COURT FILE NUMBER	Q.B. No. 1884 of 2019
COURT	COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE	SASKATOON
PROCEEDINGS	IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, RSC 1985, c.C-36, AS AMENDED (the "CCAA") AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 101098672 SASKATCHEWAN LTD., MORRIS INDUSTRIES LTD., MORRIS SALES and SERVICE LTD., CONTOUR REALTY INC., and MORRIS INDUSTRIES (USA) INC.
DOCUMENT	**TENTH REPORT OF THE MONITOR** **September 15, 2020**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**MONITOR** ALVAREZ & MARSAL CANADA INC. Bow Valley Square IV Suite 1110, 250 - 6th Avenue SW Calgary, Alberta T2P 3H7 Attention: Orest Konowalchuk / Chad Artem Telephone: (403) 538-4736 / (403) 538-7518 Email: okonowalchuk@alvarezandmarsal.com / cartem@alvarezandmarsal.com **COUNSEL** MLT Aikins LLP 1500, 410 – 22nd Street E. Saskatoon, Saskatchewan S7K 5T6 Attention: Jeff M. Lee / Ryan Zahara Phone: (306) 975-7136 / (403) 693-5420 Fax: (306) 975-7145 Email: jmlee@mltaikins.com rzahara@mltaikins.com

ALVAREZ & MARSAL

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INTRODUCTION

1. On January 8, 2020 (the "**Filing Date**"), upon the application of counsel for 101098672 Saskatchewan Ltd. ("**672**"), Morris Industries Ltd. ("**MIL**"), Morris Sales and Service Ltd. ("**MSS**"), Contour Realty Inc. ("**CRI**") and Morris Industries (USA) Inc. ("**MUSA**") (collectively, the "**Morris Group**", the "**Applicants",** the **"Company"** or the "**Companies**"), the Court of Queen's Bench for Saskatchewan (the "**Court**") made an order (the "**Initial Order**") granting a stay of proceedings in respect of the Companies until January 16, 2020 pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36, as amended (the "**CCAA**"). The proceedings commenced under the CCAA by the Applicants are referred to herein as the "**CCAA Proceedings**".

2. The Initial Order provided limited relief to the Applicants including (without limitation) an initial stay of proceedings (the "**Stay of Proceedings**") in favour of the Applicants and their assets through to January 16, 2020, an administrative charge (the "**Administrative Charge**") and a directors' charge ("**Directors Charge**").

3. The Court appointed Alvarez & Marsal Canada Inc. as monitor (the "**Monitor**" or "**A&M**") in the CCAA Proceedings.

4. On January 16, 2020, the Court granted an Amended and Restated Initial Order (the "**ARI Order**") providing an extension of the Stay through to (and including) March 27, 2020 (the "**Second Stay Extension**"), a claims process order (the "**Claims Procedure Order**"), a sales and investment solicitation process order (the "**SISP Order**") and an interim lender's charge (the "**DIP Charge**").

5. On February 16, 2020, as a result of the resignation or pending resignation of all of the directors of the Companies, the Court granted an order expanding the Monitor's powers (the "**EMP Order**"), in order to (among other things), authorize and empower the Monitor to perform various activities on behalf of the Company, including entering into any contracts, collecting receipts and approving all disbursements on behalf of the Company.

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

6. As discussed in the Ninth Report of the Monitor (the "**Ninth Report**"), on August 14, 2020, this Honourable Court granted an order extending the stay of proceedings to September 18, 2020, primarily to allow the Company, by and through the Monitor, to satisfy the conditions to closing of the two executed asset purchase agreements (the "**APA's**"), which APA's were provided to the Court in the Confidential Appendix to the Seventh Report of the Monitor dated June 30, 2020 (the "**Seventh Report**").

7. Further information regarding the CCAA Proceedings, including copies of the Initial Order, the Amended and Restated Initial Order, and other orders, application materials and reports of the Monitor are available on the Monitor's website at: www.alvarezandmarsal.com/morris (the "**Case Website**").

PURPOSE

8. The purpose of this tenth report (the "**Report**" or "**Tenth Report"**) is to provide this Honourable Court with information in respect of the following:

    a) an update on the activities of the Monitor since the Ninth Report;

    b) a brief update on the Morris Group's business and financial affairs;

    c) the Monitor's application for a Sale Approval and Vesting Order (a "**SAVO**") in regard to the transactions contemplated in the APA's;

    d) a comparison of the Morris Group's actual cash receipts and disbursements to the cash flow forecast appended to the Ninth Report of the Monitor (the "**Eighth Cash Flow Forecast**") for the period August 10, 2020 to September 4, 2020;

e) the Applicants' updated cash flow forecast from September 8, 2020 through to November 15, 2020;

f) the request for approval of the Monitor's activities and the professional fees and costs of the Monitor and its legal counsel; and

g) the request for a further extension of the Stay of Proceedings to November 30, 2020.

9. Capitalized words or terms not defined in this Report are as defined in the Initial Order, the Amended and Restated Initial Order, other orders granted by this Honourable Court and the prior reports (the "**Prior Reports**") of the Monitor, as the case may be.

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

TERMS OF REFERENCE AND DISCLAIMER

11. In preparing this Report, A&M, in its capacity as Monitor, has been provided with and necessarily relied upon unaudited financial and other information supplied (the "**Information**"), and representations made to it, by certain senior management of the Morris Group ("**Management**"), the Applicants and certain external advisors or consultants of the Company. Except as otherwise described in this Report in respect of the Morris Group's cash flow forecast:

a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the Chartered Professional Accountants Canada Handbook (the "**CPA Handbook**") and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and

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

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

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

ACTIVITIES OF THE MONITOR

14. Since the Ninth Report, the Monitor's activities have included (but not been limited to) the following:

    a) conducting ongoing discussions, meetings and communications with Management, employees and advisors of the Companies regarding the Companies' business and financial affairs;

    b) continuing ongoing communications with the Company's stakeholders, customers and secured creditors and their respective legal counsel, including the continuing involvement of the Monitor's independent legal counsel, MLT Aikins LLP ("**MLTA**");

    c) assisting the Company in bolstering its accounts receivable analysis and collection efforts during the Reporting Period (as defined below), and providing to the Companies' various dealers an update on the Stay of Proceedings and claims process;

    d) monitoring the Company's response to COVID-19 and other operational matters of the Company during the proceedings;

    e) performing a detailed review of ongoing production and procurement activities at each of the production facilities mainly in respect of firm orders and forecast orders from the Company's major customer located in Australia (the "**Australian Dealer**");

    f) reviewing month-end reporting of inventory and accounts receivable balances to the primary secured creditor and interim financing lender, the Bank of Montreal ("**BMO**");

    g) ongoing review of purchase requisitions and other funding requests pursuant to the requirements under the Interim Financing Facility; including numerous discussions with Superior Farms Solutions

Limited Partnership ("**SFLP**") in respect of a substantial order from the Australian Dealer;

h) assisting the Company in applying for and receiving wage subsidies available under the Canada Emergency Wage Subsidy ("**CEWS**") program;

i) continuing discussions, due diligence assistance, operational planning and negotiations with SFLP in respect of finalizing the APA's, advancing transition planning for a significant Australian Dealer order for 2020/2021, and satisfying SFLP APA conditions and other pre-closing activities, as further described below;

j) holding ongoing separate discussions with the senior secured lenders, as requested, with both BMO and FCC, of the Morris Group as it relates to the executed APA's; and

k) continuing extensive communications and negotiations with a view to finalizing a letter of understanding (the "**LOU**") between Morris and the Retail, Wholesale and Department Store Union, Local 955 (the "**Union**") certified to represent unionized employees at the Company's production facility in Yorkton, Saskatchewan.

OPERATIONAL UPDATE SINCE THE NINTH REPORT

15. Operational activities since the Ninth Report have included the following:

a) The Companies continued to sell manufactured whole goods and parts inventory to dealers in the normal course and continued to actively pursue the collection of accounts receivable. As at August 31, 2020, the Companies maintained approximately $1.5 million of trade accounts receivable due from various dealers across Canada, the U.S.A. and Eastern Europe (excluding Australia).

b) With respect to the Australia Dealer, the Companies have designed and negotiated an agreement with SFLP as a sales vehicle whereby Morris, through SFLP, will continue to produce and ship product to Australia from September to December, 2020. The Company is forecasting to produce and ship approximately $5.0 million in inventory by November 15, 2020, which inventory SFLP has agreed to purchase from the Company (the "**Australian Sales Agreement**"). The Australian Sales Agreement also accounts for goods produced and not yet shipped to Australia to be separately accounted for and sold to SFLP. The Australian Sales Agreement is currently being finalized between Morris and SFLP.

c) In addition to and separate from the Australian Sales Agreement, the Company has received normal course annual purchase orders for parts from their Australian Dealer. The Company forecasts that it will be able to ship approximately $600,000 of parts by the end of October, 2020, to its Australian Dealer.

d) The Company currently maintains approximately $1.0 million in accounts receivable with its Australian Dealer which is collectible from October to November, 2020.

16. The Company, by and through the Monitor and its legal counsel, continued to host multiple communications with BMO with respect to the CCAA Proceedings and the status of the APA's. The Company continued to report to BMO, as the DIP Lender, in accordance with the DIP Facility agreement and the Monitor assisted the Company in the preparation of the cash flow and variance reporting to BMO.

UPDATE ON THE APA'S AND REQUEST FOR SAVO

Overview

17. Since the Seventh Report of the Monitor dated June 30, 2020, the Monitor and SFLP have continued to work towards satisfying the remaining conditions to the APA's. The APA's and the analysis of the same were included in a confidential appendix to the Seventh Report. The outstanding conditions in the APA's largely related to SFLP and RW entering into an acceptable financing arrangement with SFLP's lender and for the Company (Morris) to negotiate an acceptable arrangement with the Union respecting the collective bargaining agreement between the Union and the Company, as discussed further below.

18. The Monitor is working vigorously to achieve an outcome whereby SFLP will waive its remaining conditions on or before September 18, 2020. Therefore, the Monitor believes it is appropriate at this time to seek a SAVO for the APA's.

19. As discussed in the Monitor's Sixth Report, the Monitor considered the following factors in deciding to enter into the APA's:

    a) The APA's arose subsequent to the conclusion of the SISP conducted within the CCAA Proceedings;

    b) an extensive, broad-based marketing process for the assets of the Companies has been conducted by an experienced marketing consultant, Alvarez & Marsal Canada Securities ULC (an affiliate of A&M), to a large number or prospective purchasers over a reasonable timeframe;

    c) the conditions to the APA's are substantially complete and are expected to be fully completed or "waived" on or before September 18, 2020;

    d) the Companies' largest secured creditor, BMO, is supportive of the APA's;

e) the APA’s were negotiated between parties at arm’s length in good faith and are commercially reasonable;

f) the Union conducted a vote of its membership on the LOU at an open air meeting held on a ball diamond in Yorkton, Saskatchewan on August 26, 2020 and Union membership voted to approve the LOU. Accordingly, the Union has agreed in principle to an LOU with the Company (by and through the Monitor) that will come into effect (and that is supported by SFLP, RW and BMO) should this Honourable Court approve the sale approval and vesting order;

g) the APA’s represent the highest and best offer received for the assets of the Companies;

h) in the Monitor’s opinion, the sale or disposition of the Purchased Assets to SFLP and RW would be more beneficial to the creditors than a sale or disposition under a bankruptcy given the offers previously received (as disclosed in the Confidential Appendix to the Monitor’s Fourth Report dated March 24, 2020); and

i) the closing risks associated with the APA’s are balanced by the Australian Sales Agreement which creates a commercially reasonable and material incentive for SFLP to close the proposed transactions on the terms set out in the APA’s.

20. The Monitor respectfully requests that this Honourable Court grant the Sale Approval and Vesting Order (“**SAVO**”). The Monitor anticipates that the transactions contemplated in the APA’s will close on or before November 15, 2020.

Letter of Understanding

21. Over the course of July, August and September, the Companies, by and through the Monitor, conducted extensive discussions with the Union with respect to

amendments to the collective bargaining agreement pertaining to employees at the Yorkton Plant represented by the Union. These discussions were directed at achieving an agreement with the Union which would satisfy one of the central conditions in the APA's. The Monitor developed and presented a proposal, on behalf of the Companies, to the Union. The Union agreed to present the proposal to its members for a vote, which took place on August 26, 2020. The Union members voted in favour of the proposal and the proposal was captured in a letter of understanding ("**LOU**") between the Companies and the Union. A copy of the LOU has been included in Confidential Appendix 1 to this Report.

22. Since the APA's are currently under confidential seal with this Court, until the transaction closes (subject to court approval) and given the confidential terms and agreement of LOU, the Monitor is of the respectful view that Confidential Appendix 1 to this Report respecting the LOU should also be sealed. Disclosure of this information could materially prejudice the ability of the parties to close the transaction. Further, the Monitor is of the view that creditors of Morris would not be materially prejudiced by sealing of this information.

COVID Hardship Fund

23. The LOU is an essential agreement to be entered into between the Company and the Union and will enable SFLP and RW, as a condition to the APA, to close the transaction (subject to court approval). A requirement in the LOU contemplates the establishment and administration by the Monitor of a "COVID Hardship Fund", in order to facilitate certain payments ("**Subject Employee Payments**") to members of the Union employed at the Yorkton Plant whose employment is anticipated to be terminated upon the bankruptcy of the Companies shortly after the closing of the transactions contemplated in the APA's ("**Subject Employees**"). The background and context to the Subject Employee Payments is documented in the Memo ("**COVID Hardship Memo**") attached as Confidential Appendix 2 to this Report.

24. Due to the confidential nature of the COVID Hardship Memo and references therein specifically made to the LOU, the Monitor requests that this Memo be sealed by Court Order.

25. The Monitor intends to provide a copy of the COVID Hardship Memo to counsel at the Department of Justice (Canada), legal counsel to Service Canada (the agency of the Government of Canada that administers the *Wage Earner Protection Program Act*) under suitable terms as to confidentiality.

CASH FLOW RESULTS

26. The Company's actual cash receipts and disbursements compared to the Eighth Cash Flow Forecast for the period from August 10, 2020 to September 4, 2020 (the "**Reporting Period**"), appended to the Ninth Report of the Monitor are summarized below:

MORRIS GROUP
Cash Flow Variance Analysis
For the period August 10, 2020 to September 4, 2020
(In CAD $000s)

	Jan. 8, 2020 to Sept. 4, 2020	August 10 to September 4, 2020		
	Actual	**Actual**	**Forecast**	**Var ($)**
Receipts				
Whole goods and parts collections	$ 6,287	$ 576	$ 633	$ (57)
Draw on EDC insured foreign receivable	1,988	1,360	2,473	(1,113)
Sale of excess inventory	1,610	9	8	1
CEWS receipts	1,535	332	333	(0)
Other collections	115	6	-	6
Total receipts	**11,535**	**2,283**	**3,446**	**(1,163)**
Disbursements				
Production costs	2,514	931	1,657	726
Operating expenses	1,541	146	118	(27)
Critical Suppliers	252	-	-	-
Wind down of MSS	63	0	-	(0)
Insurance costs	643	63	33	(30)
Payroll and pension	5,825	650	692	42
Marketing costs	50	-	-	-
Rent and property taxes	484	67	54	(14)
Other operating costs	818	77	120	43
DIP interest, fees and costs	908	56	67	11
PMSI priority payments	-	-	254	254
Professional fees and costs	3,292	298	411	113
Total disbursements	**16,405**	**2,289**	**3,405**	**1,117**
Net cash flow from operations	**(4,870)**	**(6)**	**41**	**(47)**
DIP draws (repayments)	4,870	6	(41)	(47)
Net cash flow from financing	**4,870**	**6**	**(41)**	**(47)**
Net cash flow	**$ -**	**$ -**	**$ -**	**$ -**
Interim Financing (DIP Facility)				
Maximum Available DIP	**$ 6,500**	**$ 6,500**	**$ 6,500**	
Opening Drawn Balance	**$ 1,243**	**$ 6,107**	**$ 6,107**	**$ -**
Draws (Repayments)	4,870	6	(41)	(47)
Ending DIP Balance (Cash)	**6,113**	**6,113**	**6,066**	**(47)**
DIP Availability during the Period	**$ 387**	**$ 387**	**$ 434**	**$ (47)**
Australian Dealer Collections				
Opening Cash Balance	$ -	$ 6,855	$ 6,855	$ -
Collections	7,483	-	-	-
Draws	(1,988)	(1,360)	(2,473)	1,113
Endng Cash Balance	**$ 5,495**	**$ 5,495**	**$ 4,383**	**$ 1,113**

27. Over the Reporting Period, the Company experienced an unfavorable cash flow variance of approximately $47,000 as a result of various permanent and temporary differences, which primarily related to:

a) Whole goods and parts collections were $57,000 lower than forecast due in part to temporary differences with respect to timing of collections;

b) Draws on the EDC insured foreign receivables were lower than expected as a result of lower production and operating cost disbursements overall;

c) Production costs were $726,000 lower than forecast due to positive timing differences. It is expected that the procurement of raw materials to satisfy the 2021 Australian Order will increase production costs in the near term;

d) Payroll and pension costs were $42,000 lower than forecast due to timing differences with respect to increased staffing levels required to satisfy the 2021 Australian Order;

e) Purchase money security interest priority payments are lower than forecast due to timing differences pending review of the security interests and cost allocations; and

f) Professional fees and costs are lower than forecast due to timing differences in respect of delayed closing of the APAs.

UPDATED CASH FLOW FORECAST

28. The Updated Cash Flow Forecast (the "**Ninth Cash Flow Forecast**") for the Forecast Period is attached as Appendix A along with accompanying notes and assumptions, and a summary of the Ninth Cash Flow Forecast is tabled below:

MORRIS GROUP **Weekly Cash Flow Forecast** **For the Period September 7, 2020 to November 15, 2020** ***(In CAD $000s)***	
Receipts	
Whole goods and parts collections	$ 4,469
Sale of excess inventory	36
Canada Emergency Wage Subsidy receipts	1,084
Total Operating Receipts	**5,589**
Draws on the EDC Insured Foreign Receivable	4,444
Total Receipts	**10,033**
Disbursements	
Production costs	$ 2,353
Operating expenses	249
Insurance costs	124
Union settlement	677
Payroll and pension	1,631
Rent and property taxes	171
Other operating costs	155
DIP interest, fees and costs	134
PMSI priority payments	254
Professional fees and costs	588
Total Operating Disbursements	**5,996**
Net Cash Flow Available to Repay DIP	**$ 4,037**
EDC Insured Foreign Receivables Previously Collected	**$ 7,483**
Opening balance	5,495
Draws on Foreign Receivable to fund operations	(4,444)
Ending Cash Available	**$ 1,051**
Interim Financing Availability (Max)	**$ 6,500**
Opening balance	6,113
DIP draws (repayments)	(4,037)
Ending drawn balance	**$ 2,075**
Remaining Interim Financing Availability	**$ 4,425**

29. By the end of the Forecast Period, the ending cash available from the EDC Insured Foreign Receivables previously collected is projected to be $1.1 million, which will allow the Company the option to repay a portion of the remaining DIP loan in the

amount of approximately $2.1 million. Accordingly, it is estimated that the remaining interim financing availability will be approximately $2.1 million primarily based on collecting receipts from confirmed whole goods orders and forecast parts sales and additional cash receipts from the CEWS program, offset by forecast operating costs and other costs of the proceedings during the Forecast Period. In addition, the Monitor anticipates collecting additional material accounts receivable subsequent to the Forecast Period that were generated during the Forecast Period. These forecast collections may provide the Company with an ability to repay the entire DIP borrowings, subject to costs of the proceedings.

30. The Monitor's comments with respect to the Ninth Cash Flow Forecast are as follows:

a) Whole goods and parts collections total approximately $4.5 million, of which $4.0 million relates to whole goods orders and $500,000 relate to forecast part sales and collections.

i. $3.0 million of whole goods collections primarily relates to the Australian Sales Agreement to be finalized with SFL and approximately $1.0 million of forecast whole good collections relates to whole goods shipped to Australia during June and July of 2020;

ii. In addition to these forecast collections of whole good shipments to Australia, the Company is forecasting to generate approximately $2.0 million in uncollected accounts receivable from SFLP (in respect of Australia based whole goods shipments) by November 15, 2020, which forecast parts collections reflect sales of parts to the Australian Dealer during the forecast period;

b) Canada Emergency Wage Subsidy receipts were previously received and reported in Prior Reports. A sixth application for CEWS has been submitted and a seventh application is anticipated in October with the corresponding subsidies expected to the received in September, October and November, which are consistent with the timelines provided by the Government of Canada;

c) Disbursements include payments in the ordinary course of business within the CCAA proceedings and on normal payment terms;

d) Professional fees and disbursements of the Monitor and its counsel for the period of August and September 2020 are paid during the Forecast Period; and

e) PMSI priority payments in respect of certain equipment sold through auction are forecast to be paid, subject to a review of the enforceability and validity of the security as well as appropriate cost allocations.

31. The Ninth Cash Flow Forecast is based on assumptions regarding future events provided by Management. Management advises that actual results will vary from the information presented even if the Cash Flow Assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Ninth Cash Flow Forecast will be accurate. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Tenth Report or relied upon by the Monitor in preparing this Tenth Report.

APPROVAL OF FEES AND EXPENSES

32. As previously reported, the Monitor sought and received approvals from this Honourable Court of the professional fees of the Monitor and its legal counsel leading up to the Filing Date (January 8, 2020) and from the Filing Date to July 31, 2020.

33. The Monitor seeks further approval from this Honourable Court of the respective professional fees and disbursements of the Monitor and its legal counsel for the period of time from August 1, 2020 to August 31, 2020.

34. Professional fees and disbursements rendered by the Monitor, from August 1, 2020 to August 31, 2020, total $130,290.89 (exclusive of GST). These fees include those of the Monitor and its affiliated company, Alvarez & Marsal Canada Securities ULC, totaling $19,393.75, with corresponding additional expenses incurred and made on behalf of the Company totalling $212.14. The accounts will be made available upon request and are summarized in Appendix B to this Report.

35. Professional fees and disbursements rendered by MLT Aikins LLP, the Monitor's counsel, from August 1, 2020 to August 31, 2020, total $36,061.25 (exclusive of GST and PST). The accounts will be made available upon request and are summarized in Appendix B to this Report.

36. The accounts of the Monitor and its legal counsel outline the date of the work completed, the description of the work completed, the length of time taken to complete the work and the name of the individual who completed the work.

37. The Morris Group has paid the professional fees and costs of the Monitor and the Monitor's legal counsel for the period of time from January 1, 2020 through to July 31, 2020. These payments are reflected in the actual cash flow receipts and disbursements discussed above. Payment of the Monitor and the Monitor's legal counsel's professional fees and costs for the period August 1 to 31, 2020 are contemplated in the Ninth Cash Flow Forecast.

38. The Monitor respectfully submits that its professional fees and disbursements and those of its legal counsel are fair and reasonable in the circumstances, given the extensive tasks required to be performed by the Monitor and its legal counsel within the CCAA Proceedings, including, in regard to: (i) negotiations of the APA's and comprehensive communication with significant stakeholders involved in the CCAA Proceedings, including the Union, Service Canada, secured creditors, unsecured creditors and various dealers; and (ii) the exercise of the enhanced powers of the Monitor required to be performed pursuant to the EMP Order, which includes the Monitor providing managerial oversight over the entire operations of the Morris Group.

39. The Monitor and its legal counsel anticipate rendering invoices for their respective fees and disbursements for services rendered in September of 2020 in the near term. These professional fees and disbursements are contemplated in the Ninth Cash Flow Forecast. The Monitor will report further to this Honourable Court with respect to these fees and disbursements in due course.

EXTENSION OF THE STAY OF PROCEEDINGS

40. Pursuant to the Initial Order, the stay period is set to expire on September 18, 2020. As described in the application materials filed on September 14, 2020, the Companies are seeking an Order granting an extension of the stay period from September 18, 2020 to November 30, 2020 (the "**Seventh Stay Extension Order**").

41. The Monitor has considered various factors with respect to the Morris Group's application for a further Stay Extension Order to November 30, 2020, including:

a) the likelihood and timing of the Company closing the transaction contemplated with SFLP and RW (subject to satisfaction of conditions included in the APA and Court approval);

b) whether or not there would be any material financial prejudice to any of the Morris Group's creditors;

c) the fact that the Companies appear to have sufficient liquidity until satisfaction of conditions in the APA's;

d) the level of support for such an extension communicated by the Morris Group's primary secured creditors;

e) whether the Morris Group is acting in good faith and with due diligence; and

f) whether the Morris Group's prospects of effecting a viable restructuring would be enhanced by an extension of the Stay of Proceedings.

42. The Monitor is of the view that the Morris Group is (and continues to be) acting in good faith and with due diligence and that there would not be any material prejudice to the Morris Group's stakeholders should the proposed stay extension to November 30, 2020 be granted by this Honourable Court.

43. The Monitor will continue to work with SFLP in order to satisfy the condition(s) in the APA’s and in order to close the transactions contemplated in the APA’s.

MONITOR'S RECOMMENDATION

44. The Monitor respectfully recommends that this Honourable Court grant the following:

    a) the Sale Approval and Vesting Order;

    b) the proposed Stay Extension Order to November 30, 2020;

    c) sealing of Confidential Appendices to the Tenth Report;

    d) an order approving the fees and disbursements of the Monitor and its legal counsel for the period from August 1 to August 31, 2020; and

    e) an Order approving the Monitor's actions, activities and conduct as described in this Report.

All of which is respectfully submitted to this Honourable Court this 15th day of September 2020.

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

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

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

Appendix A

Ninth Cash Flow Forecast to November 15, 2020

MORRIS GROUP
Weekly Cash Flow Forecast
For the Period September 7, 2020 to November 15, 2020
(In CAD $000s)

Week ended	*Notes*	**Week 1 11-Sep-20**	**Week 2 18-Sep-20**	**Week 3 25-Sep-20**	**Week 4 2-Oct-20**	**Week 5 9-Oct-20**	**Week 6 16-Oct-20**	**Week 7 23-Oct-20**	**Week 8 30-Oct-20**	**Week 9 6-Nov-20**	**Week 10 13-Nov-20**	**Week 1 to 10 Total**
Receipts												
Whole goods and parts collections	*1*	$ 46	$ 60	$ 46	$ 28	$ 2,014	$ 14	$ 251	$ 11	$ -	$ 2,000	$ 4,469
Sale of excess inventory	*2*	-	-	36	-	-	-	-	-	-	-	36
Canada Emergency Wage Subsidy receipts	*3*	-	384	-	-	-	350	-	-	350	-	1,084
Recovery of Wage Earner Protection Program eligible amounts	*4*	-	-	-	-	-	-	-	-	-	-	-
Total Receipts		**46**	**444**	**82**	**28**	**2,014**	**364**	**251**	**11**	**350**	**2,000**	**5,589**
Disbursements												
Production costs	*5*	455	394	369	344	269	194	169	129	29	-	2,353
Operating expenses	*6*	30	69	15	16	10	69	10	21	10	-	249
Insurance costs	*7*	-	16	46	-	-	-	16	46	-	-	124
Union settlement	*8*	-	-	402	275	-	-	-	-	-	-	677
Payroll and pension costs	*9*	-	315	62	345	-	345	-	376	-	188	1,631
Rent and property taxes	*10*	49	-	-	54	7	-	-	54	7	-	171
Other operating costs	*11*	1	2	40	59	10	2	40	-	-	-	155
DIP interest, fees and costs	*12*	-	5	-	62	-	5	-	62	-	-	134
PMSI priority payments	*13*	-	-	-	254	-	-	-	-	-	-	254
Professional fees and costs	*14*	40	220	-	-	-	178	-	-	150	-	588
Total Operating Disbursements		**575**	**1,021**	**935**	**1,409**	**296**	**792**	**236**	**687**	**46**	**-**	**5,996**
Net Cash Flow (Draw from EDC Receivable, or Repayment of DIP)		**$ (529)**	**$ (577)**	**$ (853)**	**$ (1,380)**	**$ 1,718**	**$ (428)**	**$ 15**	**$ (677)**	**$ 304**	**$ 2,000**	**$ (407)**
EDC Insured Foreign Receivable Previously Collected	*15*	**$ 7,483**	**$ 7,483**	**$ 7,483**	**$ 7,483**	**$ 7,483**	**$ 7,483**	**$ 7,483**	**$ 7,483**	**$ 7,483**	**$ 7,483**	**$ 7,483**
Opening cash balance		5,495	4,966	4,389	3,536	2,156	2,156	1,728	1,728	1,051	1,051	5,495
Draws on Foreign Receivable previously collected		(529)	(577)	(853)	(1,380)	-	(428)	-	(677)	-	-	(4,444)
Ending cash available		**$ 4,966**	**$ 4,389**	**$ 3,536**	**$ 2,156**	**$ 2,156**	**$ 1,728**	**$ 1,728**	**$ 1,051**	**$ 1,051**	**$ 1,051**	**$ 1,051**
Interim Financing Availability (Max)	*12*	**$ 6,500**	**$ 6,500**	**$ 6,500**	**$ 6,500**	**$ 6,500**	**$ 6,500**	**$ 6,500**	**$ 6,500**	**$ 6,500**	**$ 6,500**	**$ 6,500**
Opening balance		6,113	6,113	6,113	6,113	6,113	4,394	4,394	4,379	4,379	4,075	6,113
DIP draw (repayments)		-	-	-	-	(1,718)	-	(15)	-	(304)	(2,000)	(4,037)
Ending balance		**$ 6,113**	**$ 6,113**	**$ 6,113**	**$ 6,113**	**$ 4,394**	**$ 4,394**	**$ 4,379**	**$ 4,379**	**$ 4,075**	**$ 2,075**	**$ 2,075**
Remaining Interim Financing Availability		**$ 387**	**$ 387**	**$ 387**	**$ 387**	**$ 2,106**	**$ 2,106**	**$ 2,121**	**$ 2,121**	**$ 2,425**	**$ 4,425**	**$ 4,425**

NOTES AND ASSUMPTIONS
Weekly Cash Flow Forecast
Notice to Reader

The weekly cash flow projections for the Morris Group and its related entities has been prepared by Management based on unaudited financial information, and management's estimates of its projected receipts and disbursements. 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 for clarity are under the assumption that Morris Group continues to operate within the protections afforded as a result of the CCAA Order granted on January 8th, 2020 and as may be amended from time to time during the CCAA proceedings. Upon such amendments, Management will update its cash flow forecast accordingly as included herein.

1 Whole goods collections include previously shipped whole goods products and committed orders not yet shipped. Parts collections have declined reflecting the end of the seeding season. The Company expects receipts from the Australian Dealer in October 2020 and November 2020 totalling approximately $1.0 million for units shipped. Additionally, the Company is finalizing the Australian Sales Agreement with SFLP which should produce material cash receipts over the Forecast Period.

2 Sale of excess inventory consists of estimated net proceeds from the return of the remaining unused equipment to third party equipment manufacturers.

3 Canada Emergency Wage Subsidy ("CEWS") receipts were received in June, July and August 2020 following approval of five applicatons. A sixth application was submitted in September and is expected in the near term. A seventh application for period seven is expected to be received in October.

4 Recovery of Wage Earner Protection Program ("WEPP") eligible amounts include reimbursement from Service Canada for payments made by the Company to the Union for severance entitements amounts expected in November 2020.

5 Production costs include approximately $2.3 million of raw material purchases for the Australian order production as discussed in Note 1.

6 Estimated costs associated with ongoing production and operating activities.

7 Insurance includes group and corporate insurance policies with scheduled monthly payments.

8 The union settlement contemplates payments to the terminated Yorkton union employees in exchange for a LOU to amend the collective bargaining agreement.

9 The Work Share program effectively reducing hours has been extended through to March 27, 2021. Five applications for government relief under the Canada Emergency Wage Subsidy program were submitted and accepted in June and July 2020 and subsidies have been received by the Company. A sixth application has been submitted and a seventh application will be submitted in October.

10 Rent includes lease payments for all of Morris' currently occupied premises as well as the corresponding pro-rated post-filing property taxes payable on a monthly basis.

11 Other operating costs includes payments of WCB insurance, bank fees, utilities, software, IT, travel and related costs.

12 Legal professional fees and costs associated with securing and servicing the necessary in place DIP Facility, which bears an interest rate of 12%.

13 Purchase money security interest relating to two Kubota units and four DLL-financed units sold through the Ritchie Bros. auction that may result in a payouts of security interests, subject to the validity and enforceability of the security.

14 Expected professional fees to be incurred by Morris' professional and legal advisors as well as the CCAA Monitor and Monitor's counsel's fees, which are inclusive of anticipated bankruptcy retainers.

15 The EDC insured foreign receivables collected to date total $7.5 million. $5.5 million of the EDC insured foreign receivable is being held in trust by the Monitor's legal counsel. Certain accounts receivable reconciliation matters remain pending and may result in additional recoveries. Approximately $240,000 is expected to be collected in October 2020 for payment of product shipped in June 2020.

Appendix B

Summary of the Monitor and its Legal Counsel’s Fees and Costs

Morris Group
Summary of the Monitor's and its Counsel's Statements of Account
For the period August 1, 2020 to August 31, 2020

Invoice	Period	Fees	Disbursements	Sub-total	GST	PST	Total
Alvarez & Marsal Canada							
Corporate Restructuring							
8	Aug.1-31/20	110,685.00	212.14	110,897.14	5,544.86	-	116,442.00
		110,685.00	212.14	110,897.14	5,544.86	-	116,442.00
Corporate Finance							
8	Aug.1-31/20	19,393.75	-	19,393.75	969.69	-	20,363.44
		19,393.75	-	19,393.75	969.69	-	20,363.44
Total							
8	Aug.1-31/20	130,078.75	212.14	130,290.89	6,514.54	-	136,805.43
		$ 130,078.75	**$ 212.14**	**$ 130,290.89**	**$ 6,514.54**	**$ -**	**$ 136,805.43**
MLT Aikins LLP							
8	Aug.1-31/20	35,790.50	270.75	36,061.25	1,803.07	2,147.43	40,011.75
		$ 35,790.50	**$ 270.75**	**$ 36,061.25**	**$ 1,803.07**	**$ 2,147.43**	**$ 40,011.75**