

COURT FILE NUMBER                      Q.B. 1884 of 2019

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN  
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE                      SASKATOON

APPLICANT                              BANK OF MONTREAL

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
RSC 1985, c. C-36, AS AMENDED

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.

**ORDER**

**(ENHANCEMENT OF MONITOR'S POWERS)**

Before the Honourable Mr. Justice R.W. Elson in Chambers the 18<sup>th</sup> day of February, 2020.

UPON the application (the "**Application**") of Bank of Montreal ("**BMO**") in respect of 101098672 Saskatchewan Ltd., Morris Industries Ltd., Morris Sales and Service Ltd., Contour Realty Inc. and Morris Industries (USA) Inc. (collectively, the "**Morris Group**"); AND UPON reading the Notice of Application, the Affidavit of Sandy Hayer dated February 13, 2020, the Draft Order and the Brief of Law on behalf of BMO, all filed; AND UPON hearing David LeGeyt and Mike Russell, lawyers for BMO, Jeffrey M. Lee, Q.C. and Paul Olfert, lawyers for Alvarez & Marsal Canada Inc. ("**A&M**") in its capacity as the court-appointed monitor of the Morris Group (in such capacity, the "**Monitor**"), Rick Van Beselaere, Q.C., lawyer for Farm Credit Canada, Walker MacLeod, lawyer for Avrio Subordinated Debt Limited Partnership II, Ian Sutherland and Craig Frith, lawyers on behalf of the Morris Group and any other counsel present;

**The Court Orders:**

**SERVICE**

1. The time for service of the Application in respect of this Order (and all supporting materials filed by BMO in support of its application for this Order) is hereby abridged and service is deemed good, valid, timely and sufficient.

## LIFTING OF STAY

2. The stay of proceedings set forth in the Initial Order of the Honourable Mr. Justice R.S. Smith dated January 8, 2020, and as amended and restated on January 16, 2020 (the "**Amended and Restated Initial Order**"), is hereby lifted for the express and limited purpose of permitting BMO to bring the Application and to grant the relief hereunder, and shall otherwise remain in full force and effect.

## ENHANCEMENT OF MONITOR'S POWERS

3. In addition to, and without limiting in any way, the powers afforded to the Monitor under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "*CCAA*") and the Amended and Restated Initial Order and any other Order of this Honourable Court in these proceedings or under applicable law, the Monitor is hereby authorized and empowered to:
  - (a) exercise such rights, powers and obligations of the Morris Group, and on behalf of the Morris Group, as the Monitor deems necessary or advisable under the following paragraphs of the Amended and Restated Initial Order, namely: paragraphs 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 31, 32, 33, 34, 35, 36, 37, 38 and 39;
  - (b) take any steps reasonably incidental to the exercise of the powers enumerated in paragraph 3(a) hereof or the performance of any statutory obligations;
  - (c) if, in the Monitor's discretion, it is in the best interests of the Morris Group, to:
    - (i) make payment in respect of certain pre-filing amounts as described in the Second Report of the Monitor; and
    - (ii) honour pre-filing warranty credits accrued in favour of its dealers in the amounts described in the Second Report of the Monitor;
  - (d) the right to terminate contracts (subject to section 32 of the *CCAA*), exercise statutory rights and remedies, deal with vendors, and deliver notices on behalf of the Morris Group, and in each such case where the Monitor takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other persons, including the Morris Group, and without interference with any other person.

**MONITOR PROTECTIONS**

4. The enhancement of the Monitor's powers as set forth in this Order, the exercise by the Monitor of any of its powers, the performance by the Monitor of any of its duties, or the employment by the Monitor of any person in connection with its appointment and the performance of its powers and duties shall not constitute the Monitor as the employer, successor employer or related employer of the employees of the Morris Group within the meaning of any provincial, federal, or municipal legislation, or common law governing employment, pensions or labour standards or any other statute, regulation or rule of law or equity for any purpose whatsoever or expose the Monitor to liability to any individual arising from or relating to their previous employment by the Morris Group.
5. Without limiting the provisions of the Amended and Restated Initial Order, all employees and consultants of the Morris Group shall remain employees or consultants of the Morris Group until such time as the Monitor, on the Morris Group's behalf, may terminate the employment of such employees or other contractual or consulting arrangements. Nothing in this Order shall, in and of itself, cause the Monitor to be liable for any employee-related liabilities or duties, including, without limitation, wages, severance pay, termination pay, vacation pay and pension or benefit amounts.
6. The Monitor is not and shall not be or be deemed to be, a director, officer or employee of any member of the Morris Group.
7. The Monitor shall continue to have the benefit of all of the indemnities, charges, protections and priorities as set out in the Amended and Restated Initial Order and any other Order of this Court and all such indemnities, charges, protections and priorities shall apply and extend to the Monitor and the fulfilment of its duties or the carrying out of the provisions of this Order.
8. The Morris Group shall cooperate fully with the Monitor and any directions it may provide pursuant to this Order and shall provide such assistance as the Monitor may reasonably request from time to time to enable the Monitor to carry out its duties and powers as set out in the Amended and Restated Initial Order, this Order, or any other Order of this Court under the CCAA or applicable law generally.

9. Nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of any of the Morris Group within the meaning of any relevant legislation. For greater clarity, any distributions to creditors of the Morris Group administered and implemented by the Monitor on behalf of the Morris Group will be deemed to have been made by the Morris Group itself.
10. The power and authority granted to the Monitor by virtue of this Order shall, if exercised in any case, be paramount to the power and authority of the Morris Group with respect to such matters and, in the event of a conflict between the terms of this Order and those of the Amended and Restated Initial Order or any other Order of this Court, the provisions of this Order shall govern.

#### **CLAIMS PROCESS ORDER AMENDMENT**

11. Paragraph 2(p) of the Claims Process Order of the Honourable Justice R.S. Smith dated January 16, 2020 is hereby amended by:

(a) deleting the “and” from the end of clause (iii); and

(b) adding the following clauses after the existing clause (iv):

(v) all indebtedness, liabilities and obligations owing by any member of the Morris Group to any Person under the loan agreement made between Avrio Subordinated Debt Limited Partnership II and 2040842 Alberta Ltd., as lenders, 101098672 Saskatchewan Ltd., as borrower, and Avrio Subordinated Debt General Partner II Ltd., as security agent, dated August 31, 2017, as subsequently amended, modified or restated from time to time;

(vi) all indebtedness, liabilities and obligations owing by any member of the Morris Group to any Person under the amended and restated letter loan agreement made between Bank of Montreal (“BMO”) and Farm Credit Canada (“FCC”), as lenders, and Morris Industries Ltd. and Morris Sales & Service Ltd., as borrowers, and 101098672 Saskatchewan Ltd., Contour Realty Inc. and Morris Industries (USA) Inc., as guarantors, dated June 28, 2019; and

(vii) all indebtedness, liabilities and obligations owing by any member of the Morris Group to any Person under the amended and restated letter loan agreement made between BMO and FCC, as lenders, and Contour Realty Inc., as borrower, and 101098672 Saskatchewan Ltd., Morris Industries Ltd., Morris Sales & Service Ltd. and Morris Industries (USA) Inc., as guarantors, dated August 24, 2017;

**GENERAL**

12. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United Kingdom, Australia or in the United States to give effect to this Order and to assist the Morris Group and the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Morris Group and the Monitor and their respective agents as may be necessary or desirable to give effect to this Order or to assist the Morris Group and the Monitor and their respective agents, in carrying out the terms of this Order.

ISSUED at the City of Saskatoon, in the Province of Saskatchewan, this 18<sup>th</sup> day of February, 2020.



---

DEPUTY LOCAL REGISTRAR

**This Order delivered by:**

**CONTACT INFORMATION AND ADDRESS FOR SERVICE**

**Alberta**

Name of firm:	<b>Burnet, Duckworth &amp; Palmer LLP</b>
Lawyer in charge of file:	David LeGeyt / Ryan Algar
Address of firm:	2400, 525 – 8 Avenue SW Calgary, Alberta T2P 1G1
Telephone number:	(403) 260-0210 / 0126
Facsimile number:	(403) 260-0332
E-mail address:	dlegeyt@bdplaw.com / ralgar@bdplaw.com
File number:	75453-4

**Saskatchewan**

Name of firm:	<b>The W Law Group LLP</b>
Lawyer in charge of file:	Mike Russell
Address of firm:	Suite 300, 110 – 21st Street East Saskatoon SK S7K 0B6
Telephone number:	(306) 665-9507
Facsimile number:	(306) 652.0332
E-mail address:	mrussell@wlawgroup.com
File number:	44433.1