoring arrangements are in place with National Bank of Canada in respect of certain export receivables, with residual obligations of Morris in certain situations.

3. Contour has entered into an interest rate swap arrangements at fixed borrowing rates, and potential gains or losses are not reflected in the annual financial statements or interim financial statements.

4. Amounts paid by Morris Industries in the approximate amount of $296,000 in respect of assessments against Morris Industries relating to claims for scientific research and experimental development expenses, which have been objected to by Morris Industries and as further described below.

Tax Assessment:

Morris Industries. was assessed by the Canada Revenue Agency in respect of scientific research and experimental development expenditures for the tax year ends of August 31, 2012, August 31, 2013, and August 31, 2014. Currently Morris Industries has outstanding notices of objection filed with the Canada Revenue Agency in respect of such periods. Morris Industries has also been subject to a review by the Canada Revenue Agency in respect of scientific research and experimental development expenditures for the year end of August 31, 2015, and has been subject to inquiries from the Canada Revenue Agency for the tax year end of August 31, 2016.

Morris Industries has paid the amounts resulting from these assessments. The current assessments for which Morris Industries has outstanding notices of objections filed involve assessed amounts of approximately $296,000, all of which have been paid by Morris Industries. The representations and warranties of the Vendors, 340, and the Principal do not include a representation or warranty as to whether or not the notices of objection will be successful, and the Purchaser has no claim against the Vendors, 340, or the Principal in respect of these amounts. The Purchaser, to the extent of its ownership interest in Morris Industries, accepts these assessments and the corresponding payments against the assessments, regardless of whether or not the assessments are successfully objected to or appealed.

A Waiver of Right of Objection or Appeal was entered into by Morris Industries with the Canada Revenue Agency dated October 31, 2016 in relation to its 2013 tax year.

Schedule 9.8
Additional Permitted Debt

The Borrower has entered into an equipment financing arrangement with TRUMPF. Inc. and/or TRUMPF Finance, whereby it is obligated to make monthly payments in satisfaction of the loan in the amount of USD$1,000,000. The Borrower has granted a security interest over the equipment to TRUMPF and upon final acceptance being provided by the Borrower, the loan proceeds of USD$1,000,000 will be deposited with an escrow agent with direction to pay the outstanding amount owing for the equipment to TRUMPF Inc.

Schedule 9.10
Exceptions to Restricted Payments

No Restricted Payments are to be made, save and except for those which comply within the definition of "Permitted Distributions" in the Indicative Summary of Terms and Conditions dated August 10, 2017 between Morris Industries Ltd, Morris Sales & Service Ltd. and Bank of Montreal (the "**BMO Term Sheet**"), as such definition may be amended from time to time. "Permitted Distributions" is currently defined in the BMO Term Sheet as being those payments of scheduled dividends, interest on preferred shares or the redemption of preferred shares in the capital of Morris Industries Ltd, Morris Sales & Service Ltd. so long as at the time of such payment, Morris Industries Ltd and/or Morris Sales & Service Ltd., as applicable, is not in default under the BMO Term Sheet or such payment would not cause a default at any time in the quarter following the payment, but such Permitted Distributions are only permitted so long as all Financial Covenants (as defined in the BMO Term Sheet, as such definition may be amended from time to time) remain compliant post payment.

Schedule 9.14
Bank Accounts

Morris Industries Ltd	
BMO $CDN	Transit 26918 Account 1016682
BMO $USD	Transit 26918 Account 4600373
Wells Fargo $USD	ABA 091 300 010 Account 1350044329
Morris Industries (USA) Inc	
BMO $USD	Transit 00348 Account 4504850
Wells Fargo $USD	ABA 091 300 010 Account 5584109481
Morris Sales & Service Ltd	
BMO $CDN	Transit 26918 Account 1016703
Contour Realty	
BMO $CDN	Transit 00348 Account 1994904
101098672 Saskatchewan Ltd	
BMO $CDN	Transit 00348 Account 1997849

Schedule 9.18
Senior Credit Facilities

Credit facilities granted by Bank of Montreal and Farm Credit Canada to Morris Industries Ltd., which is guaranteed by all subsidiaries and associates thereof, including but not limited to, Morris Sales and Services Ltd., the Borrower, Contour Realty Inc., and Morris Industries (USA) Ltd, and secured by general security documents and other security documentation. Demand operating facility of up to $20,000,000 by BMO. Demand, non-revolving facility shares between BMO and Farm Credit Canada, up to a maximum of $4,098,000. Demand, revolving, reducing facility shared between BMO and Farm Credit Canada for up to $1,000,000. Treasury Risk Facility for up to $3,000,000 by BMO.

Credit facilities granted by Bank of Montreal and Farm Credit Canada to Contour Realty Inc., which is guaranteed by all subsidiaries and associates thereof, including but not limited to, Morris Sales and Services Ltd., the Borrower, and Morris Industries (USA) Ltd, and secured by general security documents and other security documentation. Non-revolving facility shared with Farm Credit Canada for up to $2,942,963. Treasury Risk Management Facility for up to $1,000,000

Credit facilities in the amount of $3,154,672.35 granted by Farm Credit Canada to Contour Realty Inc. which is guaranteed by Morris Sales and Services Ltd., the Borrower, Morris Industries Ltd., and Morris Industries (USA) Ltd, and secured by general security documents and other security documentation.

Tab P

THIS IS EXHIBIT "P" REFERRED TO IN THE AFFIDAVIT OF KEVIN ADAIR SWORN BEFORE ME AT SASKATOON, SASKATCHEWAN THIS 3rd DAY OF JANUARY, 2020.

A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF SASKATCHEWAN BEING A SOLICITOR

AMENDING AGREEMENT

THIS AGREEMENT, dated for reference the 31st day of July, 2018,

AMONG:

> **AVRIO SUBORDINATED DEBT LIMITED PARTNERSHIP II**, a limited partnership formed pursuant to the laws of the Province of Alberta, having its head office at 500, 400 Crowfoot Crescent NW, Calgary, AB T3G 5H6 (hereinafter referred to as "**Avrio**")

AND:

> **2040842 ALBERTA LTD.**, a corporation incorporated under the laws of the Province of Alberta, having its head office at 540, 2424-4th Street SW, Calgary, AB T2S 2T4 (hereinafter referred to as "**BrownCo**", and collectively, with Avrio, the "**Lenders**")

AND:

> **101098672 SASKATCHEWAN LTD.**, a corporation incorporated under the laws of the Province of Saskatchewan (hereinafter referred to as the "**Borrower**")

AND:

> The affiliated entities of the Borrower as guarantors and Obligors identified on the signature pages hereof (the "**Obligors**")

WHEREAS the Borrower, the Lenders, Avrio as security agent, and the Obligors entered into a Loan Agreement dated August 31, 2017 (the "**Loan Agreement**");

AND WHEREAS the Borrower has requested an additional loan from Avrio in the principal amount of $5,000,000 (the "**Tranche 2 Loan**") and Avrio has agreed to make the Tranche 2 Loan on the terms and conditions set forth herein and in the Loan Agreement;

AND WHEREAS the Borrower, the Obligors and the Lenders have agreed to amend the Loan Agreement on the terms and conditions set out in herein;

NOW THEREFORE, in consideration of the respective covenants of the parties and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the parties agree as follows:

1. DEFINITIONS

In this Agreement, unless otherwise specifically defined, capitalized terms shall have the meanings set out in the Loan Agreement.

2. AMENDMENTS

2.1 Section 2.1 shall be deleted in its entirety and substituted and replaced with the following:

"Subject to fulfilment of each of the conditions precedent set out in Section 4.1 hereof, the Lenders have agreed to extend to the Borrower, the following Loans:

(i) First Tranche:

Avrio – $3,250,000

BrownCo - $750,000

(collectively, the "**Tranche 1 Loans**")

(ii) Second Tranche:

Avrio – $5,000,000

(the "**Tranche 2 Loan**")

The Tranche 1 Loans are to be advanced to the Borrower by the Lenders in full on the Closing Date. Net proceeds of the Tranche 1 Loans, after deducting issue expenses, shall be used by the Borrower to redeem the 3,000,000 Class B Shares held by Welshpool Investments Ltd., with any excess to be used for working capital.

The Tranche 2 Loan is to be advanced to the Borrower by Avrio in full on July 31, 2018. Net proceeds of the Tranche 2 Loan, after deducting issue expenses, shall be used by the Borrower for working capital.

No related party debts outside the ordinary course of business or as permitted in accordance with Section 9.10, if any, may be paid without the Lenders' prior written consent and no change to the use of proceeds is permitted without the Lenders' prior written consent."

2.2 Section 2.2 shall be deleted in its entirety and substituted and replaced with the following:

"Indebtedness of the Borrower to the Lenders in respect of the Loans will be evidenced by the Notes, which will be issued by the Borrower to the Lenders on the date of the advance of each Loan."

2.3 Section 2.4 shall be deleted in its entirety and substituted and replaced with the following:

"The Borrower shall pay the Lenders a commitment fee equal to $36,832.00 in connection with the Tranche 1 Loans, which shall be withheld from the advance of the Tranche 1 Loans by the Lenders hereunder.

The Borrower shall pay Avrio a commitment fee equal to $20,000, of which $10,000 has been received by Avrio, in connection with the Tranche 2 Loan, which shall be withheld from the advance of the Tranche 2 Loan by Avrio hereunder."

2.4 Subsection 2.6(a) shall be deleted in its entirety and substituted and replaced with the following:

"At any time after the second (2nd) anniversary of the Closing Date, provided that the Borrower gives irrevocable written notice to the Lenders of any prepayment hereunder at least 5 Business Days prior to such prepayment date, and upon payment of any applicable Prepayment Premium, the Borrower shall have the right, when not in default under this Agreement, to prepay, in whole or in part, the then Outstanding Principal Obligations in respect of the Tranche 1 Loans and any capitalized, accrued and unpaid interest thereon up to the date of prepayment. The Prepayment Premium shall only be payable if the Tranche 1 Loans or any portion thereof are repaid prior to the 3rd anniversary of the Closing Date. For clarity, the Borrower shall not have the right at any time to prepay any Outstanding Principal Obligations in respect of the Tranche 2 Loan.

2.5 In Exhibit A of the Loan Agreement, section 13 shall be deleted and replaced with the following:

""**Closing Date**" means the date on which the last of the conditions precedent to the extension of the Tranche 1 Loans by the Lenders to the Borrower has been completed or satisfied."

2.6 In Exhibit A of the Loan Agreement, section 37 shall be deleted and replaced with the following:

""**Loans**" shall mean the term loans in the aggregate principal amount not exceeding $9,000,000 to be extended by the Lenders to the Borrower pursuant to the terms of this Agreement."

2.7 The following definitions shall be added to Exhibit A of the Loan Agreement :

""**Tranche 1 Loan**" has the meaning ascribed in section 2.1 hereof.

"**Tranche 2 Loan**" has the meaning ascribed in section 2.1 hereof."

3. CONDITIONS PRECEDENT

The effectiveness of this Amending Agreement is subject to the satisfaction of the following conditions precedent:

(i) the Borrower and each Obligor shall have executed and delivered this Amending Agreement and the confirmations of guarantees and security contained in this Amending Agreement to the Lenders;

(ii) the Borrower shall have obtained all necessary consents from its senior lenders or any other creditors as required, to the Amending Agreement and the Tranche 2 Loan by Avrio hereunder;

(iii) the Borrower shall have delivered to the Lenders a certificate from an officer of the Borrower in form and substance satisfactory to the Lenders, certifying, among other things:

(a) resolutions of its directors and/or shareholders (as applicable) in respect of this Amending Agreement and the transactions contemplated hereunder;

(b) that no Default or Event of Default has occurred or would occur after giving effect to the amendments;

(c) that each of its representations and warranties made in the Loan Agreement and this Amending Agreement are true and correct (unless specified to be made at an earlier date), **[except as specified in Schedule "A" thereto]**;

(iv) no Default or Event of Default shall have occurred and be continuing or shall result from or exist immediately after the coming into effect of the amendments and supplements to the Loan Agreement contained in this Amending Agreement.

4. REPRESENTATIONS AND WARRANTIES

The Borrower and each Obligor jointly and severally represent and warrant to the Lenders and acknowledge that the Lenders are relying upon such representations and warranties, as follows:

(i) the Borrower and each Obligor is validly existing and in good standing under the laws of the jurisdiction governing its corporate existence, and is duly registered or qualified to carry on business in all other jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such registration, and has all necessary power and authority to own its properties and carry on its business as presently carried on;

(ii) the Borrower and each Obligor has full power, legal right and authority to enter into this Amending Agreement and do all such acts and things as are required by this Amending Agreement to be done, observed or performed in accordance with the terms hereof;

(iii) the Borrower and each corporate Obligor has taken all necessary corporate action to authorize the execution, delivery and performance of this Amending Agreement and to observe and perform the provisions hereof in accordance with the terms contained in this Amending Agreement;

(iv) this Amending Agreement constitutes valid and legally binding obligations of the Borrower and each Obligor, enforceable against the Borrower and each Obligor in accordance with its terms, subject only to applicable bankruptcy, reorganization, winding-up, insolvency, moratorium and other laws of general application affecting the enforcement of creditors' rights generally, to general principles of equity and to the equitable and statutory powers of the courts having jurisdiction with respect thereto;

(v) no Default or Event of Default has occurred or is continuing or shall result from or exist immediately after the coming into effect of the amendments and supplements to the Loan Agreement contained in this Amending Agreement;

(vi) the Borrower and each Obligor is in compliance with each of the terms and conditions of the Loan Agreement (as amended by this Amending Agreement) and the other Financing Agreements; and

(vii) no consents or authorizations from any third party are required to be obtained by the Borrower or any Obligor in connection with the execution and delivery of this Amending Agreement and the performance by the Borrower and any Obligor of their respective obligations under the Loan Agreement, the Security and the other Financing Agreements, except as have been obtained and are in full force and effect.

5. FULL FORCE; CONFIRMATION

The Borrower and each Obligor hereby irrevocably and unconditionally acknowledges, confirms and agrees that:

(i) each of the terms and conditions of the Loan Agreement, as amended and supplemented by this Amending Agreement, and each of the terms and conditions of the Security granted by it, is hereby ratified and confirmed and shall from and after the date hereof continue in full force and effect;

(ii) the Obligor shall continue to guarantee the full and punctual payment and performance of all of the Obligations guaranteed thereby to the Lenders; and

(iii) the Security shall continue to secure all of the liabilities, indebtedness and obligations of the Borrower and each Obligor, as applicable, to the Lenders under and in respect of the Loan Agreement, as amended and supplemented hereby.

6. NO WAIVER

Each of the Borrower and Obligor hereby acknowledge and agree that, except as expressly provided for herein, nothing contained in this Amending Agreement shall constitute a waiver of any default or breach by the Borrower or an Obligor of any of its covenants, agreements, obligations and liabilities arising under the Loan Agreement. The Lenders shall further be entitled to, at any time, rely on any such breach or default without in any way being limited or prejudiced by any of the terms or conditions of the Loan Agreement or any other documents delivered pursuant hereto.

7. NO FURTHER AMENDMENTS

All other terms and conditions of the Loan Agreement, except as amended herein, shall remain in full force and effect. All references to the Loan Agreement in each of the Financing Agreements shall be deemed to include the amendments set out herein from and after the date of execution hereof.

8. TIME

Time is of the essence of this Agreement.

9. FURTHER ASSURANCES

The parties agree to make, execute and deliver any and all further assurances or other documents necessary to give full force and effect to the meaning and intent of this Agreement.

10. GOVERNING LAW

This Agreement shall in all respects be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Saskatchewan and the federal laws of Canada applicable in Saskatchewan.

11. ENUREMENT

This Agreement enures to the benefit of and is binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

12. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original, faxed or delivered by way of electronic transmission and the parties adopt any signatures received by a receiving fax machine or electronically transmitted as original signatures of the parties; provided, however, that any party providing its signature in such manner shall promptly forward to the other party an original of the signed copy of this Agreement which was so faxed or electronically transmitted.

IN WITNESS of this Agreement, the parties have executed and delivered this Agreement as of the date given above.

[The remainder of this page has been intentionally left blank. Signature pages follow.]

LENDERS

AVRIO SUBORDINATED DEBT LIMITED PARTNERSHIP II, by its general partner, AVRIO SUBORDINATED DEBT GENERAL PARTNER II LTD.

Per: ______________________________
Name:
Title:

Per: ______________________________
Name:
Title:

Address:

500, 400 Crowfoot Business Center NW
Calgary AB T3G 5H6

Attention: Dan McCrimmon
Fax: (403) 215-5495

2040842 ALBERTA LTD.

Per: ______________________________
Name:
Title:

Per: ______________________________
Name:
Title:

Address:
Suite 540 – 2424 4th Street SW
Calgary, AB T2S 2T4
Attention: ____________
Fax: ________________

SECURITY AGENT

AVRIO SUBORDINATED DEBT GENERAL PARTNER II LTD.

Per: ____________________________
Name:
Title:

Per: ____________________________
Name:
Title:

Address:

500, 400 Crowfoot Business Center NW
Calgary AB T3G 5H6

Attention: Dan McCrimmon
Fax: (403) 215-5495

BORROWER

101098672 SASKATCHEWAN LTD.

Per: ______________________________
Name: Ben Voss
Title:

Per: ______________________________
Name:
Title:

Chief Executive Office Address:

2131 Airport Drive
Saskatoon, SK S7L 7E1

Attention: Ben Voss
Fax: (306) 653-8626

Acknowledgement

Each of the undersigned Obligors hereby acknowledges and agrees to be bound by the terms and conditions contained in this Amending Agreement, as of the day and year first above written.

MORRIS INDUSTRIES LTD.

Per: ______________________
Name:
Title:

Per: ______________________
Name:
Title:

Chief Executive Office Address:

2131 Airport Drive
Saskatoon, SK S7L 7E1
Attention: Ben Voss
Fax: (306) 653-8626

CONTOUR REALTY INC.

Per: ______________________
Name:
Title:

Per: ______________________
Name:
Title:

Chief Executive Office Address:

2131 Airport Drive
Saskatoon, SK S7L 7E1
Attention: Ben Voss
Fax: (306) 653-8626

MORRIS SALES & SERVICE LTD.

Per: ______________________
Name:
Title:

Per: ______________________
Name:
Title:

Chief Executive Office Address:

2131 Airport Drive
Saskatoon, SK S7L 7E1
Attention: Ben Voss
Fax: (306) 653-8626

MORRIS INDUSTRIES (USA) INC.

Per: ______________________
Name:
Title:

Per: ______________________
Name:
Title:

Chief Executive Office Address:

2131 Airport Drive
Saskatoon, SK S7L 7E1
Attention: Ben Voss
Fax: (306) 653-8626

Tab Q

THIS IS EXHIBIT "Q" REFERRED TO IN THE AFFIDAVIT OF KEVIN ADAIR SWORN BEFORE ME AT SASKATOON, SASKATCHEWAN THIS 3rd DAY OF JANUARY, 2020

A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF SASKATCHEWAN BEING A SOLICITOR

Saskatchewan Personal Property Registry Search Result

Current - Exact

Registration Type:	Personal Property Security Agreement	**Registration #:**	300209243
Registration Date:	10-Aug-2007 15:20:19	**Expiry Date:**	10-Aug-2022

Event Type: Amendment
Transaction Reason: Regular

Notations
Trust Indenture: NO

Registrant

Party ID:	152167111-1	**Address:**	939 EGLINTON AVE. EAST, SUITE 201
Entity Type:	Business		TORONTO, Ontario
Name:	D+H LIMITED PARTNERSHIP		M4G4H7
			Canada

Secured Party

Item #:	1	**Address:**	9TH FLOOR, 350 - 7TH AVENUE SW
Party ID:	150443484-2		CALGARY, Alberta
Entity Type:	Business		T2P3N9
Name:	BANK OF MONTREAL		Canada
Item #:	2	**Address:**	2400, 2322 - 9th Avenue, P.O. Box 937
Party ID:	150004690-2		Humboldt, Saskatchewan
Entity Type:	Business		S0K2A0
Name:	FARM CREDIT CANADA		Canada
Item #:	4	**Address:**	9th Floor, 350 - 7th Avenue S.W.
Party ID:	151306126-1		Calgary, Alberta
Entity Type:	Business		T2P3N9
Name:	BANK OF MONTREAL, as Collateral Agent		Canada

Debtor Party

Item #:	1	**Address:**	2131 AIRPORT DRIVE
Party ID:	150443481-2		SASKATOON, Saskatchewan
Entity Type:	Business		S7L7E1
Name:	101097867 SASKATCHEWAN LTD.		Canada
* **Item #:**	3	**Address:**	2131 AIRPORT DRIVE
Party ID:	150530528-2		SASKATOON, Saskatchewan
Entity Type:	Business		S7L7E1
Name:	101098672 SASKATCHEWAN LTD.		Canada

General Property

All of the Debtors' present and after-acquired personal property. Proceeds: goods, chattel paper, investment property, documents of title, instruments, money and intangibles (as defined in the PPSA).

History - Setup

Registration Type: Personal Property Security Agreement
Registration Date: 10-Aug-2007 15:20:19

Saskatchewan
Personal Property Registry
Search Result

Registration #:	300209243
Transaction #:	1
Expiry Date:	10-Aug-2017

Event Type: Setup
Transaction Reason: Regular

Notations
Trust Indenture: NO

Registrant

Party ID:	150000519-1	**Address:**	4126 Norland Avenue
Entity Type:	Business		Burnaby, British Columbia
Name:	Canadian Securities Registration Systems		V5G3S8
			Canada

Secured Party

Item #:	1	**Address:**	950, 350 - 7TH AVENUE SW
Party ID:	150443484-1		CALGARY, Alberta
Entity Type:	Business		T2P3N9
Name:	BANK OF MONTREAL		Canada

Debtor Party

Item #:	1	**Address:**	374 - 3RD AVENUE S
Party ID:	150443481-1		SASKATOON, Saskatchewan
Entity Type:	Business		S7K1M5
Name:	101097867 SASKATCHEWAN LTD.		Canada
Item #:	2	**Address:**	374 - 3RD AVENUE S
Party ID:	150443482-1		SASKATOON, Saskatchewan
Entity Type:	Business		S7K1M5
Name:	101097866 SASKATCHEWAN LTD.		Canada
Item #:	3	**Address:**	374 - 3RD AVENUE S
Party ID:	150443483-1		SASKATOON, Saskatchewan
Entity Type:	Business		S7K1M5
Name:	101098673 SASKATCHEWAN LTD.		Canada

General Property

All of the Debtors' present and after acquired personal property. Proceeds: goods, chattel paper, securities, documents of title, instruments, money and tangibles (as defined in the PPSA).

History - Amendment

Amendment Date: 06-Dec-2007 17:19:15

Registration #:	300209243
Transaction #:	2

Event Type: Amendment
Transaction Reason: Regular

Saskatchewan
Personal Property Registry
Search Result

Registrant

Party ID:	150242198-1	**Address:**	4126 NORLAND AVENUE
Entity Type:	Business		BURNABY, British Columbia
Name:	CANADIAN SECURITIES REGISTRATION SYSTEMS		V5G3S8
			Canada

Debtor Party

Action:	Update		
Item #:	3	**Address:**	374 - 3RD AVENUE S
Party ID:	150530528-1		SASKATOON, Saskatchewan
Entity Type:	Business		S7K1M5
Name:	101098672 SASKATCHEWAN LTD.		Canada

History - Amendment

Amendment Date: 12-Apr-2011 12:25:50

Registration #: 300209243
Transaction #: 3

Event Type: Amendment
Transaction Reason: Regular

Registrant

Party ID:	150609860-1	**Address:**	374 THIRD AVENUE S
Entity Type:	Business		SASKATOON, SK
Name:	MCKERCHER LLP		S7K1M5
			Canada

Secured Party

Action:	Add		
Item #:	2	**Address:**	P.O. Box 4320, 1800 Hamilton Street
Party ID:	150004690-1		Regina, Saskatchewan
Entity Type:	Business		S4P4L3
Name:	FARM CREDIT CANADA		Canada
Action:	Add		
Item #:	4	**Address:**	9th Floor, 350 - 7th Avenue S.W.
Party ID:	151306126-1		Calgary, Alberta
Entity Type:	Business		T2P3N9
Name:	BANK OF MONTREAL, as Collateral Agent		Canada

History - Amendment

Amendment Date: 13-Apr-2011 13:35:26

Registration #: 300209243
Transaction #: 4

Event Type: Amendment
Transaction Reason: Regular

Saskatchewan
Personal Property Registry
Search Result

Registrant

Party ID:	150609860-1	**Address:**	374 THIRD AVENUE S
Entity Type:	Business		SASKATOON, SK
Name:	MCKERCHER LLP		S7K1M5
			Canada

Debtor Party

Action:	Delete		
Item #:	2	**Address:**	374 - 3RD AVENUE S
Party ID:	150443482-1		SASKATOON, Saskatchewan
Entity Type:	Business		S7K1M5
Name:	101097866 SASKATCHEWAN LTD.		Canada

History - Amendment

Amendment Date: 30-Aug-2013 09:51:15

Registration #: 300209243
Transaction #: 5

Event Type: Amendment
Transaction Reason: Regular

RIN: Registration Identification Number Amended

Registrant

Party ID:	151909018-1	**Address:**	374 THIRD AVENUE S.
Entity Type:	Business		SASKATOON, Saskatchewan
Name:	MCKERCHER LLP		S7K1M5
			Canada

Secured Party

Action:	Update		
Item #:	1	**Address:**	9TH FLOOR, 350 - 7TH AVENUE SW
Party ID:	150443484-2		CALGARY, Alberta
Entity Type:	Business		T2P3N9
Name:	BANK OF MONTREAL		Canada
Action:	Update		
Item #:	2	**Address:**	2400, 2322 - 9th Avenue, P.O. Box 937
Party ID:	150004690-2		Humboldt, Saskatchewan
Entity Type:	Business		S0K2A0
Name:	FARM CREDIT CANADA		Canada

Debtor Party

Action:	Update		
Item #:	1	**Address:**	2131 AIRPORT DRIVE
Party ID:	150443481-2		SASKATOON, Saskatchewan
Entity Type:	Business		S7L7E1
Name:	101097867 SASKATCHEWAN LTD.		Canada

Saskatchewan
Personal Property Registry
Search Result

Action:	Update		
Item #:	3	**Address:**	2131 AIRPORT DRIVE
Party ID:	150530528-2		SASKATOON, Saskatchewan
Entity Type:	Business		S7L7E1
Name:	101098672 SASKATCHEWAN LTD.		Canada

General Property

All of the Debtors' present and after-acquired personal property. Proceeds: goods, chattel paper, investment property, documents of title, instruments, money and intangibles (as defined in the PPSA).

History - Amendment

Amendment Date:	10-Aug-2017 14:25:49	**Registration #:**	300209243
		Transaction #:	6
		Expiry Date:	10-Aug-2022

Event Type: Amendment
Transaction Reason: Regular

Life Time: Life Time Amended

Registrant

Party ID:	152167111-1	**Address:**	939 EGLINTON AVE. EAST, SUITE 201
Entity Type:	Business		TORONTO, Ontario
Name:	D+H LIMITED PARTNERSHIP		M4G4H7
			Canada

Saskatchewan
Personal Property Registry
Search Result

Current - Exact

Registration Type:	Personal Property Security Agreement	**Registration #:**	301663241
Registration Date:	17-Aug-2017 12:07:10	**Expiry Date:**	17-Aug-2022

Event Type: Setup
Transaction Reason: Regular

Notations
Trust Indenture: NO

Registrant

Party ID:	150000519-1	**Address:**	4126 Norland Avenue
Entity Type:	Business		Burnaby, British Columbia
Name:	Canadian Securities Registration Systems		V5G3S8
			Canada

Secured Party

Item #:	1	**Address:**	2nd Floor 340-7th Avenue SW
Party ID:	152462494-1		Calgary, Alberta
Entity Type:	Business		T2P0X4
Name:	Bank of Montreal/Banque de Montreal		Canada
Item #:	2	**Address:**	2400, 2322-9TH AVENUE, PO BOX 937
Party ID:	152839717-1		HUMBOLDT, Saskatchewan
Entity Type:	Business		S0K2A0
Name:	FARM CREDIT CANADA		Canada

Debtor Party

Item #:	1	**Address:**	2131 AIRPORT DRIVE
Party ID:	150443481-2		SASKATOON, Saskatchewan
Entity Type:	Business		S7L7E1
Name:	101097867 SASKATCHEWAN LTD.		Canada
* **Item #:**	2	**Address:**	2131 AIRPORT DRIVE
Party ID:	150530528-2		SASKATOON, Saskatchewan
Entity Type:	Business		S7L7E1
Name:	101098672 SASKATCHEWAN LTD.		Canada

General Property

ALL OF THE DEBTORS' PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY. PROCEEDS: GOODS, CHATTEL PAPER, INVESTMENT PROPERTY, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY AND INTANGIBLES (AS DEFINED IN THE PPSA).
This Registration is a Re-Registration of Registration number 300209243 made pursuant to section 35(7) of the Personal Property Security Act.

Saskatchewan
Personal Property Registry
Search Result

Current - Exact

Registration Type:	Personal Property Security Agreement	**Registration #:**	301666877
Registration Date:	25-Aug-2017 14:26:46	**Expiry Date:**	25-Aug-2027

Event Type: Setup
Transaction Reason: Regular

Notations
Trust Indenture: NO

Registrant

Party ID:	150000519-1	**Address:**	4126 Norland Avenue
Entity Type:	Business		Burnaby, British Columbia
Name:	Canadian Securities Registration Systems		V5G3S8
			Canada

Secured Party

Item #:	1	**Address:**	500, 400 Crowfoot Crescent NW
Party ID:	152845316-1		CALGARY, Alberta
Entity Type:	Business		T3G5H6
Name:	AVRIO SUBORDINATED DEBT GENERAL PARTNER II LTD., as collateral agent		Canada

Debtor Party

* **Item #:**	1	**Address:**	2131 Airport Drive
Party ID:	152845315-1		Saskatoon, Saskatchewan
Entity Type:	Business		S7L7E1
Name:	101098672 SASKATCHEWAN LTD.		Canada

General Property

All of the Debtor's present and after-acquired personal property. Proceeds: goods, chattel paper, investment property, documents of title, instruments, money and intangibles (as defined in the PPSA).

End of Search Result

Tab R

Execution Version

POSTPONEMENT, SUBORDINATION AND STANDSTILL AGREEMENT

This Postponement, Subordination and Standstill Agreement dated as of the 31st day of August, 2017.

BETWEEN:

> **BANK OF MONTREAL**, for itself and in its capacity as collateral agent for an on behalf of the Senior Creditors (in such capacity, together with its successors and assigns, the "**Collateral Agent**")

- and -

> **AVRIO SUBORDINATED DEBT LIMITED PARTNERSHIP II and 2040842 ALBERTA LTD., as subordinated lenders, and AVRIO SUBORDINATED DEBT GENERAL PARTNER II LTD., as collateral agent for the subordinated lenders,** (together, the "**Subordinated Creditor**")

- and -

> **101098672 SASKATCHEWAN LTD. ("101098672"), MORRIS INDUSTRIES LTD. ("Industries"), MORRIS SALES & SERVICE LTD. ("S&S"), MORRIS INDUSTRIES (USA) INC. ("Morris USA")**, and **CONTOUR REALTY INC. ("Contour")**

WHEREAS:

A. The Senior Creditors have provided certain credit facilities in favour of Industries and S&S pursuant to the Senior Credit Agreements;

B. The Subordinated Creditor has, or will, provide certain credit facilities to and in favour of 101098672;

C. It is a condition precedent to the extension of credit by the Senior Creditors to the Industries and S&S under the Senior Credit Agreements that the Subordinated Obligations be expressly subordinated to the Senior Obligations in accordance with the terms of this Agreement.

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agent, the Subordinated Creditor, and the Obligors agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, terms and expressions defined in the Senior BMO Credit Agreement but not otherwise defined herein will have the meanings ascribed to them in the Senior Credit Agreements. In addition:

THIS IS EXHIBIT "R" REFERRED TO IN THE AFFIDAVIT OF KEVIN ADAIR SWORN BEFORE ME AT SASKATOON, SASKATCHEWAN THIS 3rd DAY OF JANUARY, 2020.

A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF SASKATCHEWAN BEING A SOLICITOR

"**Agreement**" means this Subordination Agreement and includes all amendments and supplements made hereto, all further restatements hereof and all substitutions, modifications and replacements herefor, from time to time;

"**Avrio Commitment**" means the Loan Agreement dated August 31, 2017 by and between the Subordinated Creditor and 101098672 as the same may be amended, amended and restated, modified, replaced, restated or supplemented from time to time, subject to the limitations and agreements contained in this Agreement;

"**BMO**" means Bank of Montreal and its permitted successors and assigns;

"**Credit Document**" means collectively (i) those documents identified as a "Credit Document" in the Senior BMO Credit Agreement and (ii) those documents identified as a "Loan Document in the Senior FCC Credit Agreement;

"**Creditor Proceedings**" means:

(a) any dissolution, winding-up, total or partial liquidation, adjustment or readjustment of debt, reorganization, compromise, arrangement with creditors, plan of arrangement, compromise, proposal, filing of a notice of intention to make a proposal or similar proceedings under Insolvency laws of or with respect to any Obligor or its property or liabilities, in each case under any Insolvency Law;

(b) any dissolution, winding-up, total or partial liquidation, adjustment or readjustment of debt, reorganization, compromise, arrangement with creditors, plan of arrangement or similar proceedings under the arrangement provisions of any applicable corporate law (in any case which involves the alteration, amendment, conversion, compromise, satisfaction or discharge of obligations of any or all creditors) of or with respect to any Obligor or its property or liabilities (but which, for certainty, shall exclude any dissolution, winding-up or liquidation of a solvent Obligor into another solvent Obligor permitted by both the Senior Credit Agreements and the Avrio Commitment, each as in effect on the date hereof);

(c) any bankruptcy, insolvency, receivership, interim receivership, petition or assignment in bankruptcy, or assignment for the benefit of creditors under any Insolvency Laws of or with respect to any Obligor;

(d) any marshalling of assets and liabilities of any Obligor under any Insolvency Laws; or

(e) any proceedings, or the initiation of any proceedings, in relation to any of the foregoing,

whether any of the foregoing is voluntary or involuntary, partial or complete, and includes any such proceedings initiated or consented to by any Obligor;

"**Default Event**" has the meaning ascribed thereto in Subsection 3.1(a);

"**FCC**" means Farm Credit Canada and its permitted successors and assigns;

"**Insolvency Laws**" means the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the *Winding-up and Restructuring Act* (Canada) or any other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, reorganization, receivership, insolvency, arrangement or similar laws of Canada or any other applicable jurisdiction from time to time that have become applicable to any Obligor or any of its properties or liabilities;

"**Liens**" means any mortgages, charges, pledges, hypothecs, assignments by way of security, conditional sales or other title retentions, liens, encumbrances, security interests or other interests in property, howsoever created or arising, whether fixed or floating, perfected or not, which secure payment or performance of an obligation;

"**Obligors**" means, collectively, Industries, S&S, 101098672, Morris USA and Contour, and "**Obligor**" means either of them;

"**Property**" means, in respect of each Obligor, such Obligor's present and hereafter acquired property, assets and undertaking, both real and personal, tangible and intangible, of every nature and kind;

"**Senior BMO Credit Agreement**" means the amended and restated letter loan agreement dated as of August 24, 2017 made among BMO, Industries (as borrower under "Facilities A, B, C and D" as defined therein) and S&S (as co-borrower in an amount not to exceed $2,000,000 under "Facility A" only), providing for certain revolving, term and treasury risk management credit facilities, as the same may be renewed, supplemented, amended, restated or replaced from time to time;

"**Senior Credit Agreements**" means, together, the Senior BMO Credit Agreement and the Senior FCC Credit Agreement.

"**Senior FCC Credit Agreement**" means the amended and restated credit agreement dated as of August 30, 2017 made between FCC and Industries, as borrower, providing for certain revolving and term credit facilities, as the same may be renewed, supplemented, amended, restated or replaced from time to time;;

"**Senior Creditors**" means, collectively, the Collateral Agent, BMO and FCC;

"**Senior Documents**" means all documents, agreements or instruments pursuant to which any of the Senior Obligations are evidenced or documented, including, without limitation, the Credit Documents;

"**Senior Obligations**" means, collectively, all present and future amounts, obligations, liabilities, covenants, agreements and undertakings owing by any Obligor to the Collateral Agent, whether direct or indirect (regardless of whether acquired by assignment), absolute or contingent, due or to become due, whether liquidated or not, now existing or hereafter arising and however acquired, and whether or not evidenced by any instrument or for the payment of money, and arising under, in connection with, or otherwise related to the Senior Credit Agreements or any other Credit Document to which such Obligor is a party and including (a) all Outstandings owed or guaranteed by such Obligor, (b) all hedge obligations owed or guaranteed by such Obligor, (c) all cash management Obligations owed or guaranteed by such Obligor, and (d) all other fees, expenses (including fees, charges and disbursements of counsel), interest, commissions, charges, costs, disbursements, indemnities, and reimbursement of amounts paid and other sums chargeable to such Obligor under the Credit Documents to which such Obligor is a party;

"**Stop Notice**" means a notice in writing by the Collateral Agent (or either or both of BMO or FCC, as applicable) to the Subordinated Creditor that a Default Event has occurred and is continuing;

"**Subordinated Documents**" means the Avrio Commitment and all other documents, agreements, certificates or instruments contemplated or provided for thereunder, or otherwise granted or executed by any Obligor and the Subordinated Creditor (or any of them), pursuant to or in connection therewith; and

"**Subordinated Obligations**" means all present and future obligations, indebtedness, liabilities, covenants, agreements and undertakings of any Obligor to the Subordinated Creditor arising out of or contemplated by the Subordinated Documents to which such Obligor is a party, or by which it may be bound, whether direct or indirect (regardless of whether acquired by assignment), absolute or contingent, joint or several, matured or unmatured, in each case irrespective of the relative priority of any such obligations, indebtedness, liabilities, covenants, agreements and undertakings owed by such Obligor to the Subordinated Creditor and "**Subordinated Obligation**" means any of them.

1.2 Headings

The division of this Agreement into articles, sections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

1.3 References

Unless something in the subject matter or context is inconsistent herewith, all references to Sections and Articles are to Sections and Articles of this Agreement. The words "hereto", "hereof", "hereunder" and similar expressions mean and refer to this Agreement. In this Agreement, the singular includes the plural and vice versa; a reference to gender includes the masculine, feminine and neuter; where a term or expression is defined, derivations thereof have a corresponding meaning; and references to any agreement, contract, document or other instrument shall mean and refer to such agreement, contract, document or other instrument as amended, modified, replaced, restated, extended, renewed or supplemented from time to time.

ARTICLE 2
SUBORDINATION, POSTPONEMENT AND PRIORITY

2.1 Subordination

(a) Except as expressly permitted pursuant to paragraph 3.1, the Subordinated Obligations are hereby irrevocably and unconditionally fully postponed and subordinated to and in favour of the prior payment of the Senior Obligations and no Obligor shall make and the Subordinated Creditor shall not accept, except as expressly permitted herein, any payment, repayment, prepayment, redemption, repurchase, retraction or other satisfaction of or with respect to all or any portion of the Subordinated Obligations (in each case, whether in cash, property, securities or otherwise) prior to the payment in full of the Senior Obligations.

(b) The Senior Documents shall have priority over the Subordinated Documents.

(c) The Collateral Agent, in respect of the Senior Obligations, shall have first priority over the Subordinated Obligations, and first priority over any claims of the Subordinated Creditor in respect of any Obligor and all Property of such Obligor, including without limitation, to discharge and satisfy the Senior Obligations, all in priority to any claim of the Subordinated Creditor under the Subordinated Documents and the Subordinated Obligations.

2.2 Absolute Obligations

The postponement and subordination of the Subordinated Obligations and the Subordinated Documents set out in this Agreement shall be absolute and unconditional and shall apply in all events and circumstances. Without limiting the generality of the foregoing, the rights and priority of the Collateral Agent and the postponement and subordination of the Subordinated Obligations and the Subordinated Documents pursuant hereto shall not be affected by:

(a) the time, sequence or order of creating, granting, executing, delivering, or registering of or any failure to file or register any security, or any security notice, caveat, financing statement or other notice or instrument in respect of the Senior Documents, the Senior Obligations, the Subordinated Documents or the Subordinated Obligations;

(b) the date of any payments made by any Obligor;

(c) the time or order of any advance, the giving of notice or the making of any demand under the Senior Documents or under the Subordinated Documents or the attachment, perfection or crystallization of any security granted under the Senior Documents or the Subordinated Documents;

(d) the taking of any collection, enforcement or realization proceedings affecting any Obligor;

(e) any voluntary or involuntary winding-up, dissolution, insolvency, receivership, bankruptcy, liquidation, reorganization, arrangement, composition or any other process or proceeding having similar effect, involving or affecting any Obligor or such Obligor's Property;

(f) any judgment or any order of any bankruptcy court or any court administering bankruptcy, insolvency, arrangement, reorganization or similar proceedings as to the entitlement of any Collateral Agent or the Subordinated Creditor, or any other judgment or order against any Obligor as to any money or property of such Obligor or the Subordinated Creditor, or the date of any of the foregoing;

(g) the giving or failure to give any notice, or the order of giving any notice, to any Obligor or the Subordinated Creditor;

(h) the failure to exercise any power or remedy reserved to any Collateral Agent under the Senior Documents or to insist upon a strict compliance with any of the terms thereof;

(i) the failure by any Obligor to comply with any restrictions on borrowing or granting of security to which it may be subject, regardless of any knowledge thereof which any Collateral Agent may have or be deemed to have or with which such Collateral Agent may be charged;

(j) any amendment of or addition or supplement to any Senior Document or any Subordinated Document or any instrument or agreement relating thereto;

(k) the giving or denial of any waiver, consent, release, indulgence, extension, renewal, modification or delay or the taking or nontaking of any other action, inaction or omission, in respect of any Senior Obligation or any Subordinated Obligation or any instrument or agreement relating thereto or to any securities relating thereto or any guarantee thereof, whether or not any Obligor or any other Person shall have had notice or knowledge of any of the foregoing;

(l) any priority granted by any principle of law or any statute;

(m) any failure to act on the part of any Obligor or any Collateral Agent, or any noncompliance by any Obligor with any of the terms, provisions and covenants of the Subordinated Documents or any agreements related thereto, regardless of any knowledge thereof that any Collateral Agent may have or be otherwise charged with; and

(n) any other factor of legal relevance including, without limitation, any priority granted to the Subordinated Creditor, any Subordinated Document or the Subordinated Obligations by any applicable principle of law or equity.

2.3 Priority of Senior Obligations on Enforcement or Insolvency

In the event of any Creditor Proceedings, the Senior Obligations shall first be paid in full before the Subordinated Creditor shall be entitled to receive or retain any payment or distribution in respect of the Subordinated Obligations. In order to implement the foregoing:

(a) in the course of realization or enforcement of any Senior Documents, the Collateral Agent and/or a receiver or receiver-manager of any Obligor or of all or part of its assets or any other enforcement Collateral Agent may sell, mortgage or otherwise dispose of the assets of such Obligor, in whole or in part, free and clear of the Subordinated Obligations and the Subordinated Documents and without the approval of the Subordinated Creditor or any requirement to account to the Subordinated Creditor. With respect to any such disposition of the assets of such Obligor, the Subordinated Creditor and the applicable Obligor shall each execute and deliver all such documents and instruments as may be requested by the Collateral Agent in connection therewith to give effect to such disposition of assets free and clear of the Subordinated Obligations and the Subordinated Documents including quit claims and all such other documents and instruments as may be requested by the Collateral Agent from time to time confirming that the Subordinated Obligations and the Subordinated Documents as they pertain to the assets disposed of, have terminated and that such assets are no longer subject to the Subordinated Obligations and the Subordinated Documents; and

(b) all payments and distributions of any kind or character in respect of the Subordinated Obligations or the Subordinated Documents to which the Subordinated Creditor would be entitled if the Subordinated Obligations or the Subordinated Documents were not subordinated or postponed pursuant to this Agreement shall be made directly to the Collateral Agent for the benefit of the Collateral Agent.

Notwithstanding anything to the contrary herein or under Applicable Law, in the event of any classification of creditors of any Obligor on the commencement of or during any Creditor Proceeding, the Subordinated Creditor agrees that the Collateral Agent shall not, whether for purposes of Voting, distributions or effecting claims, be put in the same class of creditors as the Subordinated Creditor. For the purposes hereof, "**Voting**" includes any manner of expressing assent or dissent, including voting at a meeting in person or by proxy, written resolution, consent instrument or otherwise.

2.4 Receipt of Payments, Proceeds and Assets in Trust

After the delivery of a Stop Notice, if any payment, proceeds or distribution of assets is received by the Subordinated Creditor from any Obligor in respect of the Subordinated Obligations prior to the payment in full of the Senior Obligations then, except as expressly permitted by Article 3, such payment, proceeds or assets shall be received and held in trust by the Subordinated Creditor for the exclusive benefit of the Senior Obligations, and shall be forthwith paid or delivered to the Collateral Agent.

2.5 Application of Proceeds

All payments and distributions received by the Subordinated Creditor in respect of the Subordinated Obligations, to the extent received in or converted into cash and paid over to the Collateral Agent hereunder, may be applied by the Collateral Agent first to the payment of any and all expenses (including legal fees and expenses on the basis of a full indemnity) paid or incurred by the Collateral Agent and the other Collateral Agent in enforcing the provisions hereof and any balance thereof shall, solely as between the Subordinated Creditor and the Collateral Agent and the other Collateral Agent, be applied by the Collateral Agent and the other Collateral Agent to the payment of the Senior Obligations until indefeasibly paid in full and satisfied in such order of application as the Collateral Agent may from time to time select and, notwithstanding any such payments or distributions received by the Collateral Agent in respect of the Subordinated Obligations and so applied by the Collateral Agent toward the payment of the Senior Obligations, the Subordinated Creditor shall not be subrogated, without recourse, representation and warranty to any Obligor or the then existing rights of the Collateral Agent, if any, in respect of the Senior Obligations and Senior Documents only at such time as the Collateral Agent shall have received final and indefeasible payment in full and final satisfaction of all amounts of the Senior Obligations.

ARTICLE 3
PERMITTED PAYMENTS AND PROCEEDS

3.1 Permitted Payments

(a) Notwithstanding Section 2.1, 101098672 may make mandatory scheduled payments under its Subordinated Obligations in accordance with the terms thereof unless and until the occurrence and continuance of any of the following (in each case, a "**Default Event**"):

(i) the occurrence of any Creditor Proceeding which is continuing;

(ii) the commencement of any enforcement of or other exercise of any remedies under any Subordinated Documents which is continuing;

(iii) the commencement of any action or proceeding to enforce, collect or receive payment of any Subordinated Obligations or the exercise of any of the Subordinated Creditor's rights, remedies, interest and powers whether under the Subordinated Documents or by Applicable Law to enforce payment of any Subordinated Obligations, in each case, which is continuing;

(iv) the commencement of any enforcement of or other exercise of any remedies under any Senior Documents by the Senior Creditor which is continuing and in respect of which the Senior Creditor has given a Stop Notice to the Subordinated Creditor;

(v) the occurrence of any Default or Event of Default under the Senior Documents which is continuing and in respect of which the Senior Creditor has given a Stop Notice to the Subordinated Creditor; provided that, any such event of default under the Senior Documents shall cease to constitute a Default Event for the purposes hereof after 120 days have expired after the giving of such notice by the Senior Creditor, unless within that period the Senior Creditor are enforcing the Senior Documents or unless any other Default or Event of Default under the Senior Documents has occurred which is continuing.

(b) Upon the occurrence of a Default Event, the Obligors shall notify the Collateral Agent and the Subordinated Creditor of same and shall not make any further payments of any Subordinated Obligations or any other payments to the Subordinated Creditor until such Default Event (or the event or circumstances giving rise to same) has been fully remedied and such remedy has been acknowledged in writing by the Collateral Agent.

(c) Without limiting the generality of the foregoing and in addition to any other rights and remedies available to the Collateral Agent or the Senior Creditors under this Agreement, upon the occurrence of a Default Event, the Collateral Agent may give a written notice to any Obligor.

(d) Upon receipt of a Stop Notice, the Subordinated Creditor shall, upon the written request of the Collateral Agent or the Senior Creditors, immediately pay over to the Collateral Agent, for and on behalf of the other Collateral Agent, all payments, property and assets of every nature and kind received by the Subordinated Creditor from any Obligor in satisfaction of the Subordinated Obligations at any time after the receipt of such Stop Notice, notwithstanding the provisions of any Subordinated Documents, and each Obligor agrees that it will not make any further payments of any Subordinated Obligations until such Default Event (or the event or circumstances given rise to same) has been fully remedied and such remedy has been acknowledged in writing by the Collateral Agent to the Obligors.

3.2 Cooperation of Subordinated Creditor with Collateral Agent

The Collateral Agent and the Subordinated Creditor shall reasonably cooperate with each other following the occurrence of a Default Event to ensure the provisions of this Article 3 are complied with.

ARTICLE 4
RIGHTS TO DEAL WITH OBLIGORS

4.1 Dealings by Collateral Agent

The Collateral Agent shall be entitled to deal with each Obligor and any other Person, the Senior Documents and the Senior Obligations as the Collateral Agent may see fit without in any manner affecting the subordination or postponement of the Subordinated Documents and the Subordinated Obligations to the Senior Documents and the Senior Obligations and, in particular, without limiting the generality of the foregoing, the Collateral Agent may from time to time:

(a) lend monies, make advances or otherwise extend credit or accommodations to any Obligor as part of the Senior Obligations;

(b) agree to any change in, amendment to, waiver of, or departure from, any term of the Senior Credit Agreements or any of other Senior Document including, without limitation, any amendment, renewal, restatement or extension thereof, or increase in the payment obligations of any Obligor under any such documents;

(c) take any additional security from any Obligor or any other Person to secure any Senior Obligation or otherwise and amend, supplement, restate, substitute and replace any of the security held by the Collateral Agent, all of which shall be entitled to the benefit of the subordination and postponement set out herein;

(d) grant time, renewals, extensions, releases, discharges or other indulgences or forbearances to any Obligor in respect of the Senior Obligations;

(e) waive timely and strict compliance with or refrain from exercising any rights under or relating to the Senior Obligations;

(f) accept or make any compositions, arrangements, plans of reorganization or compromises with any Obligor as the Collateral Agent may deem appropriate in connection with the Senior Obligations;

(g) change, whether by addition, substitution, removal, succession, assignment, grant of participation, transfer or otherwise, any of the Collateral Agent;

(h) acquire, give up, vary, exchange, release, discharge or otherwise deal with or fail to deal with any Liens relating to any Senior Obligations, or allow any Obligor or any other Person to deal with the property which is subject to such Liens, all as the Collateral Agent may deem appropriate; and/or

(i) abstain from taking, protecting, securing, registering, filing, recording, renewing, perfecting, insuring or realizing upon any Liens for any Senior Obligations; and no loss in respect of any of the Liens received or held for and on behalf of the Collateral Agent, whether occasioned by fault, omission or negligence of any kind, whether of the Collateral Agent, the Collateral Agent or otherwise, shall in any way limit or impair the liability of the Subordinated Creditor or the rights of any Collateral Agent under this Agreement,

all of which may be done without notice to or consent of the Subordinated Creditor and without impairing, releasing or otherwise affecting any obligations of the Subordinated Creditor hereunder or any rights of any Collateral Agent hereunder.

ARTICLE 5
DEALINGS BY THE SUBORDINATED CREDITOR

5.1 Restricted Dealings

Except with the prior written consent of the Collateral Agent, the Subordinated Creditor agrees that it shall not:

(a) redeem or prepay the principal sum under the Avrio Commitment prior to August 31, 2021;

(b) upon the occurrence and continuance of a Default Event, set off any amounts owing by it to any Obligor against any Subordinated Obligations;

(c) take or hold, directly or through any nominee, any Liens as security for the payment or performance of any of the Subordinated Obligations save and except for those granted in connection with the Subordination Obligations and/or under the Subordinated Documents;

(d) amend, waive, modify or supplement the terms and conditions of the Subordinated Documents or any agreement or instrument relating to the Subordinated Obligations except amendments which both:

(i) are in accordance with the terms of the Senior Credit Agreements; and

(ii) satisfy the following:

(A) do not increase the amount of interest or principal payable under the Avrio Commitment or other amounts payable thereunder and no change in the currency of payment thereof;

(B) do not result in an acceleration in timing or amounts of any payments under the Avrio Commitment ; and

(C) would not be materially adverse to the interests of the Collateral Agent; or

(e) sell, transfer, assign, negotiate, mortgage, charge or otherwise encumber or dispose of in any manner its interest in the Subordinated Documents or the Subordinated Obligations, or any part thereof, as applicable, to any other Person, unless (i) such Person shall have first become bound by the obligations of the Subordinated Creditor under this Agreement; and (ii) the prior written consent of the Collateral Agent shall have been received.

5.2 Standstill

(a) Unless the Senior Obligations have been indefeasibly paid and satisfied in full and in cash, the Subordinated Creditor shall not (the following detailed in Sections 5.2(a)(i) to (iii), inclusive, are collectively referred to herein as the "**Restricted Rights**"):

(i) enforce or exercise, or seek to enforce or exercise, any remedies under any Subordinated Documents or take any proceedings in connection therewith;

(ii) institute or commence, or join with any other person in instituting or commencing, any Creditor Proceedings or take any steps or proceedings in connection therewith; or

(iii) institute or commence any action or proceeding to enforce, collect or receive payment of any Subordinated Obligations or exercise any of its rights, remedies interests and powers, whether by way of Applicable Law or pursuant to its Subordinated Documents to enforce payment of any Subordinated Obligations, including any action of enforcement, realization, foreclosure, collection, seizure, garnishment or execution (in any case in respect of the Property and, for certainty, whether as a secured or unsecured creditor),

until the expiry of a period (the "**Standstill Period**") of 120 days after the provision of written notice by the Subordinated Creditor to the Collateral Agent that repayment of all of the Subordinated Obligations has been accelerated and that the Subordinated Creditor is seeking to enforce, exercise, institute or commence (as the case may be) Restricted Rights; provided that, notwithstanding anything herein to the contrary, in no event shall the Subordinated Creditor be entitled to enforce or exercise any Restricted Rights with respect to the Property if, notwithstanding the expiration of the Standstill Period, the Collateral Agent: (i) shall have commenced and be diligently pursuing the exercise of their rights or remedies with respect to all of the Property; or (ii) are stayed or otherwise precluded from pursuing such rights or remedies pursuant to Applicable Laws or Creditor Proceedings (including pursuant to any order made in connection therewith).

(b) Notwithstanding Section 5.2(a), the Subordinated Creditor may at any time:

(i) accelerate the Subordinated Obligations in accordance with the Subordinated Documents;

(ii) file any proof of claim with respect to the Subordinated Obligations in a Creditor Proceeding;

(iii) take any action in order to create, perfect, preserve or protect the Subordinated Security against the Property;

(iv) file any necessary responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims of the Subordinated Creditor, including any claims secured by the Property, if any;

(v) file any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Obligors arising under any Insolvency Law or other Applicable Law, so long as (i) no Restricted Rights are commenced or exercised and (ii) no action or proceeding for enforcement, realization, foreclosure, collection, seizure, garnishment or execution (in any case in respect of the Property and, for certainty, whether as a secured or an unsecured creditor) is instituted or commenced;

(vi) exercise any of their rights or remedies with respect to the Property (including the Restricted Rights) after the termination of the Standstill Period to the extent permitted by Section 5.2(a); and

(vii) vote on any on any proposal under any Insolvency Laws or a plan of compromise, arrangement or reorganization in a manner consistent with and to the extent not prohibited by the terms of this Agreement, with respect to the Subordinated Obligations and the Property,

in each case, to the extent, but only to the extent, that any of the foregoing:

(A) is in compliance with, is not inconsistent with and does not contravene, the other provisions of this Agreement; and

(B) is not adverse to, or does not adversely affect, the Senior Documents or any Liens, rights, interests or benefits arising in favour of the Collateral Agent thereunder or the priority thereof or the rights of the Collateral Agent under this Agreement.

5.3 Restriction on Subrogation

The Subordinated Creditor shall not exercise any rights which it may acquire by way of subrogation or contribution under this Agreement as a result of any payment made hereunder or otherwise until this Agreement has ceased to be effective in accordance with Section 7.1(a); provided that if any amount is paid to the Subordinated Creditor on account of such subrogation or contribution rights at any time before this Agreement has ceased to be effective in accordance with Section 7.1(a), such amount shall be held in trust by the Subordinated Creditor for the benefit of the Collateral Agent and shall be forthwith paid to the Collateral Agent.

5.4 Agreement Not to Challenge Etc.

The Subordinated Creditor shall not at any time challenge, dispute or contest the validity or enforceability of the Senior Obligations, or the Senior Documents, nor shall the Subordinated Creditor at any time challenge, dispute or contest the validity or enforceability of the subordinations or postponements provided for herein or take any action whereby the subordinations or postponement contemplated hereby may be prejudiced. The Subordinated Creditor shall not at any time take any action that could diminish, impair or prejudice the subordination and postponement contemplated hereby. In addition to and without limiting the foregoing, the Subordinated Creditor covenants that it shall act in a manner consistent with and so as to give effect to the terms and conditions of this Agreement including, with respect to the filing of any proof of claim in the bankruptcy, insolvency or liquidation of any Obligor and with respect to any proposal, arrangement, plan of arrangement or reorganization under or with respect to a Creditor Proceeding and, for certainty, the Subordinated Creditor shall not approve any such proposal, arrangement, plan of arrangement or reorganization (unless this provision has been specifically waived in writing by the Collateral Agent) if the effect thereof would be to have any payments or distributions be made to and be retained by the Subordinated Creditor when the Senior Obligations are not to be indefeasibly paid and satisfied in full and in cash pursuant thereto.

5.5 Filings and Consents

Upon the request of the Collateral Agent, the Subordinated Creditor agrees to file or to consent to the Collateral Agent filing such notices and other documents at any registries and offices as may be necessary or desirable to reflect the subordination and postponement of the Subordinated Obligations contemplated by this Agreement and upon failure of the Subordinated Creditor so to do, the Collateral Agent shall be deemed to be irrevocably appointed the Collateral Agent and attorney-in-fact of the Subordinated Creditor for such purposes.

ARTICLE 6
NOTICE BY SUBORDINATED CREDITOR AND OBLIGORS

6.1 Particulars of Subordinated Obligations

From time to time upon reasonable written request from the Collateral Agent, the Subordinated Creditor, or any Obligor, on its behalf, shall notify the Collateral Agent in writing of the particulars as to payments made in respect of the Subordinated Obligations and the performance of the obligations of the Obligors under the Subordinated Documents.

6.2 Notices to Collateral Agent

Each Obligor and the Subordinated Creditor (or any Obligor on its behalf) shall promptly provide written notice to the Collateral Agent of any default or event of default under the Subordinated Documents or of any other event or circumstance which entitles (or would with the passing of time or giving of notice entitle) the Subordinated Creditor to enforce any rights or remedies against any Obligor under the Subordinated Documents, together in each case with reasonable particulars thereof.

ARTICLE 7
CONTINUING SUBORDINATION

7.1 Continuing Subordination

This Agreement shall create a continuing subordination and shall:

(a) remain in full force and effect until the Collateral Agent have received indefeasible payment in full of the Senior Obligations, and the Senior Credit Agreements and the other Credit Documents have been terminated or otherwise satisfied;

(b) be binding upon the Subordinated Creditor, each Obligor and each of their respective successors and assigns; and

(c) enure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of and be enforceable by the Collateral Agent and their respective successors and assigns.

7.2 Reinstatement

This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment or performance of the Senior Obligations is rescinded, reversed, nullified, rendered void or voidable or must otherwise be restored, refunded, returned or unwound for any reason, all as though such payment had not been made or such performance had not occurred.

7.3 Acknowledgement of Documentation

The Subordinated Creditor hereby acknowledges that it has received a copy of the terms of the Senior Documents. Each Obligor and the Subordinated Creditor hereby waives any entitlement it may have to receive copies of any amendments, modifications or supplements to or renewals or restatements of any of the aforementioned documents and of any other documents, instruments or agreements which are executed in the future pursuant to which Senior Obligations may arise. The Collateral Agent shall have no obligation to ensure such receipt and any such failure to receive shall in no way affect the absolute and unconditional nature of the obligations of the Subordinated Creditor hereunder in respect of the Senior Obligations thereby created or arising.

7.4 Payment of Senior Obligations

For purposes of this Agreement, the Senior Obligations shall be considered to be paid in full when the aggregate of the cash payments and the fair market value of non-cash payments, as determined by the Collateral Agent in its sole discretion, received by the Collateral Agent are equal to the Senior Obligations and the Senior Documents have been terminated and discharged in accordance with their terms; provided, however, that if at the time of a proposed payment or distribution to the Subordinated Creditor, any trustee, receiver or other third party has made a claim of fraudulent preference or any other similar claim, the Collateral Agent may require that an amount equal to such claim, together with the Collateral Agent' anticipated reasonable costs and expenses relating thereto, be held back from any distribution or payment to the Subordinated Creditor.

7.5 Other Rights Not Affected

The postponements and subordinations provided for in this Agreement are in addition to and not in substitution for or in limitation of any other agreement, right, Liens or other security by whomsoever given or at any time held by or for the benefit of the Collateral Agent, or any of them, in respect of the Senior Obligations, including, without limitation, the liabilities and obligations of any Obligor under the Senior Documents. Nothing in this Agreement shall limit or prejudice any of the contractual, common law or other rights of any Collateral Agent or the contractual, common law or other priority of the Senior Obligations insofar as such rights or priority arises or exists outside of this Agreement, including the rights and remedies under or in respect of the Senior Documents and the Senior Obligations.

ARTICLE 8
MISCELLANEOUS

8.1 Accounts

The accounts and records of the Collateral Agent shall constitute, in the absence of manifest error, *prima facie* evidence of the Senior Obligations.

8.2 Amendments and Waivers

(a) No provision of this Agreement may be amended, waived, discharged or terminated orally nor may any breach of any of the provisions of this Agreement be waived or discharged orally, and any such amendment, waiver, discharge or termination may only be made in writing signed by the Collateral Agent and the Subordinated Creditor.

(b) No failure on the part of the Collateral Agent to exercise, and no delay in exercising, any right, power or privilege hereunder shall operate as a waiver thereof unless specifically waived in writing, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(c) Any waiver of any provision of this Agreement or consent to any departure by any party therefrom shall be effective only in the specific instance and for the specific purpose for which given and shall not in any way be or be construed as a waiver of any future requirement.

8.3 Assignment

The Subordinated Creditor and each Obligor acknowledges and agrees that any assignment, sale, grant of participation or other transfer (in whole or in part) by any Collateral Agent of its rights in respect of the Senior Obligations (which is effected in accordance with the Senior Credit Agreements) shall automatically and without further instrument or agreement transfer its rights and benefits under this Agreement pro tanto, and that the Collateral Agent shall have the right to assign, sell, participate or otherwise transfer all or any portion of their rights and benefits under this Agreement without the consent of the Subordinated Creditor or any Obligor, provided such assignment, sale, participation or other transfer is effected in accordance with the Senior Credit Agreements. Without limitation to the foregoing, this Agreement shall be binding upon the respective successors of the Subordinated Creditor and each Obligor.

8.4 Obligors Not to Participate in Violation

Each Obligor hereby acknowledges the subordination and postponement of the Subordinated Obligations to the Senior Obligations herein provided, and agrees that it shall not participate in any violation of this Agreement.

8.5 No Partnership

Nothing contained in this Agreement and no action taken by the Subordinated Creditor or any Obligor pursuant hereto is intended to constitute or shall be deemed to constitute the Collateral Agent, the Subordinated Creditor or any Obligor as a partnership, joint venture or other similar type of association.

8.6 Further Assurances

The Subordinated Creditor shall, at the request of the Collateral Agent but at the expense of the Industries, do all such further acts and things and execute and deliver all such further documents as the Collateral Agent may reasonably require in order to fully perform and carry out the terms of this Agreement.

8.7 Notice

All notices, advices, requests and demands hereunder shall be in writing (including facsimile transmissions) and shall be given to the parties at the following addresses or at such other address as any party shall designate for itself and all notices shall be effective upon actual receipt:

(a) If to the Collateral Agent:

Bank of Montreal
9th Floor, 350 – 7th Avenue SW
Calgary, AB T2P 3N9

Attention: Director
Facsimile: (403) 234-1688

(b) If to the Subordinated Creditor:

Avrio Subordinated Debt General Partner II Ltd.
500, 400 Crowfoot Crescent NW
Calgary, AB T3G 5H6

Attention: Dan McCrimmon
Facsimile: 403.215.5495

-and-

2040842 Alberta Ltd.
Suite 540 – 2424 4th Street SW
Calgary, AB T2S 2T4

Attention: Keith Brown

(c) If to any Obligor:

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

Attention: Ben Voss, President and CEO
Facsimile: ____________________

8.8 Severability

If any provision of this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction, it shall not affect the validity, legality or enforceability of such provision in any other jurisdiction or the validity, legality or enforceability of any other provision of this Agreement.

8.9 Governing Law

This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein and shall be treated in all respects as an Saskatchewan contract. The parties irrevocably submit to the non-exclusive jurisdiction of the courts of the Province of Saskatchewan, without prejudice to the rights of the Collateral Agent to take proceedings in any other jurisdiction.

8.10 Time of the Essence

Time shall be of the essence in this Agreement.

8.11 Entire Agreement

This Agreement contains the entire agreement between the parties with respect to the matters herein contained and there are no other representations, warranties, covenants or collateral agreements between any of the parties in connection therewith other than as expressly herein provided.

8.12 Conflict

In the event of any conflict, ambiguity or inconsistency between the terms of this Agreement and the Senior Documents or the Subordinated Documents, the terms of this Agreement shall prevail to the extent necessary to resolve the conflict, ambiguity or inconsistency

8.13 Counterpart Execution

This Agreement may be executed in several counterparts (including by PDF and facsimile), each of which when so executed shall be deemed to be an original and all such counterparts together shall constitute one and the same agreement.

[*remainder of page intentionally left blank*]

IN WITNESS WHEREOF the parties hereto have executed this Postponement, Subordination and Standstill Agreement as of the date first above written.

MORRIS INDUSTRIES LTD.

Per: ____________________________
Name:
Title:

MORRIS SALES & SERVICE LTD.

Per: ____________________________
Name:
Title:

101098672 SASKATCHEWAN LTD.

Per: ____________________________
Name:
Title:

MORRIS INDUSTRIES (USA) INC.

Per: ____________________________
Name:
Title:

CONTOUR REALTY INC.

Per: ______________________________

Name:

Title:

AVRIO SUBORDINATED DEBT LIMITED PARTNERSHIP II, BY ITS GENERAL PARTNER, AVRIO SUBORDINATED DEBT GENERAL PARTNER II LTD.

Per: ______________________________

Name:

Title:

2040842 ALBERTA LTD.

Per: ______________________________

Name: Jeff Paddon

Title: Director

AVRIO SUBORDINATED DEBT GENERAL PARTNER II LTD.

Per: ______________________________

Name:

Title:

BANK OF MONTREAL

Per: ______________________________

Name:

Title:

Per: ______________________________

Name:

Title:

CONTOUR REALTY INC.

Per: ______________________________

Name:

Title:

AVRIO SUBORDINATED DEBT LIMITED PARTNERSHIP II, BY ITS GENERAL PARTNER, AVRIO SUBORDINATED DEBT GENERAL PARTNER II LTD.

Per: ______________________________

Name:

Title:

2040842 ALBERTA LTD.

Per: ______________________________

Name:

Title:

AVRIO SUBORDINATED DEBT GENERAL PARTNER II LTD.

Per: ______________________________

Name:

Title:

BANK OF MONTREAL

Per: ______________________________

Name:

Title:

Per: ______________________________

Name:

Title:

CONTOUR REALTY INC.

Per: ______________________________

Name:

Title:

AVRIO SUBORDINATED DEBT LIMITED PARTNERSHIP II, BY ITS GENERAL PARTNER, AVRIO SUBORDINATED DEBT GENERAL PARTNER II LTD.

Per: ______________________________

Name: Daniel McCrimmon

Title: Director

2040842 ALBERTA LTD.

Per: ______________________________

Name:

Title:

AVRIO SUBORDINATED DEBT GENERAL PARTNER II LTD.

Per: ______________________________

Name: Daniel McCrimmon

Title: Director

BANK OF MONTREAL

Per: ______________________________

Name:

Title:

Per: ______________________________

Name:

Title:

CONTOUR REALTY INC.

Per: ______________________

Name:

Title:

AVRIO SUBORDINATED DEBT LIMITED PARTNERSHIP II, BY ITS GENERAL PARTNER, AVRIO SUBORDINATED DEBT GENERAL PARTNER II LTD.

Per: ______________________

Name:

Title:

2040842 ALBERTA LTD.

Per: ______________________

Name:

Title:

AVRIO SUBORDINATED DEBT GENERAL PARTNER II LTD.

Per: ______________________

Name:

Title:

BANK OF MONTREAL

Per: ______________________

Name: **Scott Tizzard**

Title: Director
BMO Corporate Finance

Per: ______________________

Name: **Mark Kupka**

Title: Managing Director

Tab S

THIS IS EXHIBIT "S" REFERRED TO IN THE AFFIDAVIT OF KEVIN ADAIR SWORN BEFORE ME AT SASKATOON, SASKATCHEWAN THIS 3rd DAY OF JANUARY, 2020

A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF SASKATCHEWAN BEING A SOLICITOR

TRUMPF

MASTER LOAN AND SECURITY AGREEMENT

THIS MASTER LOAN AND SECURITY AGREEMENT ("**Agreement**") is dated as of May 13, 2013, and is by and between **TRUMPF FINANCE, a** unit of SG Equipment Finance USA Corp., with offices located at 480 Washington Boulevard, 24th floor, Jersey City, NJ 07310 ("**Lender**") and **MORRIS INDUSTRIES LTD.** with offices located at 2131 Airport Drive, Saskatoon, Saskatchewan, Canada S7L 7E1("**Borrower**"). The parties hereto for good and valuable consideration and intending to be legally bound hereby agree as follows:

1. THE LOANS, COLLATERAL. Subject to the terms and conditions hereof, Lender agrees to advance to Borrower from time to time, term loans each in amount and on a closing date mutually acceptable to Lender and Borrower (each a "**Term Loan**"). The Borrower's obligation to repay each Term Loan shall be evidenced by a term note (each a "**Term Note**") in form and substance acceptable to Lender. Borrower shall repay each Term Loan according to the terms and conditions of the related Term Note. The terms and conditions set forth herein shall be deemed to form a part of each Term Note executed by the parties which references this Agreement and each Term Note shall be deemed to be a separate and distinct transaction. In the event of any conflict or inconsistency between the terms and conditions of this Agreement and a Term Note, the terms and conditions of the Term Note shall control and govern. Lender's funding of each Term Loan shall be conditioned upon the following: (i) no Event of Default having occurred and remaining uncured hereunder, and (ii) Lender's receipt of all documentation deemed necessary by Lender, including but not limited to this Agreement, the Term Note and any and all Uniform Commercial Code ("**UCC**"), provincial Personal Property Security Acts ("**PPSA**") and the Register of Personal Movable Real Rights ("**RPMRR**") financing statements, as applicable. To secure the prompt repayment of all Term Loans and of all other obligations and amounts due in connection with all Term Notes (the "**Payments**") and all other obligations of Borrower to Lender, whether now existing or hereafter arising (collectively, the "**Indebtedness**"), Borrower grants to Lender a first priority purchase money security interest in all of the property described in each Term Note, together with all other accessories, accessions, attachments thereto, whether now owned or hereafter acquired, and all other substitutions, renewals, replacements and improvements and all proceeds of the foregoing, including proceeds in the form of goods, accounts, chattel paper, documents, instruments, general intangibles, investment property, deposit accounts, letter of credit rights and supporting obligations (collectively, "**Collateral**"). Borrower covenants to keep the Collateral free and clear of all liens and encumbrances, except for Lender's security interest therein Borrower authorizes Lender to insert and/or correct serial numbers, vehicle identification numbers and any other relevant information which identifies the Collateral when such information becomes available to Lender. Borrower shall provide Lender with a revised Schedule A to the Term Note in the event of any changes to the Collateral. IF FOR ANY REASON, IN THE EVENT THAT PRINCIPAL AMOUNT OF ANY TERM LOAN EXCEEDS OR IS LESS THAN THE AMOUNT SET FORTH IN THE CORRESPONDING TERM NOTE, BORROWER AUTHORIZES LENDER TO ADJUST THE PRINCIPAL AMOUNT OF THE TERM NOTE AND THE MONTHLY PAYMENTS THERUNDER BY UP TO TEN PERCENT AND LENDER SHALL NOTIFY BORROWER OF ANY SUCH ADJUSTMENT.

2. TERM AND PAYMENT. This Agreement and each Term Note shall become binding on Borrower upon its execution thereof and on Lender upon its execution and/or acceptance thereof at its corporate offices. The term of each Term Note shall commence on the date specified in such Term Note (the "**Term Note Start Date**") and shall continue until all obligations of the Borrower under such Term Note have been fully performed. The payment of interim interest, principal and interest installments under each Term Note shall be as set forth in the applicable Term Note. UPON AUTHORIZATION TO DISBURSE ALL OR A PORTION OF THE LOAN PROCEEDS OF ANY TERM NOTE, BORROWER IRREVOCABLY AUTHORIZES LENDER TO INSERT THE CORRECT PAYMENT DUE DATES IN THE APPLICABLE TERM NOTE AND TO COMPLETE OR AMEND ALL DOCUMENTS RELATED TO SUCH TERM NOTE TO REFLECT THE CORRECT DUE DATES OF ALL PAYMENTS THEREUNDER. Borrower's obligation to make the Payments shall be noncancellable, absolute and unconditional and is not subject to any abatement, set-off, defense or counterclaim for any reason whatsoever. All Payments shall be made to Lender at its address specified above (or such other place as Lender may direct in writing) without notice or demand therefor. Until all Indebtedness has been paid in full, Lender's security interest in the Collateral shall remain in full force and effect. Whenever any Payment is not made by Borrower when due and such failure continues for five (5) days thereafter, Borrower agrees to pay to Lender interest on any payment due but not paid on its due date at an interest rate equal to 18% per annum (the "**Late Interest Rate**") from its due date until paid or the maximum amount permitted by law. Such amount shall be payable in addition to all amounts payable by Borrower as a result of exercise of any of the remedies provided herein. Each check returned without payment shall be subject to a $35.00 charge.

3. USE, MAINTENANCE, LOCATION AND INSPECTION. Borrower shall: (i) use, operate, protect and maintain the Collateral (a) in good operating order, repair, condition and appearance, in the same condition as when received, ordinary wear and tear excepted, (b) consistent with prudent industry practice (but in no event less than the extent to which Borrower maintains other similar equipment in the prudent management of its assets and properties), and (c) in compliance with all applicable insurance policies, laws, ordinances, rules, regulations and manufacturer's recommended maintenance and repair procedures, and (ii) maintain comprehensive books and records regarding the use, operation, maintenance and repair of the Collateral. The Collateral shall not be moved from the location set out in the Term Note without prior written consent from Lender and, in any event, can only be used within Canada, solely for business purposes (and not for any consumer, personal, home, or family purpose), and shall not be abandoned or used for any unlawful purpose. Borrower shall not discontinue use of any of the Collateral except for normal maintenance nor, through modifications, alterations or otherwise, impair the current or residual value, useful life, utility or originally intended function of any Collateral without Lender's prior consent. Any replacement or substitution of parts, improvements, upgrades, or additions to the Collateral during the Term Note shall be part of the Collateral subject to Lender's security interest and subject to the Term Note, except that if no Event of Default exists, Borrower may at its expense remove improvements or additions provided by Borrower that can be readily removed without impairing the value, function or remaining useful life of the Collateral. Borrower shall not change the location or, in the case of over-the-road vehicles, the base of any Collateral specified in its Term Note without Lender's prior written consent. Lender shall have the right to enter any premises where the Collateral is located and inspect it (together with related books and records) at any reasonable time.

4. ASSIGNMENT. BORROWER MAY NOT ASSIGN THIS AGREEMENT OR THE RIGHTS AND/OR OBLIGATIONS HEREUNDER, NOR SHALL THE BORROWER LEASE OR LEND THE COLLATERAL OR SUBMIT IT TO BE USED BY ANYONE OTHER THAN BORROWER'S EMPLOYEES WITHOUT THE PRIOR WRITTEN CONSENT OF LENDER. Lender may, without notice to Borrower, assign all or part of any interest in this Agreement, the Term Notes and moneys to become due to Lender thereunder and the Collateral. In such an event, all of Lender's rights, powers and privileges contained herein and in each Term Note so assigned shall inure to the benefit of and may be exercised by or on behalf of such assignee, but the assignee shall not be liable for or be required to perform any of Lender's obligations to Borrower. The Lender may direct that all Payments due and to become due under a Term Note shall be paid directly to assignee upon notice of such assignment to Borrower. The right of the assignee to the assigned Payments and performance of all Borrower's obligations under an assigned Term Note and the right to exercise any and all of Lender's rights thereunder shall not be subject to any defense, counterclaim or set-off which the Borrower may have or assert against the Lender, and the Borrower hereby agrees that it will not assert any such defenses, set-offs, counterclaims and claims against the assignee.

5. EVENTS OF DEFAULT. The term "**Event of Default**" shall mean any one or more of the following:

a. Borrower or any guarantor of Borrower's obligations (each a "**Guarantor**") shall fail to make any Payment (or any other payment) as it becomes due under the related Term Note and such failure is not cured within 10 days; or

b. Borrower shall fail to perform or observe any of the covenants set forth in Paragraph 9; or

c. Borrower or Guarantor shall fail to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder and such failure is not cured within 30 days after notice thereof by Lender to Borrower; or

d. Borrower or Guarantor shall enter into any transaction of merger or consolidation in which it is not the surviving entity or sell, transfer or otherwise dispose of all or substantially all of its assets ("**Assets**") unless the surviving entity or the entity acquiring such Assets assumes all the duties and obligations of Borrower hereunder and which merger, consolidation, sale or transfer must be approved in writing by Lender; or

e. (i) Borrower or any Guarantor shall commence any action (A) for relief under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, receivership, reorganization or relief of debtors, or (B) seeking or voluntarily allowing appointment of a receiver, custodian or other similar official for it or the Assets or making a general assignment for the benefit of its creditors; or (ii) there shall be commenced against Borrower any action (A) of a nature referred to in clause (i) which (I) results in the entry of an order for relief or any such other relief and (II) remains undismissed or undischarged for a period of 30 days, or (B) seeking attachment, execution or similar process against the Assets which results in the entry of an order for any such relief which shall not be vacated or discharged within 30 days from the entry thereof; or (iii) Borrower shall generally not, or be unable to, pay its debts as they come due; or

f. Borrower or any Guarantor shall die or (if an entity) liquidate or dissolve itself or be liquidated or terminated; or

g. Any representation, covenant or warranty made by Borrower or Guarantor herein or otherwise furnished Lender in connection with this Agreement or any Term Note shall prove at any time to have been untrue or misleading in any material respect; or

h. Borrower or any Guarantor defaults with respect to any other indebtedness for borrowed money, lease, installment sale or guaranty obligation, or fails to comply with any financial covenant related thereto, in each case when any applicable grace period for such obligation has expired and the creditor has commenced to exercise any remedy; or

i. Lender shall reasonably deem itself insecure as a result of a material adverse change in Borrower's or any Guarantor's financial condition or operations or a change in the ownership of Borrower or any Guarantor (except to the extent that Lender has consented in writing to such change in ownership, such consent not to be unreasonably withheld or delayed); or

j. Borrower or any Guarantor shall fail to maintain in good standing any license necessary to conduct its business; or

k. There occurs a default or anticipatory repudiation in writing under any Guaranty or Term Note.

6. REMEDIES. Upon the occurrence of any Event of Default, Lender may, but is not obligated to, declare this Agreement and any Term Note hereunder to be in default and exercise any one or more of the following remedies: (a) declare the Termination Amount, as defined in Section 14 hereof, of each Term Note immediately due and payable without notice or demand, (b) charge Borrower interest on all monies due but not paid on the due date at the Late Interest Rate or the maximum rate permitted by law from the date of default until paid in full, (c) require Borrower to deliver all Collateral at Borrower's expense, at a place reasonably designated by Lender, (d) remove any physical obstructions for removal of the Collateral from the place where the Collateral is located and take possession of any or all items of Collateral, without demand or notice, wherever same may be located, disconnecting and separating all such Collateral from any other property, with or without any court order or pre-taking hearing or other process of law, it being understood that facility of repossession in the event of default is a basis for the financial accommodation reflected by this Agreement and all Term Notes hereunder, or (e) exercise any remedies available to Lender under the UCC, PPSA and RPMRR. Borrower hereby waives any and all damages occasioned by such retaking, except to the extent that such damage is caused by Lender's gross negligence or willful misconduct. Lender may, at its option, use, ship, store or repair all Collateral so removed and shall sell, lease or otherwise dispose of any such Collateral at a private or public sale. In the event Lender disposes of the Collateral, Lender shall give Borrower credit for any sums received by Lender from the sale or lease of the Collateral after deduction of the expenses of sale or lease. The credit for any sums received by Lender from such lease shall be made as and when received. Borrower shall also be liable for and shall pay to Lender (i) all expenses incurred by Lender in connection with the enforcement of any of Lender's remedies, including all expenses of repossessing, storing, shipping, repairing and selling the Collateral, and (ii) Lender's reasonable legal fees and expenses, whether such fees and expenses arise in connection with a bankruptcy proceeding of Borrower and/or any Guarantor, or otherwise.

All remedies of Lender hereunder are cumulative, are in addition to any other remedies provided for by law, and may, to the extent permitted by law, be exercised concurrently or separately. The exercise of any one remedy shall not be deemed to be an election of such remedy or to preclude the exercise of any other remedy. No failure on the part of the Lender to exercise and no delay in exercising any right or remedy shall operate as a waiver thereof or modify the terms of this Agreement or any Term Note hereunder. A waiver of default shall not be a waiver of any other or subsequent default. Lender's recovery hereunder shall in no event exceed the maximum recovery permitted by law.

7. LAWS, REGULATIONS AND TAXES. Borrower shall comply with all laws, regulations and orders relating or pertaining to the Collateral, this Agreement and/or any Term Note hereunder and Borrower shall be responsible for, as and when due, and shall indemnify and hold Lender harmless from and against all present and future taxes and other governmental charges, or any increases therein (including, without limitation, sales, use, financing and stamp taxes and license and registration fees) and amounts in lieu of such taxes and charges and any penalties or interest on any of the foregoing, imposed, levied upon, in connection with, or as a result of the purchase, ownership, delivery, financing, possession or use of the Collateral, or based upon or measured by the Payments or receipt with respect to this Agreement or any Term Note hereunder. In the event Borrower does not pay all sums specified above, Lender has the right, but not the obligation, to pay the same. If Lender shall so pay any of the aforementioned, then the Borrower shall remit to Lender such amount with the next Payment plus Lender's reasonable costs incurred in collecting and administering any taxes, assessments or fees. The obligations contained in this paragraph shall continue beyond the termination of this Agreement and all Term Notes hereunder if the obligations occurred during the term thereof. Each payment to be made by Borrower to Lender under this Agreement and each Term Note shall be made free and clear of and without deduction or withholding for or on account of any present or future taxes, duties, assessments or charges of whatsoever nature together with any liabilities (including penalties, interest and expenses) in respect thereof imposed or levied by or on behalf of the government of Canada, the government of any province or territory or any political subdivision thereof or any authority or agency thereof having the power to tax unless such deduction or withholding is required by the laws of Canada, the government of any province or territory or any political subdivision thereof or by the administrative practice of any taxing authority. If any such deduction or withholding is so required, Borrower shall be responsible for such deduction or withholding as set out in this section 6.

8. UCC, PPSA AND RPMRR FILINGS, DOCUMENTATION FEE AND FINANCIAL STATEMENTS. Borrower hereby irrevocably authorizes Lender and appoints Lender as Borrower's attorney-in-fact, with full power of substitution, to execute and/or file (on behalf of Borrower if necessary) such financing statements, continuations, assignments, amendments and/or other documents which Lender deems reasonably necessary to protect and continue Lender's right, title and interest hereunder and with respect to the Collateral. Borrower waives Borrower's right to receive a copy of the financing statements. Borrower agrees to reimburse Lender for Lender's expenses incurred in preparing and filing all financing statements and for Lender's other documentation costs. Upon invoice, Borrower shall pay Lender a documentation fee of not more than one percent of the original principal amount of each Term Note. Borrower agrees to submit audited financial statements or tax returns if its financial statements are unaudited within 120 days from the end of its fiscal year and Borrower warrants to Lender that all financial statements furnished and to be furnished have been and will be prepared in accordance with generally accepted accounting principles or International Financial Reporting Standards ("**IFRS**"), if applicable, are an accurate reflection of Borrower's financial condition and that there has been no material adverse change in the financial condition of Borrower or any Guarantor since the dates of preparation and submission of the financial statements submitted to Lender. Borrower agrees to deliver to Lender at any time or times hereafter such information or documents, including, without limitation, certified resolutions, financial statements and legal opinions, as Lender may request. Borrower authorizes Lender and any affiliate to obtain credit bureau reports, and make other credit and/or business inquiries (and to respond to such inquiries made to Lender relating to Borrower) that Lender determines are necessary. Upon written request, Lender will inform Borrower whether Lender has requested a consumer credit report and the name and address of any consumer credit reporting agency that furnished a report. Borrower acknowledges that without further

notice Lender may use or request additional credit bureau reports to update Lender's information so long as Borrower's obligations to Lender under any Term Note are outstanding. Lender may from time to time require a site inspection to verify the condition and/or existence of the Collateral and Borrower shall reimburse Lender's reasonable costs as invoiced. If Borrower requests administrative services from Lender, Borrower shall pay Lender's then applicable fee, if any, for such services.

9. LOSS OR DAMAGE. Borrower hereby assumes and shall bear the entire risk of loss (including theft and requisition of use) or destruction of or damage to the Collateral from any and every cause whatsoever, whether or not insured. No such loss or damage shall relieve Borrower from any obligation under this Agreement or the Term Notes, which shall continue in full force and effect. In the event of damage to or loss or destruction of the Collateral (or any item thereof), Borrower shall promptly notify Lender in writing of such fact and shall, at the option of Lender; (a) place the same in good repair, condition and working order, or (b) replace the Collateral with like collateral in good repair, condition and working order, acceptable to Lender and grant Lender a first priority security interest in such replacement collateral, whereupon such replacement collateral shall be deemed the Collateral for purposes hereof, or (c) pay to Lender the Termination Amount (or, at Lender's sole option, a prorata portion thereof if less than all of the Collateral is destroyed), whereupon the principal balance of the Term Note(s) shall be reduced accordingly. All proceeds of insurance received by Lender as a result of such loss or damage shall, where applicable, be applied toward the replacement or repair of the Collateral or the payment of the obligations of Borrower hereunder.

10. INSURANCE. Until all amounts payable under the Term Notes have been paid in full, Borrower shall obtain, maintain and keep the Collateral insured against all risks of loss or damage from every cause whatsoever including, without limitation, loss by fire, theft, collision, earthquake, flood and such other risks of loss as are customarily insured against on the type of Collateral by businesses of the type in which Borrower is engaged, in an amount not less than the Termination Amount without deductible and without co-insurance. Lender, its successors and/or assigns, shall be the named loss payee with respect to insurance for damage to or loss of the Collateral. As a condition of any Term Loan, Lender may require Borrower to obtain, provide evidence of and/or cause Lender to be entitled to the benefits of liability insurance, professional liability insurance, disability insurance and/or keyman life insurance. Borrower shall pay all premiums for such insurance and shall deliver to Lender the original policy or policies of insurance, certificates of insurance, or other evidence satisfactory to Lender evidencing the insurance required thereby, along with proof, satisfactory to Lender, of the payment of the premiums for such insurance policies. All insurance shall provide for at least thirty (30) days advance written notice to Lender before any expiration, cancellation or material modification thereof. The proceeds of all insurance policies required hereunder shall be paid directly to Lender. Borrower hereby irrevocably appoints Lender as Borrower's attorney-in-fact (which power shall be deemed coupled with an interest) to make claim for, receive payment of, and execute and endorse all documents, checks or drafts received in payment for loss or damage under any such insurance policy. Unless Borrower is in default, Borrower may with the prior written approval of Lender, settle and adjust all such claims. If Borrower shall fail to procure, maintain, and pay for any such insurance, Lender shall have the right, but not the obligation, to obtain such insurance on behalf of and at the expense of Borrower. In the event Lender does obtain such insurance, Borrower agrees to pay all costs thereof with the next Payment or as specified by Lender.

11. BORROWER'S REPRESENTATIONS AND WARRANTIES. Borrower hereby represents, warrants and covenants to Lender the following with respect to each Term Note as of the date thereof: (a) Borrower is organized and validly existing under the laws of the jurisdiction of its organization, with adequate power and capacity to enter into this Agreement, each Term Note, all documents related to the purchase of the Collateral and any other documents required to be delivered in connection with each Term Note or the Collateral (hereinafter "**Documents**") and Borrower is duly qualified and licensed to do business wherever necessary to carry on its present business, including all jurisdictions where the Collateral is to be located; (b) the Documents have been duly authorized, executed and delivered by Borrower and constitute valid, legal and binding agreements, enforceable in accordance with their terms, except to the extent that the enforcement of remedies therein provided may be limited under applicable bankruptcy and insolvency laws; (c) no approval, consent or withholding of objections is required from any federal, state, provincial or local governmental authority or instrumentality with respect to the entry into or performance by Borrower of the Documents, except such as have already been obtained; (d) the entry into and performance by Borrower of the Documentation will not (i) violate any judgment, order, law or regulation applicable to Borrower or (ii) result in any breach of, constitute a default under or result in the creation of any lien, charge, security interest or other encumbrance upon any item of Collateral pursuant to any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument (other than the Term Note or any purchase money security interest retained by any supplier) to which Borrower is a party; (e) there are no suits or proceedings pending or threatened in court or before any regulatory commission, board or other administrative governmental agency against or affecting Borrower, which will have a material adverse effect on the ability of Borrower to fulfill its obligations under the Term Note; and (f) the balance sheet and statement of income of Borrower, or of any consolidated group of which Borrower is a member, heretofore delivered to Lender have been prepared in accordance with generally accepted accounting principles or IFRS, as applicable, and fairly present the financial position of Borrower or the consolidated group of companies of which Borrower is a member on and as of the date thereof and the results of its or their operations for the period or periods covered thereby. Since the date of such balance sheet and statement of income there has been no material adverse change in the financial or operating condition of Borrower or of its consolidated group.

12. MISCELLANEOUS. All obligations of the Borrower, if more than one, shall be joint and several, and each of such Borrower hereby waives any defenses which such Borrower may have to the enforcement of his/her/its respective joint and several obligations under this Agreement and any Term Note which may be based on suretyship principles or the impairment of any collateral security. All paragraph headings are inserted for reference purposes only and shall not affect the interpretation or meaning of this Agreement or any Term Note hereunder. Borrower agrees to execute or obtain and deliver to Lender at Lender's request such additional documents as Lender may reasonably deem necessary to protect Lender's interest in the Collateral, this Agreement and any Term Note(s). A facsimile copy of this Agreement, any Term Note or any ancillary agreement with facsimile signatures may be treated as an original and will be admissible as evidence of the applicable agreement.

13. NOTICE. Written notices to be given hereunder shall be deemed to have been given when delivered personally or deposited in the United States or Canadian mails, as applicable, postage prepaid, addressed to such party at its address set forth above or at such other address as such party may have subsequently provided in writing.

14. CHOICE OF LAW. This Agreement and each Term Note hereunder shall be binding and effective when accepted by Lender, shall be deemed to have been made in New York and, except for local filing requirements, shall be governed by and construed in accordance with the laws (except for the laws relating to conflict of law) of the State of New York. Borrower hereby consents to and agrees that personal jurisdiction over Borrower and subject matter jurisdiction over the Collateral shall be with the courts of the State of New York or the Federal District Court for the Southern District of New York, solely at Lender's option, with respect to any provision of this Agreement and/or any Term Note. Borrower agrees that service of process in any action or proceeding may be duly effected upon Borrower by mailing such process via certified mail, return receipt requested. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HEREBY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT IN CONNECTION WITH THIS AGREEMENT AND/OR ANY TERM NOTE.

15. PREPAYMENT. Except as otherwise provided in a Term Note, Borrower may not elect to prepay any portion of a Term Note without the prior written consent of Lender. In the event of a prepayment of a Term Note as provided in Section 5 or 8 hereof, Borrower shall pay to Lender a sum equal to: (a) all amounts accrued but unpaid, including all installments of principal and interest, interim interest, all late fees and all other amounts due as of the date of prepayment; plus (b) the remaining installments of principal and interest under the Term Note, discounted to the date of prepayment at 3% per annum (the "**Termination Amount**").

16. INTEREST LIMITATION. Notwithstanding any other provision in this Agreement or any Term Note, nothing herein shall authorize or permit the exaction or payment of interest by Borrower where the same would be prohibited by any applicable law or would violate the applicable usury law. In any such event, this Agreement shall automatically be deemed amended to permit interest charges at an amount equal to, but not greater than, the maximum permitted by law. For purposes of disclosure pursuant to the *Interest Act* (Canada), the annual rates of interest to which the rates of

interest provided in this Agreement (and stated herein to be computed on the basis of a 360-day year or any other period of time less than a calendar year) are equivalent are the rates so determined multiplied by the actual number of days in the applicable calendar year and divided by 360 or such other period of time, respectively.

17. INDEMNITY. Borrower agrees to indemnify and hold harmless Lender, and its agents, employees and assigns, on a net after-tax basis, (and, if requested by Lender, defend) from and against any liability, damage or loss of any nature (including fines, forfeitures, penalties, settlements and attorneys' fees at trial and on appeal) arising out of, connected with, or resulting from this Agreement, any Term Note and claims of any nature arising out of the selection, purchase, delivery, acceptance, rejection, use, operation, ownership, return or disposition of the Collateral whether in contract or tort. In the event this Agreement is assigned by Lender to a third party, Borrower agrees that the above indemnity shall apply to such assignee and shall also, with respect to such assignee, extend such indemnification to any claims arising out of the manufacture of the Collateral, any defects in the Collateral, maintenance and repair of the Collateral or any trademark, patent or copyright infringement.

18. ENTIRE AGREEMENT; NON-WAIVER; SEVERABILITY. This Agreement and each Term Note contains the entire agreement and understanding between Borrower and Lender relating to the subject matter hereof. No agreements or understandings shall be binding on the parties hereto unless set forth in writing and signed by the parties. Time is of the essence in this Agreement and each Term Note. No waiver by Lender of any breach or default shall constitute a waiver of any additional or subsequent breach or default by Borrower nor shall it be a waiver of any of Lender's rights. Any provision of this Agreement or any Term Note which for any reason may be held unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions of this Agreement or any Term Note, and any such unenforceability in any jurisdiction shall not render unenforceable such provision in any other jurisdiction.

19. ENGLISH LANGUAGE. The parties hereto have expressly required that this Agreement and all documents or notices relating thereto be drawn up in English. Les parties aux présentes ont expressément exigé que cette convention et tous autres documents ou avis qui y sont afférents soient rédigés en langue anglaise.

20. PAYMENT IN DOLLARS; JUDGMENT CURRENCY. All payments under this Agreement and each Term Note are to be made in United States Dollars ("**Dollars**") and payment at the designated place of payment is of the essence, and Dollars shall be the currency of accounting in all events. If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder in Dollars into another currency (called the "**Judgment Currency**"), the rate of exchange which shall be applied shall be that at which, in accordance with normal banking procedures. The obligation of Borrower in respect of any such sum due from it to Lender shall, notwithstanding the rate of exchange actually applied in rendering such judgment, be discharged only to the extent that any sum adjudged to be due hereunder in the Judgment Currency may, in accordance with normal banking procedures, be used by Lender as and when provided above to purchase and transfer Dollars with the amount of the Judgment Currency so adjudged to be due.

21. PERSONAL INFORMATION. By signing below, and providing the required personal credit information, Borrower provides written instruction to Lender to collect, use and disclose personal information about the undersigned for the purposes of establishing and administering a finance account for Borrower, including to open, maintain, service, process, analyze, audit and make collections, to assess and update the creditworthiness of Borrower on an ongoing basis, to protect all parties from error and fraud and to comply with legal and regulatory requirements; provided that Borrower may withdraw its consent to the use and disclosure of personal information for the purposes described above by providing written notice to Lender. Borrower also authorizes Lender, until such time as all amounts that Borrower owes under this Agreement and each Term Note have been paid, to obtain and share personal information, from time to time, from and with, credit reporting agencies, credit bureaus, any party mentioned in credit reports, and any other person, corporation, firm or enterprise with whom the credit applicant has or proposes to have a financial relationship, or any other person providing, or requesting, a reference for this credit application, any renewals or future extensions of credit, and for review or collection of any resulting account. Borrower's consent to such collection, use retention and disclosure of personal information for as long as it is needed for these purposes, and this authorization and consent is his/her authorization to other parties to share this information with Lender for these purposes. In addition, Borrower confirms that this Agreement is submitted in connection with financing solely for business and commercial purposes and NOT for personal, family or household purposes.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized representatives as of the date first above written.

BORROWER: MORRIS INDUSTRIES LTD.

BY: Mkarahochuk

PRINT NAME: MEL KARAHOCHUK

TITLE: C.F.O.

LENDER: TRUMPF FINANCE, a unit of SG Equipment Finance USA Corp.

BY: ____________________

PRINT NAME: ____________________

TITLE: ____________________

TRUMPF

TERM NOTE dated May 13, 2013
to Master Loan and Security Agreement dated as of May 13, 2013

FOR VALUE RECEIVED, the undersigned, **MORRIS INDUSTRIES LTD.** ("**Borrower**"), hereby promises to pay to the order of **TRUMPF FINANCE** ("**Lender**") the principal sum set forth below in lawful money of the United States with interest from the date hereof to maturity on the principal hereof remaining from time to time unpaid, such principal and interest to be paid in equal monthly installments as set forth below, commencing the First Due Date set forth below and on the same date of each month thereafter until paid in full, such installments to be applied first to accrued and unpaid interest and other amounts payable hereunder and the balance to unpaid principal. Interest shall be computed on the basis of a year consisting of twelve months of thirty days each. This Term Note is issued pursuant to, and incorporates the terms and conditions of that certain Master Loan and Security Agreement referenced above between Borrower and Lender ("**Master Loan Agreement**"). Lender is entitled to all of the rights and privileges granted Lender under the Master Loan Agreement including, inter alia, the provisions regarding Events of Default upon the happening of which the Termination Amount, as defined in Section 14 of the Master Loan Agreement, of this Term Note may become immediately due and payable without notice, demand, presentment or protest. All payments hereunder shall be made to Lender or its assignee at the address specified by Lender or such assignee.

Collateral Description: One (1) TRUMPF TruBend 5230S Press Brake, Serial # B0508A0353

Collateral Location(s): 284 6th Avenue NW, Minnedosa, Manitoba, Canada R0J 1E0

Location and/or Domicile of Borrower: 2131 Airport Drive, Saskatoon, Saskatchewan, Canada S7L 7E1

Original Principal Amount of Term Note: $318,977.10 USD

Monthly Installments of principal and interest: Sixty (60), each in the amount of $5,873.01 USD

Term Note Start Date: _______________, 201__

First Due Date: _____________, 201__. The First Due Date shall be thirty (30) days after the Term Note Start Date, or as otherwise invoiced by Lender. **Borrower authorizes Lender to insert the Term Note Start Date and First Due Date following Borrower's authorization to Lender to disburse all or a portion of the Original Principal Amount.**

Amount Due with executed Term Note: $0.00, which amount shall be applied to the first Monthly Installment. If more than one Monthly Installment is due with the executed Term Note, Lender shall hold such excess and apply it to the Monthly Installments in inverse order as such Monthly Installments become due and payable.

Interest Rate: 3.990% per annum. In the event the Term Note Start Date is after May 27, 2013 the following will apply: The Loan Payments set forth in this Schedule have been calculated, in part, based on the [5]-year Interest Rate Swaps as set forth in the Federal Reserve Statistical Release H.15 ("**Index Rate**"). If as of the Term Note Start Date, the Index Swap Rate has changed, the Lender reserves the right to adjust the Monthly Installments to reflect such changes and to preserve Lender's anticipated return and thereafter the Monthly Installments shall remain fixed for the entire Term. Lender will provide Borrower with a written notice of any such adjustment in the Monthly Installments.

Provided no Event of Default has occurred and remains uncured, Borrower may prepay all but not less than all of the obligations due under this Term Note as of the due date for any Monthly Installment. Borrower shall give Lender not less than thirty (30) days prior written notice of its intent to prepay this Term Note. In the event of a prepayment, Borrower shall pay to Lender a sum equal to all unpaid principal, accrued interest, late charges and all other amounts due as of the date of prepayment (collectively, the "**Current Balance**"). In consideration of such prepayment right, and as compensation to Lender for the loss of the benefit of its bargain, Borrower shall also pay to Lender a fee equal to: one and a half percent (1.5%) of the outstanding principal amount of this Term Note if the prepayment occurs during months one (1) through twelve (12), one and a half percent (1.5%) of the outstanding principal amount of this Term Note if the prepayment occurs during months thirteen (13) through twenty-four (24), one percent (1%) of the outstanding principal amount of this Term Note if the prepayment occurs during months twenty-five (25) through thirty-six (36), and zero percent (0%) at any time after month thirty-six (36) of this Term Note (together with the Current Balance, the "**Prepayment Amount**"). Except as specifically provided herein, this Term Note may not be prepaid by Borrower without the prior written consent of Lender or Lender's assignee. In the event that the balance of this Term Note is accelerated pursuant to Section 5 or 6 of the Master Loan Agreement, the then Termination Amount shall be immediately due and payable.

It is understood and agreed that in no event and upon no contingency shall Borrower or any other party liable hereunder, be required to pay interest in excess of the maximum rate allowed by applicable law. It being the intention of Borrower and Lender to conform strictly to the laws relating to the charging of interest, the interest portion of this Term Note shall be subject to reduction to the maximum allowable rate if at any time a court of competent jurisdiction determines that the stated or implicit interest rate hereof is higher than that permitted by law. This Term Note shall be governed by, construed and enforced in accordance with the laws of the State of New York.

ATTESTED TO:	BORROWER: **MORRIS INDUSTRIES LTD.**
BY: D. Billy	BY: M Karaikochuk
PRINT NAME: DAVID BILLY	PRINT NAME: MEL KARAIKOCHUK
TITLE: CORPORATE CONTROLLER	TITLE: C.F.O.

TRUMPF

CERTIFICATE OF INCUMBENCY AND AUTHORITY
(Corporation or LLC)

The undersigned, of **MORRIS INDUSTRIES LTD.** ("**Company**"), does hereby certify that:

1. He or she is the duly elected, qualified and acting CHIEF OPERATING OFFICER (insert title) of Company, ~~and that he or she has custody of the corporate records of the Company and its corporate seal.~~

2. Set forth below are the names and true signatures of individuals ("**Representatives**") who have been duly elected or appointed, qualified and hold the office of the Company set forth opposite their respective names.

3. Each of the Representatives set forth below have the requisite power and authority pursuant to the Company's organizational documents to bind the Company and sign on behalf of the Company any and all agreements, including, but not limited to, leases, loans, finance agreements, guaranties, mortgages and/or collateral pledges, with **TRUMPF FINANCE,** a unit of SG Equipment Finance USA Corp ("**TRUMPF**"), on behalf of Company and the specimen signature written opposite each such Representative's name is such Representative's genuine signature. Until TRUMPF Finance receives notice in writing of any change or limitation of the authority of the Representative(s) of this Company designated in this Certificate, TRUMPF Finance is authorized to rely upon the authority and power of such designated Representatives as set forth in these resolutions

Title	Name of Representative	Signature
CHIEF FINANCIAL OFFICER	MEL KARAIKOCHUK	[signature]

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of MAY 13, 2013.

By: [signature]

Print Name: DON HENRY

Title: CHIEF OPERATING OFFICER

PERSON EXECUTING TRANSACTION DOCUMENTS MAY NOT CERTIFY OWN AUTHORITY

TRUMPF

WAIVER & CONSENT – LANDLORD/MORTGAGEE

The person or entity identified below (the "**Undersigned**") is the mortgagee, owner and/or lessor of the premises located at 284 6th Avenue NW, Minnedosa, Manitoba, Canada R0J 1E0 (the "**Premises**"), which Premises are mortgaged by or rented to **MORRIS INDUSTRIES LTD.** (the "**Tenant**"). **TRUMPF Finance**, a unit of SG Equipment Finance USA Corp. ("**TRUMPF Finance**") has or is about to enter into a rental agreement, true lease, lease for security, loan or other financing arrangement (the "**Agreement**") with the Tenant, pursuant to which the assets described below and any repairs, replacements, upgrades or additions thereto and all proceeds of the foregoing (collectively the "**Assets**") may be attached to or installed on the Premises.

Asset Description:

One (1) TRUMPF TruBend 5230S Press Brake

As an inducement to TRUMPF Finance to provide the Assets to the Tenant, the Undersigned covenants and agrees as follows:

1. To waive and relinquish any and all liens, claims, title, interest or rights to the Assets, including without limitation, the right to levy, distress or distrain and all claims and demands of every kind upon the Assets;
2. That the Assets will at all times be personal property and shall not constitute a fixture regardless of the manner in which it is affixed or installed on the Premises;
3. That TRUMPF Finance, or any representative of TRUMPF Finance, may enter upon the Premises and exercise its rights under the Agreement (including without limitation the right to remove the Assets) and Landlord will look solely to the Tenant for any damages caused by the exercise of such rights, except such direct (but not indirect, special or consequential) damages to the Premises caused by TRUMPF Finance's willful misconduct or gross negligence;
4. That TRUMPF Finance may waive, grant extensions for the performance of Tenant's obligations, modify or amend the Agreement without notice to, or the consent of, the Undersigned;
5. That Undersigned will notify any purchaser of the Premises and any subsequent mortgagee or other encumbrance holder, of the existence of this Waiver, which shall be binding upon the Undersigned's successors and assigns and shall inure to the benefit of TRUMPF Finance's successors and assigns; and
6. To consent to the security interests granted pursuant to the Agreement and to (i) the Tenant assigning, mortgaging and charging its interest in and to the Assets to TRUMPF Finance as security for present and future obligations of the Tenant to TRUMPF Finance; and (ii) the acquisition or assignment, at the TRUMPF Finance's option, by TRUMPF Finance or its representative, of the absolute ownership of the Tenant's interest in the Assets

[signature]
Attest/Witness Signature
Print Name: Chris Mozell
Dated: 05 / 15 / 2013

MORRIS INDUSTRIES LTD
Landlord/Mortgagee
By: [signature]
Print Name: MEL KARAKOCHUK
Title: CEO
Date: MAY 15, 2013

Butler Byers INSURANCE LTD.

301 - 4th Avenue North
Saskatoon, SK S7K 2L8
Telephone: (306) 653-2233 Fax: (306) 652-5335

CERTIFICATE OF INSURANCE

Insurance as described below have been arranged for the Insured named below, on whose behalf this certificate is executed, and we hereby certify that such insurance is in full force and effect as of this date.

NAME AND ADDRESS OF INSURED: Morris Sales and Service Ltd.
Morris Industries Ltd.
2131 Airport Drive
Saskatoon, SK S7L 7E1

LOSS PAYABLE: TRUMPF Finance and TRUMPF Inc.
480 Washington Boulevard, 24th Floor
Jersey City, NJ 07310

WITH RESPECTS TO: TruBend 5230(S) s/n B0508A0353

COVERAGE	INSURER	POLICY NUMBER	POLICY PERIOD	LIMITS OF LIABILITY/ AMOUNT
Property of Every Description	ACE INA Insurance Company of Canada	PRN 0824537	May 13, 2013 To October 31, 2013	$354,419 USD All Risk Coverage

IT IS FURTHER UNDERSTOOD AND AGREED THAT TRUMPF FINANCE AND TRUMPF INC. SHALL BE ADDED AS A LOSS PAYABLE, BUT ONLY WITH RESPECTS TO THE TRUBEND 5230(S) S/N B0508A0353. SUBJECT TO POLICY WORDINGS, TERMS, AND CONDITIONS.

The insurance afforded is subject to the terms, conditions, and exclusions of the applicable policy or policies. This Certificate is issued as a matter of information only and confers no rights on the holder and imposes no liability on the Insurer. By the issuance of this certificate Butler Byers Insurance Ltd. Accepts no responsibility to maintain the coverage stated or advise of the termination of any policies.

DATE: May 10, 2013

Authorized Representative

BUTLER BYERS INSURANCE LTD.

PER: Findlay

TRUMPF

Customer Service/Billing Information Form

Customer Name: **MORRIS INDUSTRIES LTD.**

TRUMPF Account No: 40016254

Please provide us with the following administrative information so that we may better meet your invoicing needs.

Billing Information:

Contact (Name/Title): MIRIAN WEINANS - ACCTS PAYABLE SUPERVISOR

Phone Number: (306) 343-5262

Fax Number: (306) 653-8626

Email: mweinans@morris-industries.com

Billing Address: 2131 AIRPORT DRIVE

City/State/Zip: SASKATOON SK CANADA S7L 7E1

* Purchase Order #: M57246

* Other: TRUBEND 5230(S) S/N B0508A0353

** if provided, the above reference(s) will be listed on each invoice.*

Completed By: [signature]

Title: CFO

Should you have any questions please contact Customer Service: 866-280-3263

TRUMPF

TERM NOTE dated June 26, 2017
to Master Loan and Security Agreement dated as of May 13, 2013

FOR VALUE RECEIVED, the undersigned, **MORRIS INDUSTRIES LTD.** ("**Borrower**"), hereby promises to pay to the order of **TRUMPF FINANCE**, a unit of SG Equipment Finance USA Corp. ("**Lender**") the principal sum set forth below in lawful money of the United States with interest from the date hereof to maturity on the principal hereof remaining from time to time unpaid, such principal and interest to be paid in equal monthly installments as set forth below, commencing the First Due Date set forth below and on the same date of each month thereafter until paid in full, such installments to be applied first to accrued and unpaid interest and other amounts payable hereunder and the balance to unpaid principal. Interest shall be computed on the basis of a year consisting of twelve months of thirty days each. This Term Note is issued pursuant to, and incorporates the terms and conditions of that certain Master Loan and Security Agreement referenced above between Borrower and Lender ("**Master Loan Agreement**"). Lender is entitled to all of the rights and privileges granted Lender under the Master Loan Agreement including, inter alia, the provisions regarding Events of Default upon the happening of which the Termination Amount, as defined in Section 15 of the Master Loan Agreement, of this Term Note may become immediately due and payable without notice, demand, presentment or protest. All payments hereunder shall be made to Lender or its assignee at the address specified by Lender or such assignee.

Collateral Description: One (1) TRUMPF TruLaser Robot 5020 S/N: A0455C0269

Collateral Location(s): 85 York Road, Yorkton, Saskatchewan, Canada S3N 3Z4

Location and/or Domicile of Borrower: 2131 Airport Drive, Saskatoon, Saskatchewan, Canada S7L 7E1

Original Principal Amount of Term Note: $1,000,000.00 USD

Monthly Installments of principal and interest: **Sixty (60)**, each in the amount of **$18,857.49 USD**

Term Note Start Date: ______________, 201__

First Due Date: ______________, 201__. The First Due Date shall be thirty (30) days after the Term Note Start Date, or as otherwise invoiced by Lender. **Borrower authorizes Lender to insert the Term Note Start Date and First Due Date following Borrower's authorization to Lender to disburse all or a portion of the Original Principal Amount.**

Amount Due with executed Term Note: $500.00 USD, which amount shall be nonrefundable and applied to a **documentation fee** of **$500.00 USD** and the balance applied to the Monthly Installments in inverse order, commencing with the final Monthly Installments.

Interest Rate: 4.97% per annum. The Loan Payments set forth in this Schedule have been calculated, in part, based on the **Five (5)** year Interest Rate Swaps as set forth on Bloomberg or such other nationally accredited publication subject to Lender's discretion ("**Index Rate**"). If as of the Term Note Start Date, the Index Swap Rate has changed, the Lender reserves the right to adjust the Monthly Installments to reflect such changes and to preserve Lender's anticipated return and thereafter the Monthly Installments shall remain fixed for the entire Term. Lender will provide Borrower with a written notice of any such adjustment in the Monthly Installments.

Provided no Event of Default has occurred and remains uncured, Borrower may prepay all but not less than all of the obligations due under this Term Note as of the due date for any Monthly Installment. Borrower shall give Lender not less than thirty (30) days prior written notice of its intent to prepay this Term Note. In the event of a prepayment, Borrower shall pay to Lender a sum equal to all unpaid principal, accrued interest, late charges and all other amounts due as of the date of prepayment (collectively, the "**Current Balance**"). In consideration of such prepayment right, and as compensation to Lender for the loss of the benefit of its bargain, Borrower shall also pay to Lender a fee equal to: three percent (3%) of the original principal amount of this Term Note if the prepayment occurs during months one (1) through twelve (12), two percent (2%) of the original principal amount of this Term Note if the prepayment occurs during months thirteen (13) through twenty-four (24), one percent (1%) of the original principal amount of this Term Note if the prepayment occurs during months twenty-five (25) through thirty-six (36), and zero percent (0%) at any time after month thirty-six (36) of this Term Note (together with the Current Balance, the "**Prepayment Amount**"). Except as specifically provided herein, this Term Note may not be prepaid by Borrower without the prior written consent of Lender or Lender's assignee. In the event that the balance of this Term Note is accelerated pursuant to Section 6 or 9 of the Master Loan Agreement, the then Termination Amount shall be immediately due and payable.

It is understood and agreed that in no event and upon no contingency shall Borrower or any other party liable hereunder, be required to pay interest in excess of the maximum rate allowed by applicable law. It being the intention of Borrower and Lender to conform strictly to the laws relating to the charging of interest, the interest portion of this Term Note shall be subject to reduction to the maximum allowable rate if at any time a court of competent jurisdiction determines that the stated or implicit interest rate hereof is higher than that permitted by law. This Term Note shall be governed by, construed and enforced in accordance with the laws of the State of New York.

ATTESTED TO:	BORROWER: **MORRIS INDUSTRIES LTD.**
BY: M Karakochuk	BY:
PRINT NAME: MEL KARAKOCHUK	PRINT NAME: Thomas G. Davis
TITLE: C.F.O.	TITLE: C.E.O.

Tab T

THIS IS EXHIBIT "T" REFERRED TO IN THE AFFIDAVIT OF KEVIN ADAIR SWORN BEFORE ME AT SASKATOON, SASKATCHEWAN THIS 3rd DAY OF JANUARY, 2020.

A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF SASKATCHEWAN BEING A SOLICITOR

December 23, 2019

Private and Confidential

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

Attention: Ben Voss

Dear Sir:

We refer to our amended and restated loan agreement dated June 28, 2019 (as amended, supplemented or otherwise modified prior to the date hereof, the "**Existing Loan Agreement**"), and are pleased to confirm the amendments described below, subject to the following terms and conditions. Capitalized terms used herein shall have the same meaning as attributed thereto in the Existing Loan Agreement.

Notwithstanding the date of this amending agreement, the amendments outlined herein are effective as of December 23, 2019.

1. **AMENDMENTS**

(a) **Facility A:** Section 5(a) of the Existing Loan Agreement is amended by adding the following paragraph at the end of such section:

> "Without limiting the foregoing, effective as of the First Amendment Effective Date up to and including January 18, 2020, an additional amount not in excess of three million ($3,000,000) dollars (the "**Temporary Bulge)** shall, subject to satisfaction or waiver of each of the conditions precedent set forth in Section 17 of this Agreement, be available to the Borrowers under Facility A on an unmargined basis and shall be added to the Facility A Limit. On January 18, 2020, the Temporary Bulge shall automatically terminate without any notice or action required by the Bank, and the amount available to the Borrowers under Facility A shall be reduced to a maximum of $20,000,000, as calculated above. The Borrowers shall repay to the Bank all outstanding amounts owing under Facility A in excess of the Facility A Limit on January 18, 2020.".

(b) **Conditions Precedent (Temporary Bulge):** Section 17 of the Existing Loan Agreement is amended by adding the following paragraph at the end of such section:

"Without limiting the application of the Drawdown Conditions Precedent, any Advance under the Temporary Bulge shall be subject to the additional condition precedent that each Drawdown Request received by the Bank in connection therewith shall be approved and delivered to the Bank jointly by the Borrowers and by Alvarez & Marsal Canada ULC, and shall be based upon ongoing monitoring of the Borrowers' receipts and disbursements by Alvarez & Marsal Canada ULC, and the reporting of same to the Bank on a weekly basis.".

(c) **Positive Covenants:** Section 20 of the existing Loan Agreement is amended by deleting the "and" at the end of Section 20(s), replacing the period at the end of Section 20(t) with "; and" and adding the following new Section 20(u):

"(u) in the event that either of the Borrowers institute proceedings under the *Bankruptcy Insolvency Act* or the *Companies' Creditors Arrangement Act* (in either case, a "**Proceeding**"), such Borrower will seek an Order of the supervising Court approving interim financing (the "**Interim Financing**") from a lender (the "**Interim Lender**"), and:

(i) the Bank shall have the right, whether before or after such Borrower has entered into an agreement with an Interim Lender, to become the Interim Lender; and

(ii) at the option of the Bank, such Borrower shall seek court approval to:

(A) provided the Bank is the Interim Lender, convert the amounts advanced pursuant to the Temporary Bulge into the Interim Financing, or part of it, such that any of the advances pursuant to the Temporary Bulge then outstanding shall form part of the Interim Financing; or

(B) repay all advances outstanding pursuant to the Temporary Bulge from the proceeds of the Interim Financing.".

(d) **Definitions:** Schedule A of the Existing Loan Agreement is amended by adding the following new definition in its proper alphabetical order:

""**First Amendment Effective Date**" means December 23, 2019.".

2. CONDITIONS PRECEDENT

This amending agreement will only become effective once the Bank has received:

(a) confirmation from the Borrowers that all representations and warranties contained in Section 4 hereof are true and correct in all material respects;

(b) a duly executed copy of this amending agreement;

(c) such other documentation as the Bank may reasonably require; and

(d) payment of the fees set forth in Section 3 hereof.

3. FEES

Concurrent with their execution of this amending agreement, the Borrowers shall pay to the Bank a non-refundable amendment and temporary increase fee in the amount of $25,000 payable on acceptance of this amending agreement. The Bank is hereby authorized to debit the Borrowers' current account for any unpaid portion of such fee.

4. REPRESENTATIONS AND WARRANTIES

Each of the Borrowers represents and warrants to the Bank that:

(a) except as disclosed by the Borrowers to the Bank in Schedule "A", each of the representations and warranties contained in section 15 of the Existing Loan Agreement are true and correct as at the date hereof;

(b) the execution and delivery by it of this amending agreement and the performance by it of its obligations under the Existing Loan Agreement as amended hereby (the "**Amended Loan Agreement**"), have been duly authorized by all necessary actions and do not violate its governing documents or any applicable laws or agreements to which it is subject or by which it is bound;

(c) its obligations under the Amended Loan Agreement and the Security Documents delivered by it in connection therewith, are legal, valid and binding obligations, enforceable against it in accordance with their respective terms, subject to applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally;

(d) except as disclosed by the Borrowers to the Bank in Schedule "A", as of the date of acceptance of this amending agreement, no default has occurred under the Existing Loan Agreement or under any Security Document nor will such default occur as a result of Borrower entering into this amending agreement or performing its obligations under the Amended Loan Agreement; and

(e) the Borrowers shall provide written notice to the Bank of any changes to Schedule "A" at least one Business Day prior to any Drawdown Request and Schedule "A" shall thereafter be updated, if necessary, upon the mutual agreement of the Borrowers and the Bank.

5. GENERAL

(a) The Borrowers agree to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation and documentation of this amending agreement.

(b) The parties hereto shall, from time to time, do all such further acts and things and execute and deliver all such documents as are required in order to effect the full intent of and fully perform and carry out the terms of this amending agreement.

(c) This amending agreement shall be governed by the laws of the Province of Saskatchewan and of Canada applicable therein.

(d) This amending agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

(e) All terms and provisions of the Existing Loan Agreement, except as amended hereby, remain in full force and effect. The Borrowers acknowledge and agree that each other Credit Document remains in full force and effect and hereby ratifies and confirms their obligations under each such Credit Document. For certainty, all Credit Documents provided by the Loan Parties are and shall remain in full force and effect in all respects and shall continue to exist and apply to all of the obligations, liabilities and indebtedness under, pursuant or relating to the Existing Loan Agreement, as amended hereby, and all other Loan Documents to which any Loan Party is a party. Each of the parties hereto hereby acknowledges and confirms that the Existing Loan Agreement and this amending agreement are and shall constitute Loan Documents under the Existing Loan Agreement.

(f) This amending agreement shall not constitute (or be construed as an indication of) a consent or waiver of any provision of the Existing Loan Agreement nor a waiver of any other Default which may now exist or hereafter arise, other than the accuracy of the representations and warranties disclosed in Schedule "A" hereof for the purposes of the General Conditions Precedent contained at Sections 17(d)(i) and 17(d)(ii) of the Existing Loan Agreement.

6. ACCEPTANCE

This offer is open for acceptance until December ____, 2019, after which date it will be null and void, unless extended in writing by the Bank.

[remainder of page intentionally left blank]

Please confirm your acceptance of this amending agreement by signing the attached copy of this letter in the space provided below and returning it to the undersigned.

Yours truly,

BANK OF MONTREAL

By: ______________________________

•

By: ______________________________

•

Accepted as of this ______ day of December, 2019

MORRIS SALES & SERVICE LTD.

Per: ________________________________
Name:
Title:

MORRIS INDUSTRIES LTD.

Per: ________________________________
Name:
Title:

101098672 SASKATCHEWAN LTD. as Guarantor

Per: ________________________________
Name:
Title:

CONTOUR REALTY INC. as Guarantor

Per: ________________________________
Name:
Title:

MORRIS INDUSTRIES (USA) INC. as Guarantor

Per: ________________________________
Name:
Title:

Schedule "A"

The following representations and warranties in section 15 of the Existing Loan Agreement are not true and accurate as of the date of this amending agreement:

1. section 15(j) – 101098672 Saskatchewan Ltd. received a demand letter from Avrio Capital Inc. dated November 12, 2019;

2. section 15(m) – there are likely to be two material adjustments to the draft 2019 financial statements;

3. section 15(n) – the Borrowers have been unable to maintain the financial covenants set out in section 22 of the Existing Loan Agreement;

4. section 15(o) – 101098672 Saskatchewan Ltd. received a demand letter from Avrio Capital Inc. dated November 12, 2019; and

5. section 15(q) – Morris Industries Ltd. is in default under the terms of its leases with Terra Firma Inc. and 102058665 Saskatchewan Ltd. and101098670 Saskatchewan Ltd. with respect to the following leased premises:

    (a) 2131 Airport Drive in Saskatoon, Saskatchewan;

    (b) 605 York Road West in Yorkton, Saskatchewan; and

    (c) 671 York Road West in Yorkton, Saskatchewan.

The following Defaults have occurred under the Existing Loan Agreement:

1. section 22 – the Borrowers have been unable to maintain the financial covenants.

Tab U

THIS IS EXHIBIT "U" REFERRED TO IN
THE AFFIDAVIT OF KEVIN ADAIR
SWORN BEFORE ME AT SASKATOON,
SASKATCHEWAN THIS 3rd DAY
OF JANUARY, 2020.

A COMMISSIONER FOR OATHS IN AND
FOR THE PROVINCE OF SASKATCHEWAN
BEING A SOLICITOR

MORRIS GROUP OF COMPANIES
Cash Flow Forecast (Amounts in CAD)
For the Period Ending May 3, 2020

For the Weeks Beginning:	Notes	30-Dec-19 Week 1	6-Jan-20 Week 2	13-Jan-20 Week 3	20-Jan-20 Week 4	27-Jan-20 Week 5	3-Feb-20 Week 6	10-Feb-20 Week 7	17-Feb-20 Week 8	Week 9	Week 10
Receipts											
Operations											
Accounts receivable and confirmed orders	1	$ -	$ 4,620	$ 4,620	$ 152,479	$ 404,787	$ 276,252	$ -	$ 63,676	$ -	$ 257,885
Forecast sales	2	-	-	22,532	22,532	22,532	22,532	83,380	83,380	83,380	83,380
Other											
Advance on McIntosh (Australian A/R)	3	-	-	-	-	-	-	-	9,000,000	-	-
Auction of excess inventory	4	-	-	-	-	-	-	-	-	-	-
Debtor in possession financing	5	-	-	3,000,000	-	-	-	-	-	-	-
Sale of ProAg Equipment Line	6	-	-	-	-	-	-	-	-	-	-
Sale of Redundant Processing Plant & Equipment	7	-	-	-	-	-	-	-	-	-	-
Sale of Legacy Product at auction	8	-	-	-	-	-	-	-	-	-	-
GST	9	-	50,000	-	-	-	50,000	-	-	-	50,000
Total Receipts		-	**54,620**	**3,027,152**	**175,011**	**427,319**	**348,784**	**83,380**	**9,147,056**	**83,380**	**391,265**
Disbursements											
Operations											
Production costs	10	(89,989)	(151,370)	(93,658)	(88,987)	(107,578)	(108,703)	(100,703)	(105,703)	(100,703)	(116,210)
Operating expenses	10	(168,536)	(109,850)	(19,879)	(2,560)	(77,712)	(4,958)	(10,000)	(2,560)	(77,712)	(4,958)
Administration											
Group insurance	11	-	-	(33,768)	(18,069)	-	-	-	(33,768)	(34,419)	-
Insurance premiums - CAFO	11	(28,345)	-	-	-	(28,345)	-	-	-	(28,345)	-
Payroll (Gross)	12	-	(331,956)	-	(331,956)	-	(331,956)	-	(381,956)	-	(531,956)
Pension	11	-	-	-	-	(93,332)	-	-	-	(93,332)	-
Remittances	13	(22,060)	-	-	(11,965)	(4,440)	(22,060)	-	(8,400)	(4,440)	(22,060)
Rent	14	-	-	-	-	(53,550)	-	-	-	(53,550)	-
Travel	11	(2,566)	-	(3,500)	-	(2,566)	(11,500)	(3,500)	-	(2,566)	(11,500)
Utilities	11	(19,520)	(52,909)	(110)	-	(28,273)	(60,009)	(110)	-	(28,273)	(60,009)
Total Operating and Administrative Disbursements		(331,016)	(646,085)	(150,915)	(453,537)	(395,796)	(539,186)	(114,313)	(532,387)	(423,340)	(746,693)
Debt Service Payments											
Bank Fees	11	(1,500)	-	(1,500)	-	-	-	(1,500)	-	-	-
Existing Debt Service Costs	15	(300,704)									
Repyment of Avrio Sub Debt		-	-	-	-	-	-	-	-	-	-
DLL floor plan interest	16	-	-	-	(65,077)	-	-	-	(65,077)	-	-
Total Debt Service Payments		(302,204)	-	(1,500)	(65,077)	-	-	(1,500)	(65,077)	-	-
Restructuring Costs											
DIP Fees	17	-	-	(75,000)	-	-	-	-	-	-	-
DIP interest	17	-	-	-	-	-	-	(37,500)	-	-	-
DIP Repayment	17	-	-	-	-	-	-	-	-	-	-
Professional fees	18	-	(109,830)	-	(117,500)	-	(92,500)	-	(45,000)	-	(35,000)
Total Restructuring Costs		-	(109,830)	(75,000)	(117,500)	-	(92,500)	(37,500)	(45,000)	-	(35,000)
Total Disbursements		**(633,220)**	**(755,915)**	**(227,415)**	**(636,114)**	**(395,796)**	**(631,686)**	**(153,313)**	**(642,463)**	**(423,340)**	**(781,693)**
Net Cash (Outflow) Inflow		**$ (633,220)**	**$ (701,295)**	**$ 2,799,736**	**$ (461,103)**	**$ 31,523**	**$ (282,902)**	**$ (69,933)**	**$ 8,504,593**	**$ (339,960)**	**$ (390,427)**
Opening (Overdraft) Cash Balance		**$ (18,519,278)**	**$ (19,152,498)**	**$ (19,853,793)**	**$ (17,054,057)**	**$ (17,515,160)**	**$ (17,483,637)**	**$ (17,766,539)**	**$ (17,836,472)**	**$ (9,331,879)**	**$ (9,671,839)**
Net Cash (Outflow) Inflow		(633,220)	(701,295)	2,799,736	(461,103)	31,523	(282,902)	(69,933)	8,504,593	(339,960)	(390,427)
Closing (Overdraft) Cash Balance		**$ (19,152,498)**	**$ (19,853,793)**	**$ (17,054,057)**	**$ (17,515,160)**	**$ (17,483,637)**	**$ (17,766,539)**	**$ (17,836,472)**	**$ (9,331,879)**	**$ (9,671,839)**	**$ (10,062,266)**
Operating Facility Limit		(18,525,000)	(18,525,000)	(18,525,000)	(18,525,000)	(18,525,000)	(18,525,000)	(18,525,000)	(18,525,000)	(18,525,000)	(18,525,000)
Surplus / (Shortfall)		(627,498)	(1,328,793)	1,470,943	1,009,840	1,041,363	758,461	688,528	9,193,121	8,853,161	8,462,734

MORRIS GROUP OF COMPANIES
Cash Flow Forecast (Amounts in CAD)
For the Period Ending May 3, 2020

For the Weeks Beginning:	Notes	9-Mar-20 Week 11	16-Mar-20 Week 12	23-Mar-20 Week 13	30-Mar-20 Week 14	6-Apr-20 Week 15	13-Apr-20 Week 16	20-Apr-20 Week 17	27-Apr-20 Week 18	Totals Week 1 - 18
Receipts										
Operations										
Accounts receivable and confirmed orders	1	$ -	$ 161,121	$ 481,398	$ -	$ 180,380	$ 133,929	$ 495,646	$ 2,236,651	$ 4,853,444
Forecast sales	2	96,519	96,519	96,519	96,519	206,031	206,031	206,031	206,031	1,633,845
Other										
Advance on McIntosh (Australian A/R)	3	-	-	-	-	-	-	-	-	9,000,000
Auction of excess inventory	4	-	-	-	2,500,000	-	-	-	-	2,500,000
Debtor in possession financing	5	-	-	-	-	-	-	-	-	3,000,000
Sale of ProAg Equipment Line	6	-	-	-	-	10,000,000	-	-	-	10,000,000
Sale of Redundant Processing Plant & Equipment	7	-	-	-	-	-	-	-	-	-
Sale of Legacy Product at auction	8	-	-	-	-	-	-	-	-	-
GST	9	-	-	-	-	50,000	-	-	-	200,000
Total Receipts		**96,519**	**257,639**	**577,917**	**2,596,519**	**10,436,411**	**339,960**	**701,676**	**2,442,681**	**31,187,289**
Disbursements										
Operations										
Production costs	10	(106,210)	(112,710)	(121,210)	(109,082)	(110,582)	(211,668)	(419,840)	(416,840)	(2,671,747)
Operating expenses	10	(10,000)	(2,560)	(57,712)	(24,958)	(10,000)	-	(60,272)	(24,958)	(669,185)
Administration										
Group insurance	11	-	(33,768)	(34,419)	-	-	(33,768)	(34,419)	-	(256,398)
Insurance premiums - CAFO	11	-	-	(28,345)	-	-	-	(28,345)	-	(141,725)
Payroll (Gross)	12	-	(250,000)	-	(250,000)	-	(250,000)	-	(250,000)	(2,909,779)
Pension	11	-	-	(70,289)	-	-	-	(70,289)	-	(327,243)
Remittances	13	-	(8,400)	(4,440)	(22,060)	-	-	(24,206)	(22,060)	(176,591)
Rent	14	-	-	(53,550)	-	-	-	(53,550)	-	(214,200)
Travel	11	(3,500)	-	(2,566)	(11,500)	(3,500)	-	(2,566)	(11,500)	(72,830)
Utilities	11	(110)	-	(28,273)	(60,009)	(110)	-	(28,273)	(65,272)	(431,260)
Total Operating and Administrative Disbursements		(119,820)	(407,438)	(400,804)	(477,609)	(124,192)	(495,436)	(721,761)	(790,630)	(7,870,958)
Debt Service Payments										
Bank Fees	11	(1,500)	-	-	-	-	(1,500)	-	-	(7,500)
Existing Debt Service Costs	15									(300,704)
Repyment of Avrio Sub Debt		-	-	-	-	(10,000,000)	-	-	-	(10,000,000)
DLL floor plan interest	16	-	(65,077)	-	-	-	-	(65,077)	-	(260,306)
Total Debt Service Payments		(1,500)	(65,077)	-	-	(10,000,000)	(1,500)	(65,077)	-	(10,568,510)
Restructuring Costs										
DIP Fees	17	-	-	-	-	-	-	-	-	(75,000)
DIP interest	17	(37,500)	-	-	-	(37,500)	-	-	(28,125)	(140,625)
DIP Repayment	17	-	-	-	-	-	-	-	(3,000,000)	(3,000,000)
Professional fees	18	-	(35,000)	-	(35,000)	-	(35,000)	-	(35,000)	(539,830)
Total Restructuring Costs		(37,500)	(35,000)	-	(35,000)	(37,500)	(35,000)	-	(3,063,125)	(3,755,455)
Total Disbursements		**(158,820)**	**(507,514)**	**(400,804)**	**(512,609)**	**(10,161,692)**	**(531,936)**	**(786,837)**	**(3,853,755)**	**(22,194,923)**
Net Cash (Outflow) Inflow		**$ (62,301)**	**$ (249,875)**	**$ 177,112**	**$ 2,083,910**	**$ 274,718**	**$ (191,976)**	**$ (85,161)**	**$ (1,411,074)**	**$ 8,992,365**
Opening (Overdraft) Cash Balance		**$ (10,062,266)**	**$ (10,124,567)**	**$ (10,374,442)**	**$ (10,197,329)**	**$ (8,113,420)**	**$ (7,838,702)**	**$ (8,030,678)**	**$ (8,115,839)**	
Net Cash (Outflow) Inflow		(62,301)	(249,875)	177,112	2,083,910	274,718	(191,976)	(85,161)	(1,411,074)	
Closing (Overdraft) Cash Balance		**$ (10,124,567)**	**$ (10,374,442)**	**$ (10,197,329)**	**$ (8,113,420)**	**$ (7,838,702)**	**$ (8,030,678)**	**$ (8,115,839)**	**$ (9,526,913)**	
Operating Facility Limit		(18,525,000)	(18,525,000)	(18,525,000)	(18,525,000)	(18,525,000)	(18,525,000)	(18,525,000)	(18,525,000)	
Surplus / (Shortfall)		8,400,433	8,150,558	8,327,671	10,411,580	10,686,298	10,494,322	10,409,161	8,998,087	

NOTES AND ASSUMPTIONS

Notice to Reader

The 20-week cash flow projections for Morris and its related entities ("Morris") has been prepared by Management based on unaudited financial information, and management's estimates of its projected receipts and disbursements for the period December 30, 2019 to May 3, 2020. Users are cautioned that since the estimates are based on future events and conditions that are not ascertainable, the actual results achieved will vary, even if the assumptions materialize, and such variations may be material. There are no representations, warranties or other assurances that any of the estimates, forecasts, or projections will be realized.

The projection includes estimates and assumptions discussed below with respect to operations and certain asset sales, and contemplate a formal creditor protection filing by Morris pursuant to the Companies' Creditors Arrangement Act.

1 Expected collections of existing accounts receivable and committed orders not yet shipped.
2 Forecast sales of parts, services, and new units during the period.
3 Management expects to be able to either (i) receive an advance on the McIntosh A/R in the week of Feb 17, 2020 to assist with managing cash flow needs during the restructuring proceedings, or (ii) factor this receivable with a third party factoring company.
4 Net proceeds expected from the sale of (i) Morris related older generation product ("Legacy Product"), and (ii) new Morris inventory, other manufacturers inventory and used inventory (as held as Morris Sales & Service Ltd.).
5 Morris is seeking Court approval for interim financing ("DIP") in the amount of $3.0M to fund post-filing disbursements.
6 Management expects to divest the ProAg equipment line and expects that existing shareholders will make a non-exclusive bid to purchase ProAg for $10M (with a closing date of March 31, 2020). Other Morris stakeholders will also be offered an opportunity to make a bid for this asset.
7 Management is planning to consolidate production operations into a single plant (currently plant operations in both Yorkton, Sk and Minnedosa, MB). The consolidation into one plant will be undertaken in 2020 and will result in one production plant and redundant manufacturing equipment being sold to third parties. Management expects that the proceeds of divestiture will exceed $4M. As the timing of sales is uncertain, no amounts have been included in the forecast.

8 Management has identified approximately $2.5M of WIP for Legacy Product that has not been built. This product will be built out and sold at auction in Summer 2020 (and have therefore been excluded from the forecast).
9 Estimated GST collections based on most current months.
10 Estimated costs associated with ongoing production and operating activities.
11 Based on historical operating costs which Management expects to continue.
12 Management assumed that payroll will continue at existing levels until the week of March 9, 2020. A targeted employee reduction program is being undertaken in January 2020 and the impact of these changes will become effective March 16, 2020.
13 GST, PST, and WCB remittances will be made in the ordinary course of operations. Employee source deductions will be remitted in the ordinary course of operations and have been included with the gross payroll.
14 Ongoing rental charges associated with the two production facilities and Saskatoon head office.
15 The Existing Service Costs relate to the December month end payments for BMO, FCC and equipment leasing companies. It is assumed that these amounts are deferred during the CCAA period.
16 DLL interest relates to floor plan financing charges that Morris' dealers incur. Historically Morris has agreed to pay the interest costs born by their dealers to avoid having units returned. Morris intends to continue this practice during the restructuring proceedings.
17 Costs associated with securing and servicing the necessary DIP facility.
18 Expected professional fees to be incurred by Morris' professional and legal advisors.

January 2, 2019

Alvarez & Marsal Canada ULC
Bow Valley Square 4 Suite 1110
250 6th Ave SW
Calgary AB T2P 3H7

Attention: Orest Konowalchuk

Re: 101098672 Saskatchewan Ltd., Morris Industries Ltd., Morris Sales & Service Ltd., Contour Realty Inc., and Morris Industries (USA) Inc. – prescribed representations with respect to cash flow forecasts.

The Morris Group has applied to commence proceedings pursuant to *The Companies' Creditors Arrangement Act.* As required by subsection 10.2(b) of the same, the Morris Group has prepared the attached the 18 week projected cash flow statement for the period of December 30, 2019 to May 1, 2020, which included a list of assumptions upon which the cash flow statement is based. This cash flow statement is to demonstrate the liquidity requirements of the Morris Group during CCAA proceedings only.

The Morris Group confirms that:

1. The hypothetical assumptions are reasonable and consistent with the purpose of the projections described in notes 1 to 18, and the probable assumptions are suitably supported and consistent with the plans of the debtor company and provide a reasonable basis for the projection. All such assumptions are disclosed in notes 1 to 18;

2. Since the projections are based on assumptions regarding future events, actual results may vary from the information presented, and the variation may be material; and

3. The projections have been prepared solely for the purposes described in notes 1 to 18, using the probably and hypothetical assumptions set out in notes 1 to 18. Consequently, readers are cautioned that it may not be appropriate for other purposes.

MORRIS INDUSTRIES LTD.

Per:

Kevin Adair, President and COO