



COURT FILE NUMBER	Q.B.G. 40 of 2019
COURT	COURT OF QUEEN'S BENCH FOR SASKATCHEWAN
JUDICIAL CENTRE	YORKTON
PLAINTIFF	THE TORONTO-DOMINION BANK
DEFENDANTS	EMW INDUSTRIAL LTD., EMW INDUSTRIAL INC., E&S MORRISON FAMILY HOLDINGS LTD., EMW HOLDINGS LTD., PEPPER MAINTENANCE (CANADA) 2005 LTD., and EMW REAL ESTATE CO. LTD.
DOCUMENT	FIRST REPORT OF THE COURT APPOINTED RECEIVER OF EMW INDUSTRIAL LTD., EMW INDUSTRIAL INC., E&S MORRISON FAMILY HOLDINGS LTD., PEPPER MAINTENANCE (CANADA) 2005 LTD., EMW HOLDINGS LTD., AND EMW REAL ESTATE CO. LTD. PREPARED BY DELOITTE RESTRUCTURING INC.
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Counsel McDougall Gauley LLP 1500 - 1881 Scarth Street Regina, SK S4P 4K9 Attention: Michael W. Milani, Q.C. Telephone/Facsimile: 306-565-5117/306-359-0785 File No.: 549268.6 Receiver Deloitte Restructuring Inc. 700, 850 - 2 nd Street SW Calgary, AB T2P 0R8 Attention: Robert J. Taylor Telephone/Facsimile: 403-267-0501 / 403-718-3681 Email: bobtaylor@deloitte.ca

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May 15, 2019

INTRODUCTION

- 1) On April 11, 2019 (the "**Date of Receivership**"), Deloitte Restructuring Inc. ("**Deloitte**") was appointed by Order of the Court of Queen's Bench for Saskatchewan in Bankruptcy and Insolvency (the "**Receivership Order**") as the receiver (the "**Receiver**"), without security, of all the personal property of EMW Industrial Ltd. ("**EMW**"), EMW Industrial Inc. ("**EII**"), E&S Morrison Family Holdings Ltd. ("**E&S**"), Pepper Maintenance Canada (2005) Inc. ("**PMC**"), EMW Holdings Ltd. ("**Holdings**"), and EMW Real Estate Co. Ltd. ("**Real Estate Co.**") (collectively the "**Debtors**" or the "**Companies**") acquired for, or used in relation to the business carried on by the Debtors, including all proceeds thereof (the "**Property**"), including, but not limited to, all goods, inventory, equipment, accounts receivable, and other intangibles, and all proceeds of any of the Property. A copy of the Receivership Order is attached hereto as Appendix "**A**".
- 2) The Receivership Order was granted as a result of an application by The Toronto-Dominion Bank ("**TD Bank**"), who holds registered security over all of the Companies' present and after-acquired personal property (the "**TD Bank Security**") and with consent of the Debtors.
- 3) Following the issuance of the Receivership Order, the Receiver issued a statutory Notice and Statement of the Receiver (the "**Notice to Creditors**") pursuant to subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* (Canada).
- 4) The Receivership Order, together with related Court documents, the Notice to Creditors and this first report (the "**First Report**") have been posted on the Receiver's website (the "**Receiver's Website**") at www.insolvencies.deloitte.ca/en-ca/EMW.
- 5) Unless otherwise provided, all other capitalized terms not defined in this First Report are as defined in the Receivership Order.

Purpose

- 6) The purpose of this Report is to:
 - a) Provide the Court with an update of the Receiver's activities since the Date of Receivership;
 - b) Provide the Court with additional information regarding the operations of E&S; and
 - c) Respectfully recommend that this Honourable Court:
 - i. Approve the activities, fees, and disbursements of the Receiver as described in this First Report, including, without limitation, the steps taken by the Receiver pursuant to the Receivership Order and the fees of the Receiver's legal counsel;
 - ii. Approve the Farm Management Agreements and Inter-Creditor Priority Agreement (as defined later in the First Report);
 - iii. Approve the sale of existing grain inventory; and
 - iv. Provide such further and other relief that the Court considers just and warranted in the circumstances.

Terms of Reference

- 7) In developing the First Report, the Receiver has relied upon unaudited financial information prepared by the Debtors' management, the Debtors' books and records and discussions with its management. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance in respect of the information.

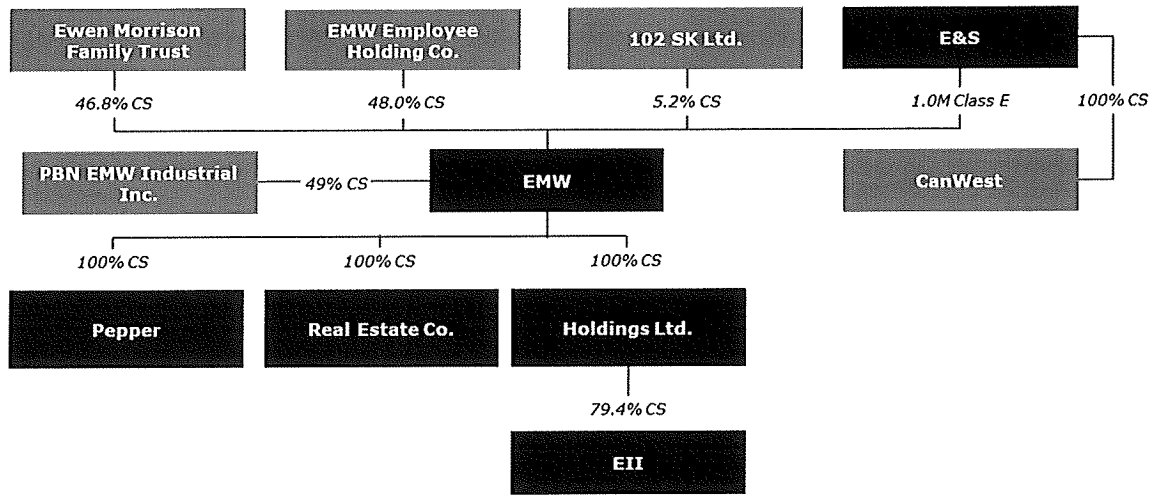
Currency

- 8) All dollar amounts in the First Report are in Canadian dollars, unless otherwise indicated.

BACKGROUND

- 9) EMW, Pepper Maintenance and EII's services centered around design, fabrication, and maintenance inspections for the agricultural, mining, and industrial industry. E&S owns land and operates a farming operation. Real Estate Co. owns the head office building, land, and parking lots used by EMW and Pepper Maintenance located at 206 Commercial Street in Saltcoats, Saskatchewan (the "**Saltcoats Office**").
- 10) In addition to the Saltcoats Office, EMW also conducted operations from the following owned or leased locations in Ontario, Manitoba, and Saskatchewan (collectively the "**EMW Locations**"):
- a) Fabrication Shop and Paint Booth (owned) - ¼ section of land know as SW 25-24-33 W1st (the "**EMW Yard**") located near Saltcoats, SK;
 - b) Tillsonburg Office (leased);
 - c) Winnipeg Office (leased);
 - d) Saskatoon Office (leased);
 - e) Meacham Office (leased).
- 11) As at the Date of Receivership, the bulk of the equipment owned and leased by EMW was located at various project sites in Saskatchewan and Manitoba. Certain equipment was also located in Alberta and Ontario.
- 12) TD Bank is one of the principal lenders to the Companies and holds various first raking security positions against EMW, Pepper Maintenance and EII and its assets. TD Bank is owed approximately \$6.5 million as at the Date of Receivership. Farm Credit Canada ("**FCC**") holds registered mortgages against assets of E&S and Real Estate Co. and was owed approximately \$7.5 million as at the Date of Receivership.
- 13) The Receiver notes that there are approximately 12 additional creditors with Personal Property registrations against various assets leased to EMW.

- 14) A summary of the corporate structure of the Debtors and related companies are as follows:



- 15) EMW is a Saskatchewan-based corporation owned by Ewen Morrison Family Trust, 102 SK Ltd., and by Employee Holdings Co. Ltd. EMW engaged in fabrication, design, welding, and maintenance of agriculture, mining, and industrial equipment. With over 55 active projects (the "**Projects**"), the business had operating centres in Alberta, Saskatchewan, Manitoba, and Ontario.
- 16) As at the Date of Receivership, EMW employed approximately 230 employees.
- 17) E&S owns 1.0M class "E" redeemable preferred non-voting shares in EMW and approximately 4,000 acres of land near Saltcoats. Approximately 3,200 acres of the E&S lands are used for a large farming operation. EMW leases from E&S approximately 160 acres of land housing a fabrication shop, paint shop, and office trailers.
- 18) As at the Date of Receivership, E&S employed approximately five employees to maintain the farming operation.
- 19) Pepper Maintenance is wholly owned by EMW and offers reliability centered maintenance inspections and assessments across Canada. The Receiver understands that all business functions of Pepper Maintenance were facilitated by EMW employees.
- 20) Real Estate Co. is wholly owned by EMW and owns the land, parking lots and head office building in Saltcoats.
- 21) Holdings is wholly owned by EMW and is the majority shareholder of EMW's United States operations, EII.
- 22) According to Management, there are no employees at Real Estate Co. or Holdings.
- 23) EII was incorporated in Missouri in 2016 in response to EMW's customers need for agriculture services in the United States. The business was headquartered in Missouri with operating centres in Iowa, North Dakota, and Oklahoma.
- 24) CanWest is wholly owned by E&S and offers laser technology and steel cutting services to EMW's Fabrication division.

- 25) CanWest is not in receivership; however, its operations were fully integrated with EMW. Management advised that all of CanWest's business functions were facilitated by EMW employees. The Receiver further understands that the CanWest accounts receivable ("**AR**") was recorded and billed through EMW's accounting system, and all CanWest computer systems and office services were provided through EMW accounts. Consequently, CanWest's business has ceased as a result of EMW's receivership.

POWERS OF THE RECEIVER

- 26) The Receivership Order authorized the Receiver to, among other things, manage, administer, maintain and operate the Property.
- 27) The Receivership Order also authorized the Receiver to borrow up to \$500,000 without further approval of the Court for the purpose of carrying out its duties and powers (the "**Borrowing Facility**").

RECEIVER'S ACTIVITIES

- 28) The Receiver has undertaken the following activities:
- a) Attended the Saltcoats Office, the EMW storage yard (the "**Yard**"), the Saskatoon office, and the Tillsonburg office to take possession of and secure the assets, conduct an inventory of such assets, meet with employees and post notices of the receivership proceedings;
 - b) Terminated all of the Debtors' employees effective April 11, 2019 in accordance with paragraph 13 of the Receivership Order;
 - c) Conducted an analysis of ongoing projects;
 - d) Disclaimed its interest in the all of the leased premises on May 1, 2019 after determining there was no equity in the leases;
 - e) Changed the locks at the EMW Yard and restricted unauthorized access to the Saltcoats Office;
 - f) Secured the manual and electronic books and records of the Companies;
 - g) Arranged to have third party security in place at the Yard to secure and monitor daily the site and the assets located thereon;
 - h) Arranged to retain key employees (the "**Key Employees**") to assist with administrative duties, financial reporting, and locating, transporting, consolidating the assets at the EMW Yard, and securing the Companies' assets;
 - i) Arranged for an appraisal of the Companies' vehicles, equipment, and inventory.
 - j) Arranged for auctioneer/liquidation companies to attend the Yard to submit proposals for auction services with respect to the Companies' vehicles, equipment and inventory.

- k) Coordinated final payroll calculations up to the Date of Receivership and the delivery of records of employment and T4 slips for the purposes of administering amounts due to the employees under the Wage Earner Protection Program Act ("**WEPPA**");
- l) Arranged to maintain the insurance coverage over the Companies' assets and had the Receiver added as a named insured and loss payee on the existing insurance policies;
- m) Arranged for continued service of critical utilities;
- n) Informed the Canada Revenue Agency ("**CRA**") of the receivership and requested new tax accounts for the post-receivership period;
- o) Requested a pre-receivership audit be conducted on the Companies' Goods and Services Tax ("**GST**") and payroll accounts by CRA.
- p) Informed the Companies' customers of the receivership and issued collection letters for the outstanding accounts;
- q) Conducted a very timely marketing and sale process of the Debtors' ongoing projects;
- r) Opened new trust accounts in the name of the receivership estate to facilitate future receipts and disbursements;
- s) Corresponded with McDougall Gauley LLP ("**McDougall**"), the Receiver's legal counsel, on various legal matters relating to the receivership including an independent review of the validity and enforceability of TD Bank's Security in the normal course;
- t) Corresponded with creditors, employees, and other stakeholders; and
- u) Addressed additional matters as they arose from time to time.

OPERATIONS

Current Projects

- 29) The Receiver conducted a cost benefit analysis of the on-going projects as at the Date of Receivership to assess whether it would be beneficial to the estate to continue certain operations and complete ongoing projects to facilitate the collection of outstanding receivables and maximize recoveries. Based on the Receiver's review of the incomplete projects, it was determined that the estimated costs to complete the projects exceeded estimated receipts. Consequently, on April 13, 2019, the Receiver ceased all operations and notified all employees of same.
- 30) Accordingly, and because the Receiver was contacted by several parties who expressed interest in purchasing ongoing project contracts, the Receiver took steps to run a very timely condensed sale process to attempt to realize value on these projects and associated AR. The Receiver recognized that the marketing and sale of the project contracts and AR

would be complicated by: i) a condensed timeline due to concerns that customers would engage new contractors to mitigate further business interruption, ii) potential liens that may be filed by sub-trades and suppliers, and iii) uncertainty of whether customers would accept a transfer of the project to the purchaser.

- 31) No offers were submitted for the purchase of any project. However, an offer was submitted by a group of former EMW employees (the "**Interested Party**") for approximately 55 pieces of the Vehicles and Equipment.
- 32) Subsequently, the Interested Party submitted an amended offer for 10 pieces of equipment.
- 33) Once the Receiver has obtained an appraisal of EMW's vehicles, equipment and inventory, it will assess the offer submitted by the Interested Party.

Employees

- 34) Immediately prior to the Date of Receivership, EMW employed approximately 230 employees, of which 12 are minority shareholders of the EMW. Due to EMW's cash flow constraints, the EMW employees had not been paid wages for approximately four weeks.
- 35) EMW had a registered pension plan for its employees. Due to the cash flow constraints, amounts deducted from the employee's wages were not remitted to Great West Life ("**GWL**"). The Receiver expects to be provided with GWL's claim in due course.

Books and Records

- 36) The books and records of the Debtors are located at the Saltcoats Office. Based on our review, the last month end completed by the Debtors was February 28, 2019. The accounting records from March 1, 2019 to the Date of Receivership appear to be incomplete and cannot be relied upon.
- 37) The Receiver was provided with access to the Debtors' multiple software systems. The software systems appear to have been used inconsistently and a significant portion of supporting documentation regarding projects were stored in individual employee emails or on employee desktops rather than in a central database.

ASSETS

Cash in Bank

- 38) The Companies' bank accounts were held at TD Bank and the accounts were frozen prior to the Date of Receivership. TD Bank continues to allow deposits into the accounts to facilitate timely collection of AR through wire payments and account transfers. Funds are being transferred by TD Bank to the Receiver's accounts on approximately a weekly basis.

Accounts Receivable

- 39) As at the Date of Receivership, the Receiver obtained a copy of the Companies' AR sub ledger, which indicated that EMW was owed approximately \$4.6 million from various parties. To date, the Receiver has collected approximately \$1.1 million of the outstanding AR.

- 40) With the assistance of the Key Employees retained by the Receiver, progress billings were brought current resulting in additional AR of \$453,000.
- 41) As at the date of the First Report, EMW has outstanding AR balances totaling approximately \$4.0 million. The Receiver has issued collection letters.

Inventory

- 42) According to EMW's records, there were small tools and equipment located at the various EMW Locations and project sites with a book value of approximately \$4.0 million which the Receiver is collecting and moving to the Yard.
- 43) Two batches of small tools and equipment were unaccounted for with a FMV of approximately \$50,000. The small tools and equipment were in possession of two EMW employees as at the Date of Receivership. The Receiver issued demand letters in respect of these issues. One former employee has returned the missing tools and equipment to the Yard. The Receiver is waiting for a response from the second former employee.

Equipment and vehicles

- 44) The Companies' equipment and vehicles (the "**Equipment and Vehicles**") were in various locations throughout Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, and the United States at the Date of Receivership. While a majority of the equipment was stored at various project sites, a significant number of the Equipment and Vehicles were in the possession of the employees.
- 45) The Equipment and Vehicles consist of approximately 244 pieces of service equipment including, company vehicles, tool cribs, and project site trailers.
- 46) According to the Debtors' records, as at April 11, 2019, the fair market value of the Equipment and Vehicles was approximately \$5.8 million.
- 47) Following its appointment, the Receiver sought to consolidate all of the Equipment and Vehicles to the EMW Yard for security purposes and to make them accessible for the necessary inspection by various auction companies and other interested parties in preparation for the sale of the assets. Accordingly, the Key Employees were retained to move the Equipment and Vehicles to the EMW Yard. Equipment and Vehicle collection efforts remain in progress, and to date approximately 80% of the Companies' vehicles, equipment and inventory have been retrieved from project sites.
- 48) A significant portion of the Equipment and Vehicles of the Companies are leased. As previously noted, an appraisal of the leased assets is being conducted to determine whether there is equity in the leased Equipment and Vehicles. The Receiver may release its interest in the leased assets where it is determined there is no equity in such assets and where the lessor's security is determined to be valid.

Real Property

- 49) Pursuant to the Receivership Order, the Receiver has not taken possession of the real property of the Debtors. The Receiver understands that FCC holds registered mortgages on all of the real property.
- 50) The Receiver is working with FCC to ensure proper insurance coverage is in place.

CREDITORS CLAIMS

- 51) As at the Date of Receivership, and as noted previously, TD Bank was owed a principal balance of approximately \$6.5 million and FCC was owed approximately \$7.5 million.
- 52) There are several additional creditors with security registered against EMW including several leasing companies who hold specific security against certain equipment, vehicles, and office equipment.
- 53) The validity, enforceability, and priority of each creditor's security is currently being reviewed by the Receiver's legal counsel.
- 54) The Receiver understands there are unremitted source deduction arrears owed to CRA in the amount of approximately \$1.5 million. CRA has not yet conducted a payroll and GST audit on the Debtors as at the date of the First Report and additional liabilities may be assessed.
- 55) As at the Date of Receivership, there were 219 employee claims for outstanding wages, vacation pay, severance and termination pay totaling approximately \$2.8 million. The claimants may be eligible for an advance under the Wage Earners Protection Program, which may result in a potential priority claim by Service Canada of up to \$393,000.
- 56) The Receiver understands there are unremitted pension contributions owed to GWL in the amount of approximately \$120,000. As previously mentioned, the Receiver anticipates receiving GWL's priority claim in the normal course.
- 57) As at the Date of Receivership, the Debtors listed unsecured creditors with claims of approximately \$10.7 million.

E&S OPERATIONS

- 58) As previously noted in the First Report, the Receiver has not taken possession of the real property of E&S. The Receiver has taken no actions in respect of the farming operations of E&S (the "**Farm**").
- 59) The Receiver understands that E&S wishes to continue the Farm operations for the remainder of 2019 and that FCC has agreed to finance the 2019 Farm operations by way of a new loan to E&S.
- 60) Rabobank Canada ("**Rabobank**"), advanced funds to the Farm in 2018 for the purchase of seed and fertilizer. The balance owing to Rabobank as at February 28, 2019 was approximately \$330,000, which Rabobank has assigned to Richardson International Limited ("**Richardson International**") and Richardson International subsequently assigned to a related entity, Richardson Pioneer Limited, pursuant to Assignments dated April 17, 2019.
- 61) The Receiver concurs that E&S should continue its operations for 2019. Accordingly, E&S, FCC and the Receiver have agreed, subject to Court approval, to the Farm Management Agreements to facilitate the Farm's continuing operations. In addition, FCC, Rabobank, TD Bank, E&S and the Receiver have agreed, subject to Court approval, to an Inter-Creditor Priority Agreement. The Farm Management Agreement and the Inter-Creditor Priority Agreement are being collectively referred to as the "**Agreements**". The salient terms of the Agreements are noted below:

- a) FCC will fund the 2019 go-forward farming operations, with first charge security on the 2019 crops. Richardson's indebtedness is recognized for its financing provided to E&S for fertilizer purchases and will rank *pari passu* with FCC;
 - b) The TD Bank will confirm it does not assert priority in respect of the 2019 crops pursuant to its *Bank Act* Security;
 - c) FCC and Rabobank will confirm that they do not assert priority in respect of the existing grain inventory (the "**2018 Crop**");
 - d) A covenant to maintain all equipment leases in good standing;
 - e) A covenant that appropriate insurance coverage be maintained; and
 - f) Regular monthly financial and cash flow reporting be provided to FCC and the Receiver within 15 days following the end of each month.
- 62) A copy of the Agreements, which are expected to be executed by the respective parties prior to May 22, 2019, Court application date, are attached as Appendix "**B**" and "**B1**," respectively.
- 63) The Receiver believes the approval of the Agreements is in the best interest of the E&S's stakeholders and recommends that this Honourable Court approve the Agreements.
- 64) As at the Date of Receivership E&S held the 2018 Crop (approximately 1,900 tonnes of grain) under contract with Richardson Pioneer and Cargill.
- 65) The Receiver believes that the grain prices set out in the Richardson Pioneer and Cargill contracts were agreed to by E&S based on the applicable market conditions at the relevant time, and therefore respectfully requests the Court's authorization to sell the 2018 Crop. As the security review is still being conducted by the Receiver's legal counsel, the Receiver proposes that the proceeds realized on grain sales of the 2018 Crop be held by the Receiver in trust pending receipt of the security review and a subsequent application by the Receiver to this Honourable Court for an Order to distribute such proceeds.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

- 66) The Receiver has prepared a Statement of Receipts and Disbursements for the period of April 11, 2019 to May 15, 2019 for the EMW Group of Companies, as shown in Appendix "**C**".
- 67) As at the date of the First Report, the Receiver has realized sufficient funds from the collection of accounts receivable such that it has not had to draw on the Court authorized Borrowing Facility to fund the receivership proceedings.

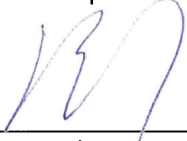
CONCLUSIONS AND RECOMMENDATIONS

- 68) Based on the foregoing, the Receiver respectfully recommends that this Honourable Court grant the relief detailed in Section 6 c) of the First Report and such further and other relief, as this Honourable Court deems appropriate in the circumstances.

All of which is respectfully submitted at Calgary, Alberta this 17th day of May 2019.

DELOITTE RESTRUCTURING INC.

Solely in its capacity as
Court appointed Receiver of
The Property (as defined herein)
And not in its personal or corporate capacity



Robert J. Taylor, FCA, FCPA, CIRP, LIT, CFE
Senior Vice-President

Appendix A

COURT FILE NUMBER Q.B.G. 40 of 2019

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

JUDICIAL CENTRE YORKTON

IN THE MATTER OF THE RECEIVERSHIP OF
EMW INDUSTRIAL LTD., EMW INDUSTRIAL INC., E&S MORRISON FAMILY HOLDINGS LTD.,
PEPPER MAINTENANCE CANADA (2005) INC., EMW HOLDINGS LTD.,
and EMW REAL ESTATE CO. LTD.

RECEIVERSHIP ORDER

Before the Honourable Mr. Justice D.H. Layh in Chambers the 3rd day of April, 2019.

Upon the application of Jeffrey M. Lee, Q.C. and Paul Olfert, counsel for The Toronto-Dominion Bank (the "**Applicant**") in respect of EMW Industrial Ltd., EMW Industrial Inc., E&S Morrison Family Holdings Ltd., Pepper Maintenance Canada (2005) Inc., EMW Holdings Ltd., and EMW Real Estate Co. Ltd. (collectively, the "**Debtors**"); and upon having read the Originating Application, the Affidavit of Sarah D'Souza, and Brief of Law; and upon reading the consent of Deloitte Restructuring Inc. to act as receiver ("**Receiver**"); all filed; and upon hearing Jeffrey M. Lee, Q.C. and Paul Olfert, counsel for the Applicant; Mr. Timothy Doyle, counsel for Canada Revenue Agency ("**CRA**"); Mr. M. Kim Anderson, Q.C., counsel for the Debtors and Ms. Janine Lavoie-Harding, counsel for Farm Credit Canada;

The Court Orders:

SERVICE

1. To the extent required, the time for service of notice of the application for this order is hereby abridged and service thereof is deemed good and sufficient.

APPOINTMENT

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**"), section 65(1) of *The Queen's Bench Act, 1998*, SS 1998, c Q-1.01, and section 64(8) of *The Personal Property Security Act, 1993*, SS 1993, c P-6.2 (the "**PPSA**"), **Deloitte Restructuring Inc.** is hereby appointed Receiver, without security, of all of the personal property of the Debtors acquired for, or used in relation to the business carried on by the Debtors, including all proceeds thereof (the "**Property**") including, but not limited to, all goods, inventory, equipment, accounts receivable, and other intangibles, and all proceeds of any of the foregoing.

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property, and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - (b) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the

relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part other business, or cease to perform any contracts of the Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties including, without limitation, those conferred by this Order;
- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to or by the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- (k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause, and in each such case notice under section 59(10) of the PPSA shall not be required;

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

- 4. (i) The Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
- 4A. The Receiver shall have the right to access and occupy all real property owned or leased by any of the Debtors for the purposes of carrying out its duties as Receiver of the Property.
- 5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto provided, however, that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to

solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require, including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

8. No Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a Proceeding regarding a claim that might otherwise become barred by statute or an existing agreement, if such Proceeding is not commenced before the expiration of the stay provided by this paragraph; or (ii) affect a Regulatory Body's investigation in respect of the Debtors or an action, suit or proceeding that is taken in respect of the Debtors by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "**Regulatory Body**" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a province.

NO EXERCISE OF RIGHTS OR REMEDIES

9. All rights and remedies (including, without limitation, set-off rights) against the Debtors or the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall: (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on; (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment; (iii) prevent the filing of any registration to preserve or perfect a mortgage or security interest; or (iv) prevent the registration or filing of a lien or claim for lien or the commencement of a Proceeding to protect a lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further steps shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on the Debtors and the Receiver. The stay and suspension shall not apply in respect of any "**Eligible Financial Contract**" as defined in section 65.1 of the BIA.

NO INTERFERENCE WITH THE RECEIVER

10. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, including, without limitation, insurance coverage, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an Eligible Financial Contract with the Debtors from terminating such contract or exercising any rights of set-off, in accordance with its terms.

CONTINUATION OF SERVICES

11. All Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including, without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. All funds, monies, cheques, instruments and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale or disposition of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

13. Subject to the employees' rights to terminate their employment, all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5), 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, SC 2005, c 47.
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the

prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
- (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
- (i) if, within such time as is specified in the order, within ten (10) days after the order is made if no time is so specified, within ten (10) days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
 - A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
 - (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within ten (10) days after the order is made or within ten (10) days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
 - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
 - (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

Nothing in this Order shall derogate from the protection afforded to the Receiver by section 14.06 of the BIA or any other applicable legislation.

LIMITATION ON THE RECEIVER'S LIABILITY

16. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Sections 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

17. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements and the Receiver and counsel to the Receiver shall be entitled to, and are hereby granted, a charge (the "**Receiver's Charge**") on the Property as security for such fees and disbursements both before and after the making of this Order in respect of these proceedings, and, subject to paragraph 17A hereof, the Receivers' Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.
- 17A. CRA has raised the issue of whether and to what extent it can be ordered that the Receiver's Charge and/or the Receiver's Borrowings Charge (as hereinafter defined) rank in priority to the CRA deemed trust claim for payroll source deductions made by the Debtors from the wages of their employees as required by the *Income Tax Act* (Canada); the *Canada Pension Plan*, the *Employment Insurance Act* (Canada) and counterpart provisions in respect of provincial income tax in provincial fiscal statutes (the "**Payroll Source Deduction Priority Issue**"). The hearing of the Payroll Source Deduction Priority Issue shall be adjourned to be heard and decided by the Court at a later date to be determined by the Court, if the matter is not resolved in writing as among the Applicant, the Receiver and CRA.
18. The Receiver and its legal counsel shall pass their accounts from time to time.
19. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. The Receiver shall be at liberty and is hereby empowered to borrow, by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not at any time exceed \$500,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, which Receiver's Borrowings Charge shall, subject to paragraph 17A hereof, rank in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.
21. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.
23. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

ALLOCATION

24. Any interested party may apply to this Court, on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

25. The Receiver may, from time to time, apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
26. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors or any of them.
27. Unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence.
28. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
29. The Receiver shall be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and for the recognition that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
30. The Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.
31. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

NOTICE AND SERVICE

32. The Applicant shall, within ten (10) days of the date of this Order, cause a true copy of this Order to be served by prepaid ordinary mail on all Persons to whom the Receiver is required to send notice pursuant to section 245(1) of the BIA (the "Notice").

33. The Notice shall be deemed to have been received on the seventh day after mailing.
34. The Notice served pursuant to paragraph 32 above shall be accompanied by a cover letter in the form attached as Schedule "B" to this Order.
35. The Electronic Case Information and Service Protocol attached as Schedule "C" hereto (the "**Protocol**") is approved and adopted for these proceedings. Terms which are capitalized herein but otherwise not defined shall bear the respective meanings ascribed to them in the Protocol. Service of documents made in accordance with the Protocol shall (subject to review by the Court at the time of any application) constitute valid and effective service. A Case Website shall be established in accordance with the Protocol with the following URL: www.insolvencies.deloitte.ca/en-ca/EMW. Applications in respect of this matter may be made upon three days' notice.
36. The failure of any Person to forward a Request for Electronic Service or a Request for Facsimile Service to the Service List Keeper shall release the Receiver, the Applicant, and any other interested Person serving court materials in this matter from any requirement to provide further notice in respect of these proceedings to any such Person until such time as a properly completed request for such service is received from such Person by each of the counsel for the Receiver and the Applicant.
37. The Applicant and the Receiver shall be at liberty to serve the Notice on any other interested Person by prepaid ordinary mail, courier, personal delivery, facsimile or other electronic transmission to such Persons at their respective addresses as last shown on the records of the Applicant.

ISSUED at the City of Yorkton, in the Province of Saskatchewan, this 11th day of April, 2019.

YD Rohatynsky
DEPUTY LOCAL REGISTRAR
DUPLICATE ORIGINAL

This document was delivered by:

MLT Aikins LLP, counsel for the Applicant, The Toronto-Dominion Bank
1500 – 410 22nd Street East
Saskatoon, SK S7K 5T6
Attention: Jeffrey M. Lee, Q.C. and Paul Olfert
E-mail: JMLee@maitkins.com / POlfert@maitkins.com

TO: Local Registrar, Judicial Centre of Yorkton

AND TO: Robertson Stromberg LLP, counsel for the Respondents, EMW Industrial Ltd., EMW Industrial Inc., E&S Morrison Family Holdings Ltd., Pepper Maintenance Canada (2005) Inc., EMW Holdings Ltd., EMW Real Estate Co. Ltd. and Ewen Morrison
Suite 600 – 105 21st Street East
Saskatoon, SK S7K 0B3
Attention: M. Kim Anderson, Q.C.
E-mail: mk.anderson@rslaw.com

SCHEDULE "A"

RECEIVER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Deloitte Restructuring Inc., the receiver (the "Receiver") of the assets, undertakings and properties of EMW Industrial Ltd., EMW Industrial Inc., E&S Morrison Family Holdings Ltd., Pepper Maintenance Canada (2005) Inc., EMW Holdings Ltd., and EMW Real Estate Co. Ltd. (the "Debtors") acquired for, or used in relation to the Debtors' business, including all proceeds thereof (the "Property") appointed by Order of the Court of Queen's Bench of Saskatchewan (the "Court") issued the ____ day of _____, 20__ (the "Order") made in action _____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily] [monthly not in advance on the ____ day of each month] after the date hereof at a notional rate per annum equal to the rate of ____ per cent above the prime commercial lending rate of Bank of _____ from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act* (Canada) and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at *.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake any personal liability to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

Deloitte Restructuring Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____
Name:
Title:

SCHEDULE "B"

COVER LETTER OF DEMAND FOR NOTICE

[Date]

[Address]

[Address]

[Address]

[Address]

Attention:

RE: IN THE MATTER OF THE RECEIVERSHIP OF EMW INDUSTRIAL LTD., EMW INDUSTRIAL INC., E&S MORRISON FAMILY HOLDINGS LTD., PEPPER MAINTENANCE CANADA (2005) INC., EMW HOLDINGS LTD., AND EMW REAL ESTATE CO. LTD.

A Receiver has been appointed by Order of the Court of Queen's Bench for Saskatchewan over the property, assets and undertaking of EMW Industrial Ltd., EMW Industrial Inc., E&S Morrison Family Holdings Ltd., Pepper Maintenance Canada (2005) Inc., EMW Holdings Ltd., and EMW Real Estate Co. Ltd. A copy of the Court Order appointing Deloitte Restructuring Inc. as Receiver is posted on the Case Website at: [www.*](#)

You may wish to monitor these proceedings. If you wish to do so, you may obtain up to date information respecting all court matters, including court applications and Receiver's reports by accessing the Case Website at _____.

If at any time, you would like to be served with court documents relating to further proceedings in relation to this matter, please review the Electronic Case Information and Service Protocol (the "**Protocol**") set forth in Schedule "C" to the Order and complete and transmit a Request for Electronic Service (or where permitted a Request for Facsimile Service) to each of the following persons:

1. The Toronto-Dominion Bank
c/o MLT Aikins LLP
1500 - 410 22nd Street East, Saskatoon, SK
Attention: Carmen Balzer
Email: CBalzer@mltaikins.com

2. Deloitte Restructuring Inc.
700, 850 - 2 Street SW
Calgary, AB T2P 0R8
Attention: Naomi McGregor
Email: naomcgregor@deloitte.ca

If you do not properly complete a request for service and forward that request by email to each of the above-referenced persons indicating that you require to be served with court documents in these proceedings, then you will not receive, nor will you be entitled to receive, any further notice of the proceedings.

DEMAND FOR NOTICE

TO:

1. The Toronto-Dominion Bank
c/o MLT Aikins LLP
1500 – 410 22nd Street East, Saskatoon, SK
Attention: Carmen Balzer
Email: CBalzer@mltaikins.com
Fax: (306) 975-7145

2. Deloitte Restructuring Inc.
700, 850 – 2 Street SW
Calgary, AB T2P 0R8
Attention: Naomi McGregor
Email: naomcgregor@deloitte.ca

Re: In the Matter of the Receivership of EMW Industrial Ltd., EMW Industrial Inc., E&S Morrison Family Holdings Ltd., Pepper Maintenance Canada (2005) Inc., EMW Holdings Ltd., and EMW Real Estate Co. Ltd.

I hereby request that notice of all further proceedings in the above Receivership be sent to me in the following manner:

(a) by email, at the following email address:

_____, or

(b) I do not have the ability to receive electronic mail, and am therefore eligible to request, and do hereby request, notice by facsimile at the following facsimile number:

Signature: _____

Name of Creditor: _____

Address of Creditor: _____

Phone Number: _____

SCHEDULE "C"

ELECTRONIC CASE INFORMATION AND SERVICE PROTOCOL EFFECTIVE AS OF DECEMBER 6, 2017

APPLICATION

1. This Electronic Case Information and Service Protocol shall apply to this proceeding except as otherwise ordered by the Court.

DEFINITIONS

2. For the purposes of this Protocol, the following capitalized terms shall have the meanings ascribed below:
 - (a) "**Case Website**" means the website referenced in paragraph 35 of the Implementation Order;
 - (b) "**Court**" means the Court of Queen's Bench for Saskatchewan, sitting in bankruptcy if applicable;
 - (c) "**Court Document**" means a document in this proceeding which must be served for the purposes of this proceeding and/or is to be filed, or has been filed or issued in the Court, including:
 - (i) originating applications;
 - (ii) notices of application;
 - (iii) affidavits;
 - (iv) reports of a Court Officer;
 - (v) briefs of law;
 - (vi) books of authorities;
 - (vii) draft orders;
 - (viii) flats; and
 - (ix) issued orders;
 - (d) "**Court Officer**" means the receiver, monitor or proposed trustee appointed by or reporting to the Court in this proceeding;
 - (e) "**Creditor List**" means the list of creditors to be compiled in accordance with the terms of the Implementation Order;
 - (f) "**Email**" means electronic mail transmitted to a specified addressee or addresses;

- (g) **"Email Address List"** means the Word Format list provided for in paragraph 23 of this Protocol;
- (h) **"Hyperlink"** means an active link located within an Email message or on a website, by which means an interested person can click to be linked to a document or part of a document on the Case Website;
- (i) **"Implementation Order"** means the order of the Court to which this Protocol is scheduled, and by which this Protocol is implemented;
- (j) **"PDF Format"** means the Portable Document Format compatible with a number of programs, including Adobe Acrobat and Acrobat Reader;
- (k) **"Protocol"** means this Electronic Case Information and Service Protocol;
- (l) **"Request for Electronic Service" or "RES"** means a request in the form appended to this Protocol as Appendix 1;
- (m) **"Request for Facsimile Service" or "RFS"** means a request in the form appended to this Protocol as Appendix 2;
- (n) **"Request for Removal from Service List" or "RFR"** means a request in the form appended to this Protocol as Appendix 3;
- (o) **"Service List"** means the list to be created pursuant to paragraphs 16 to 19 of this Protocol;
- (p) **"Service List Keeper"** means the person(s) appointed to keep the Service List pursuant to paragraph 16 of this Protocol;
- (q) **"Supplementary Email Address List"** has the meaning given to it in paragraph 26(b) of this Protocol;
- (r) **"Supplementary Service List"** has the meaning given to it in paragraph 26(a) of this Protocol;
- (s) **"URL"** means a Uniform Resource Locator which acts as an address for a webpage or Hyperlink;
- (t) **"Web Host"** means that person or persons appointed by the Court Officer for the purposes of hosting and maintaining the Case Website and receiving and posting case information to the Case Website as provided for in the Implementation Order and in this Protocol; and
- (u) **"Word Format"** means a format compatible with Microsoft Word

CASE WEBSITE

3. The Case Website shall be established in accordance with the Implementation Order.
4. The Case Website shall be hosted by the Web Host.
5. The Case Website shall be designed to ensure easy public access thereto and to any documents posted thereon. The Case Website shall be specifically devoted to the posting, organization, storage and display of electronic versions of Court Documents and other related documents as provided for herein.

6. The Web Host shall post the following categories of documents, as served or to be served:
 - (a) originating applications;
 - (b) notices of application;
 - (c) affidavits, including exhibits, and other material filed by a moving or responding party with respect to an application;
 - (d) briefs and written arguments filed by any party with respect to an application;
 - (e) books of authorities (where the Web Host, in its discretion, determines that a book of authorities should be posted);
 - (f) reports filed by the Court Officer;
 - (g) orders, fiats, endorsements and judgments;
 - (h) the current version of the Service List and Email Address List;
 - (i) the name and Email address of each of the Service List Keeper(s) and the Web Host(s); and
 - (j) any document that requires dissemination to interested parties, such as summaries of claims processes, proof of claim forms, notices of creditor meetings, plan disclosure statements, plans of reorganization and voting letters, as requested by a party or the Court Officer.
7. Documents that have been sealed by Court order and documents in respect of which sealing orders have been or are being requested shall not be posted on the Case Website.
8. The Web Host may post other case-related information to the Case Website in its discretion. Nothing in this Protocol shall affect any requirements set out in any legislation or regulations with respect to the posting of documents to a website by the Court Officer.
9. To the extent practicable, the Web Host shall post links to foreign proceedings related to this proceeding on the Case Website.
10. If the Web Host is uncertain whether a document should be posted on the Case Website, the Web Host may seek directions from the Court.
11. Any party intending to bring an application in this proceeding shall, if reasonably practicable, provide an electronic copy of Court Documents to be served to the Web Host for posting on the Case Website prior to service to facilitate service by use of Hyperlink.
12. The Web Host shall use its best efforts to post documents provided to it by a party to these proceedings in PDF Format on the Case Website as soon as practicable.
13. The Web Host shall maintain the Case Website for a period of at least six months after the earlier of the completion of this proceeding or the discharge of the Court Officer.
14. The Web Host is entitled to charge for the time spent maintaining the Case Website at its usual hourly rates. No additional charges or fees may be claimed with respect to the establishment and maintenance of the Case Website.
15. The Web Host shall use its best efforts to maintain the Case Website in a current and complete state. In addition to any other protection that may be available to the Web Host by statute or court

order the Web Host shall incur no liability or obligation in carrying out the provisions of this Protocol and, in particular, with respect to the creation and maintenance of the Case Website, except as a result of any gross negligence or willful misconduct on the part of the Web Host.

SERVICE LIST

16. Prior to serving notice of the Implementation Order, the Court Officer shall designate and identify, in conjunction with service thereof, a person or persons who shall be responsible for keeping the Service List in this proceeding (the "Service List Keeper").
17. Following service of the Implementation Order, the Service List Keeper shall prepare the initial Service List for this proceeding, which shall include:
 - (a) counsel for the applicant in the proceeding;
 - (b) the Court Officer appointed in the matter and counsel for the Court Officer; and
 - (c) counsel for any party who appeared at the application giving rise to the Implementation Order.
18. Thereafter, the Service List Keeper shall add to the Service List in a timely manner:
 - (a) any person completing and delivering to the Service List Keeper a Request for Electronic Service (or RES) in the form contained in Appendix 1;
 - (b) any person (other than legal counsel, who are required to receive service by Email) completing and delivering to the Service List Keeper a Request for Facsimile Service (or RFS) in the form contained in Appendix 2, in which they certify that they do not have access to Email; and
 - (c) any other person as the Court may order.
19. The Service List shall list names, addresses, Email addresses, facsimile numbers (where permitted pursuant to this Protocol) and telephone numbers (if available) of the persons thereon.
20. Upon adding a person to the Service List, the Service List Keeper shall send an Email (or where permitted, facsimile) message to that person identifying themselves as the Service List Keeper and advising that:
 - (a) the person has been placed upon the Service List,
 - (b) Court Documents will be validly served upon the person by Email (or where permitted, facsimile); and
 - (c) any person on the Service List may serve Court Documents on any other person on the Service List in accordance with this Protocol.
21. Any person on the Service List may request in writing that the Service List Keeper remove that person by delivering a Request for Removal from Service List (or RFR) in the form contained in Appendix 3. Upon receipt of any such request, the Service List Keeper shall comply with the request. Subject to order of the Court, upon removal, any such person will no longer be entitled to service of documents or notice of further proceedings.

22. Those persons who are interested in monitoring a proceeding but are not required to be served with Court Documents are not to be placed on the Service List. Such persons should monitor this proceeding by accessing the Case Website.
23. In addition to the Service List, the Service List Keeper shall create and maintain a document, capable of being copied in Word Format, which contains the up to date Email addresses of all persons on the Service List (the "**Email Address List**"). The purpose of the Email Address List is to allow persons on the Service List to copy and paste the Email addresses of the persons listed on the Service List into Emails for the purpose of serving Court Documents. This process is designed to avoid service of Court Documents using out of date or inaccurate Service Lists, and to discourage the undesirable practice of serving Court Documents by a "reply to all" on a previous Email.
24. The Service List Keeper shall, on a timely and periodic basis, provide an updated copy of the Service List and of the Email Address List to the Web Host for posting on the Case Website.
25. The Service List Keeper shall use its best efforts to maintain the Service List and Email Address List in a current and accurate state. In addition to any other protection that may be available to the Service List Keeper by reason of statute or court order, the Service List Keeper shall incur no liability in carrying out the provisions of this Protocol and, in particular, with respect to the creation or maintenance of the Service List and Email Address List, except for any gross negligence or wilful misconduct on its part.
26. During the course of this proceeding, certain applications may require service of Court Documents on respondents with an interest in that particular application only (for example, service on lien claimants with an interest only in a specific property which is the subject of a proposed sale approval and vesting order). In such circumstances:
 - (a) the party bringing the application shall prepare a service list identifying only the respondents that the applicant is required to serve or otherwise wishes to serve (a "**Supplementary Service List**");
 - (b) the party bringing the application shall prepare an Email address list corresponding to the Supplementary Service List (a "**Supplementary Email Address List**");
 - (c) the body of the original service Email shall note that the entire Service List has not been served;
 - (d) the party bringing the application shall append the Supplementary Service List and Supplementary Email Address List to the original service Email; and
 - (e) the affidavit of service with respect to that application shall include the Supplementary Service List.

SERVICE OF DOCUMENTS

27. Unless otherwise ordered by the Court, and except as provided herein, Email shall be the required mechanism to serve Court Documents on those persons referenced on the Service List.
28. All Court Documents shall be served by Email by way of a PDF Format file attached to, or by Hyperlink to such Court Document(s) embedded in, a service Email.
29. Any party wishing to serve a Court Document in this proceeding shall serve them upon the recipients listed in the current the Email Address List posted on the Case Website, as well as any recipients listed in the Service List entitled to service other than by e-mail pursuant to this Protocol.

If possible, the serving party shall first make enquiries of the Service List Keeper to determine if the Service List Keeper is aware of any person who has filed a request to be added to the Service List or the Email Address List who has not yet been added.

30. Originating Applications, Notices of Application and any other document specified by court order shall be appended in PDF Format to the service Email.
31. All other documents shall, unless it is impracticable to do so by reason of time constraints or otherwise, be served by way of a Hyperlink embedded in the service Email, in accordance with the following:
 - (a) Any party filing material with the Court in these proceedings may request that the Web Host post documents (including Court Documents) to the Case Website. Any such document shall be provided in PDF Format. The Web Host shall post such documents as soon as practicable. The Web Host shall retain the discretion to refuse documents which do not appear to comply with the requirements of this Protocol. The Web Host shall inform the party providing documents immediately upon posting, and provide Hyperlink information for each such document.
 - (b) Where a party is serving more than one document by Email by way of Hyperlink, the service Email shall specify each document being served and shall include a separate Hyperlink for each such document being served.
32. A service Email shall:
 - (a) clearly state in the subject line of the Email:
 - (i) notification that a Court Document is being served;
 - (ii) a recognizable short form name of this proceeding; and
 - (iii) the nature of this proceeding or the order being served;
 - (b) identify the document(s) being served and:
 - (i) where the document(s) is/are attached, so indicate, with the identified documents attached in PDF Format with identifying filenames;
 - (ii) where the document(s) is/are being served by Hyperlink, so indicate and link the document(s) by Hyperlink to the Case Website. Where a party is serving more than one document in this manner, the service Email shall specify each document being served and shall include a separate Hyperlink for each such document being served;
 - (c) identify the party serving the Court Document; and
 - (d) provide the date of the proceeding and any other specific information with respect to the proceeding such as, for example, a specific commencement time or court location if known, in substantial accordance with format set forth in Appendix 4.
33. Where service by facsimile is authorized:
 - (a) the transmission shall contain a copy of the service Email and of any document attached thereto;
 - (b) the facsimile cover sheet shall contain the following notation:

You are being served by fax with court documents, pursuant to the Order of the Court of Queen's Bench for Saskatchewan made <insert date> and in particular, the provisions of paragraphs <insert paragraph numbers> thereof. You may view that Order at the Case Website, and this transmission and reference to that document constitutes service of that Order upon you.

Particulars of the documents to be served and other information related to the associated Court matter are contained in the message following.

Please note that documents referenced in the following message but which are not attached to this transmission may be viewed at the Case Website located at <insert a list of documents and the URL for each document>.

34. Upon serving documents not already posted on the Case Website, the serving party shall immediately send an electronic copy of each to the Web Host, with a request to post the documents.
35. If a serving party receives notification of an Email or facsimile transmission failure, they shall make reasonable efforts to ensure that successful transmission of the Court Document occurs or that the Court Documents and related information come to the attention of the intended recipient or his or her firm.
36. Even though a Court Document has been served in accordance with this Protocol, a person may show that the Court Document:
 - (a) did not come to the person's notice;
 - (b) came to the person's notice later than when it was served or effectively served; or
 - (c) was incomplete or illegible.
37. Each party serving a Court Document in accordance with this Protocol shall prepare an affidavit of service containing the particulars of the service including the Service List served, the Email addresses to which Court Documents were sent and the time of the Emailing. A copy of the affidavit of service shall be filed with the Court.
38. Where, by the nature of the matter before the Court, it is appropriate to serve persons that are not on the Service List, any Court Document may be served as follows:
 - (a) if the person is listed on the Creditor List, by prepaid ordinary mail, courier, personal delivery, facsimile or other electronic transmission to such person at their respective addresses as last shown on the Creditor List, in which case service shall be deemed to have been effected if sent by personal delivery, on the date of delivery; if sent by courier, facsimile or other electronic transmission, on the next business day following the date of forwarding thereof; or if sent by prepaid ordinary mail, on the seventh day after mailing;
 - (b) if the person is not listed on the Creditor List, by prepaid ordinary mail, courier, personal delivery, facsimile or other electronic transmission to such persons at their respective addresses as last shown on the records of the applicant or the Court Officer or as otherwise publicly available; and
 - (c) otherwise, by service effected in accordance with *The Court of Queen's Bench Rules*.

APPENDIX 1

REQUEST FOR ELECTRONIC SERVICE ("RES")

Please refer to important notes below.

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN In Bankruptcy and Insolvency	
In the Matter of the Receivership of EMW Industrial Ltd., EMW Industrial Inc., E&S Morrison Family Holdings Ltd., Pepper Maintenance Canada (2005) Inc., EMW Holdings Ltd., and EMW Real Estate Co. Ltd. (collectively, the "Debtors")	
Case Website: <www.insolvencies.deloitte.ca/en-ca/EMW>	
Legal Counsel to Person listed below: (please provide firm name, lawyer's name, address and Email address) Please indicate your preference (by checking applicable box below): <input type="checkbox"/> Serve counsel only <input type="checkbox"/> Serve counsel & person listed below	Law Firm Name: _____ Lawyer Name: _____ Address: _____ _____ Email address: _____
Name of Person requesting Service: (please provide full legal name, address, Email address and describe legal relationship to the Debtor)	Name: _____ Address: _____ _____ Email address: _____
Date: (insert current date)	Date: _____

I acknowledge having read the Saskatchewan Court of Queen's Bench Electronic Case Information and Service Protocol. I hereby request to be placed on the Service List. By so doing, I agree that the person(s) named above that each accepts service by electronic means in this matter and will be bound by that service:

Name and Position of Person Making Request

PLEASE RETURN SIGNED COPY OF FORM TO Naomi McGregor: naomcgregor@deloitte.ca | 403-503-1423

IMPORTANT NOTES

1. The Service List is intended to provide a timely and efficient method for effecting service in bankruptcy and insolvency in accordance with the Electronic Case Information and Service Protocol, a copy of which has been or will be posted on the Case Website.
2. Persons interested solely in monitoring the proceedings should do so by reference to the Case Website noted above and should not request to be placed on the Service List.
3. By filing this RES form, you hereby agree that that you and any other person referenced herein accepts service by facsimile transmission as the sole means of service and will be bound by that service.
4. Parties residing outside of Saskatchewan should consider whether, based on substantive law, the delivery of an RES constitutes an attornment to the Saskatchewan proceedings.

APPENDIX 2

REQUEST FOR FACSIMILE SERVICE ("RFS")

(only available to parties not having access to Email)

Please refer to important notes below.

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN In Bankruptcy and Insolvency
In the Matter of the Receivership of EMW Industrial Ltd., EMW Industrial Inc., E&S Morrison Family Holdings Ltd., Pepper Maintenance Canada (2005) Inc., EMW Holdings Ltd., and EMW Real Estate Co. Ltd. (collectively, the "Debtors")
Case Website: <www.insolvencies.deloitte.ca/en-ca/EMW>

Name of Person requesting Service: (please provide full legal name, address, Email address and describe legal relationship to the Debtor)	Name: _____ Address: _____ _____ Facsimile number: _____
Date: (insert current date)	Date: _____

I acknowledge having read the Saskatchewan Court of Queen's Bench Electronic Case Information and Service Protocol. I hereby request to be placed on the Service List.

I hereby certify that I do not have access to Email, and that I require to be given notice of and to be served with documents by way of facsimile transmission.

By so doing, I agree that I accept service by facsimile in this matter and will be bound by that service:

Name and Position of Person Making Request

PLEASE RETURN SIGNED COPY OF FORM TO: Naomi McGregor: naomcgregor@deloitte.ca | 403-503-1423

IMPORTANT NOTES:

1. The Service List is intended to provide a timely and efficient method for effecting service in bankruptcy and insolvency in accordance with the Electronic Case Information and Service Protocol, a copy of which has been or will be posted on the Case Website.
2. Persons interested solely in monitoring the proceedings should do so by reference to the Case Website noted above and should not request to be placed on the Service List.
3. By filing this RFS form, you hereby agree that you accept service by facsimile transmission as the sole means of service and will be bound by that service.
4. Parties residing outside of Saskatchewan should consider whether, based on substantive law, the delivery of an RFS constitutes an attornment to the Saskatchewan proceedings.

APPENDIX 3

REQUEST FOR REMOVAL FROM SERVICE LIST ("RFR")

Please refer to important notes below.

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN In Bankruptcy and Insolvency
In the Matter of the Receivership of EMW Industrial Ltd., EMW Industrial Inc., E&S Morrison Family Holdings Ltd., Pepper Maintenance Canada (2005) Inc., EMW Holdings Ltd., and EMW Real Estate Co. Ltd. (collectively, the "Debtors")
Case Website: <www.insolvencies.deloitte.ca/en-ca/EMW>

Name of Person or Counsel requesting Removal from Service List: (please provide full legal name, address, Email address (or facsimile number))	Name: _____ Address: _____ _____ Email address: _____
Date: (insert current date)	Date: _____

I wish to opt out of all further notice of these proceedings, and hereby request to be removed from the Service List.

I understand and acknowledge that delivery of this request to any party to this proceeding relieves all parties to this proceeding from any requirement to provide further notice of any steps in these proceedings to me.

I hereby represent that I am the person named above or have authority to deliver this request on behalf of such person.

Name and Position of Person Making Request

PLEASE RETURN SIGNED COPY OF FORM TO Naomi McGregor: naomcgregor@deloitte.ca | 403-503-1423

APPENDIX 4

FORMAT FOR SERVICE EMAILS

TO: <Email addresses of parties to be served>
FROM: <Email address of party serving documents>
SUBJECT: Service of Court Documents - QB No. 40 of 2019, Judicial Centre of Yorkton
ATTACHMENTS: <Documents Attached to Email>

You are hereby served with the Court Documents referenced below by <Name of Counsel> of <Name of Firm>, legal counsel for <Name of Party Represented> <Email address for service of counsel serving>.

The following Court Documents for service are attached to this Email:

<u>Name of Document</u>	<u>Filename</u>
-------------------------	-----------------

<enumerated list of documents and filenames>

The following Court Documents for service are posted on the Case Website and can be accessed by way of the links embedded in the filenames below:

<u>Name of Document</u>

<enumerated list of documents with embedded Hyperlinks>

[If required] This matter will be heard on <day>, <date> at <time> before <Justice of the Court if known> at the courthouse at <City>, located at <address>.

This Email is effecting service of court documents pursuant to the Order of the Court of Queen's Bench made <insert date > and in particular, the provisions of paragraphs <insert paragraph numbers> thereof. You may view that Order by clicking <here (with embedded link)>, and this Email constitutes service of that order upon you.

You are receiving this Email because you have filed a request for service of documents in this proceeding with <Name of Service List Keeper>. If you do not wish further notice of these proceedings (which includes service of all court documents) you may contact <Name of Service List Keeper> at <Email address with embedded link>, and ask to be removed.

Appendix B

FARM MANAGEMENT AGREEMENT

THIS AGREEMENT dated for reference the 22nd day of May, 2019.

BETWEEN:

DELOITTE RESTRUCTURING INC., in its capacity
as Court Appointed Receiver of all of the personal property
of E & S Morrison Family Holdings Ltd., and not in its personal
capacity

(the "**Receiver**")

AND:

E & S MORRISON FAMILY HOLDINGS LTD., a body
corporate incorporated under the laws of the Province of
Saskatchewan

(**"FarmCo"**)

AND:

FARM CREDIT CANADA, a corporation incorporated under
the *Farm Credit Canada Act*

(**"FCC"**)

WHEREAS FarmCo owns certain farmland (the "**Lands**") and equipment (the "**Equipment**")
for a farming operation to be operated in Saskatchewan for the 2019 crop year (the "**Farming
Operations**");

AND WHEREAS the Receiver has been appointed as the Receiver of the personal property of
FarmCo, and others, pursuant to an Order of the Court of Queen's Bench for Saskatchewan in
Bankruptcy and Insolvency issued on April 11, 2019 under Court File Number Q.B. No. 40 of
2019 (the "**Action**");

AND WHEREAS FCC holds security against the Lands and claims other security against the
property of FarmCo;

AND WHEREAS FCC may provide new financing to FarmCo for the Farming Operations;

AND WHEREAS the Receiver and FCC require the Farming Operations to be managed and
farmed in a proper and husbandlike manner to maintain the value of the Farming Operations
throughout the term of this Agreement, and require reporting of information and other controls to
be in place in respect of the Farming Operations;

AND WHEREAS the parties have reached an agreement with respect to the terms and conditions under which FarmCo shall continue to carry out the Farming Operations.

NOW THEREFORE, in consideration of the mutual promises set out in this Agreement, the parties covenant and agree with each other as follows:

1. Conditional Agreement

This Agreement, and the rights and obligations of the parties provided for in this Agreement are subject to the condition precedent that the entering into of this Agreement by the Receiver, FarmCo, and FCC, be approved by the Court having jurisdiction in the Action by no later than June 15, 2019. The date of the granting of such approval by the Court is referred to in this Agreement as the "Condition Approval Date". If such approval is not granted by June 15, 2019 this Agreement shall be null and void and of no force or effect.

2. Term

The term of this Agreement shall commence on the Condition Approval Date and continue up to and including the 31st day of December, 2019 (the "**Term**"), subject however to earlier termination in accordance with the terms of this Agreement. If, at the end of the Term, there is any remaining grain resulting from the Farming Operations which may need to be marketed or which is in process of being marketed, the Receiver and FCC may authorize FarmCo to complete the sale and/or marketing of any such portion of grain after the end of the Term; such authorization to sell and/or market grain following the Term shall not be construed as a renewal or extension of the term of this Agreement, except that FarmCo shall continue to be bound by the obligations contained in Sections 3, 4, 5, 8, and 9 of this Agreement in relation to the handling of that grain.

3. Management of Farming Operations

- (a) FarmCo shall manage and administer the Farming Operations., including without limitation:
 - (i) the day-to-day operations of the Farming Operations;
 - (ii) establishing the crop plan for 2019, including the acres to be farmed, crop rotation, crop selection, fertilization rates, pesticide rates and strategies;
 - (iii) managing the budget for the Farming Operations, including arranging and negotiating the purchase of inputs and seeds, farm labour, custom operators rates and utilization;
 - (iv) farm asset control including farm implements, machinery and grain inventory;
 - (v) arranging for such insurance as may be required from time to time;
 - (vi) the accounting and bookkeeping functions required for the Farming Operations;

- (vii) engaging all necessary farm labour, including custom operators;
 - (viii) attending to the payment of existing farm Equipment leases necessary for the proper operation of the Farming Operations;
 - (ix) attending to the repair, maintenance, and general upkeep of the Lands, including any buildings thereon, and the Equipment, as reasonably necessary for the Farming Operations for the Term; and
 - (x) all such other services as shall be necessary for the proper and efficient management of the Farming Operations.
- (b) FarmCo shall:
- (i) devote such time, attention and ability to the business and affairs of the Farm Operations as is necessary in performing the services hereunder and in accordance with the Operating Plan;
 - (ii) maintain commercially reasonable insurance on the Equipment to protect against loss or damage, including such additional insurance coverage as may be requested by the Receiver or FCC from time to time, and provide evidence of such insurance coverages to the Receiver and to FCC;
 - (iii) keep and maintain the Equipment in a good state of repair and in good operating condition;
 - (iv) provide FarmCo's services and obligations pursuant to this Agreement through the direct oversight and management of Ewen Morrison, as representative of FarmCo; and
 - (v) well and faithfully serve the Farming Operations and use its commercially reasonable efforts to promote the best interests of the Farming Operations and to render the services required by this Agreement in a competent and professional manner.

4. Limitations

This Agreement does not grant FarmCo the authority to lease, sell, convey, or encumber any part of the Farming Operations, or to remove any improvements or Equipment from the Lands except to obtain repairs or for storage. Similarly, any equipment, tools and supplies owned or supplied by FarmCo which are within the possession, management and control of the Receiver in accordance with the Action shall not be released from the possession, management or control of the Receiver pursuant to this Agreement except as otherwise expressly provided for in this Agreement.

5. Records and Reporting

FarmCo shall keep true, complete and accurate books and records of all of its operations and activities with respect to the Farming Operations, and shall:

- (a) prepare an operating plan for the Farming Operations by the Condition Approval Date based on reasonable agronomical principles, including a budget, cash flow schedule and a capital expenditure plan (the “**Operating Plan**”), and provide the Operating Plan and any updates to the Receiver and FCC forthwith;
- (b) provide written reports to the Receiver and to FCC by the 15th day of each month, or on a more regular basis if requested, as to performance pursuant to the Operating Plan up to the end of the prior month, including details of all grains sold and/or marketed;
- (c) cause monthly financial statements to be prepared for the Farming Operations and for FarmCo, which accurately represent the financial condition of the Farming Operations and FarmCo and which include an income statement, balance sheet, and statement of changes in financial position, and provide such financial statements to the Receiver and FCC by the 15th day of each following month;
- (d) provide to the Receiver and FCC by the 15th day of each month, a full and complete written report of the Farming Operations up to the end of the prior month, including without limitation, expenses, input costs, amounts harvested and proceeds obtained;
- (e) file with Sask Crop Insurance a duly completed Sask Crop Insurance Production Declaration for the 2019 crop year prior to the 2019 filing deadline date, and deliver a copy of that Declaration to the Receiver and to FCC by no later than November 15, 2019;
- (f) immediately notify the Receiver and FCC, in writing, at the end of the Term, of the quantity and types of any grain which has not yet been sold or which has not yet been marketed as at the end of the Term; and
- (g) keep or cause to be kept full, timely and accurate records in reasonable form and detail as may be reasonably requested and approved by the Receiver and/or FCC of the Farming Operations and provide the Receiver and FCC and their respective designated employees and agents or any auditor or auditors appointed by either of them to have access at any reasonable time for the purpose of examination or audit, including access to the Lands or other offices or premises of FarmCo.

6. Bank Account

FarmCo shall retain a separate bank account (the “Farm Account”) for the Farming Operations, for which Ewen Morrison shall have sole signing authority on behalf of FarmCo. Income and other amounts (including loan proceeds received by FarmCo from FCC) arising from or relating to the Farming Operations shall be deposited to the Farm Account. FarmCo shall also be entitled to have the right to disburse from the moneys from time to time held in the Farm Account all costs and expenses incurred in the course of conducting the Farming Operations, including without limitation the salaries or fees of any employees or contractors of FarmCo and inputs for the 2019 crops. FarmCo shall provide written confirmation to the Receiver and FCC as to the

details of the Farm Account, and FarmCo shall provide monthly statements for the Farm Account to both the Receiver and FCC by the 15th of each month or as otherwise requested by either the Receiver or FCC.

7. Termination of Management Services

FCC may immediately terminate this Agreement if FarmCo is in default of its obligations under this Agreement, in the event the breach has not been rectified after 14 days of having received written notice from FCC.

This Agreement shall otherwise terminate upon the expiry of the Term.

8. Assignment

FarmCo shall not assign its rights or obligations under this Agreement.

9. Indemnity

FarmCo shall not commit the Receiver or FCC for any expenditures relating to the Farm Operations, and FarmCo shall, during and after the termination of this Agreement, promptly indemnify and save the Receiver and FCC completely free and harmless from any and all damages (incidental, direct, indirect, special, consequential or otherwise) or injuries to persons or property, or claims, demands, actions, obligations, liabilities, costs, expenses and fees arising in respect of the Farming Operations.

10. Headings

Descriptive headings are inserted solely for convenience of reference. They do not form a part of this Agreement and are not to be used in interpreting this Agreement.

11. Amendment

This Agreement may only be altered or amended upon the written agreement of the parties.

12. Severability

The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement and any invalid or unenforceable provision will be deemed to be severable.

13. Notice

Any notice, demand, or request which may be or is required to be given hereunder shall be in writing and shall be delivered in person or sent by email or prepaid registered mail at the following address:

To: Deloitte Restructuring Inc.

To: E & S Morrison Family Holdings Ltd.

To: Farm Credit Canada

or to such other address as either party may designate for itself from time to time by notice in writing. Any such notice, demand, request or consent shall have been deemed given or made upon the day upon which such notice, demand request or consent is delivered, if sent by email on the day of transmission or if mailed three (3) business days subsequent to the posting of same in a post office in the Province of Saskatchewan.

14. Jurisdiction

It is the intention of the parties that this Agreement and the performance under it be construed in accordance with and under and pursuant to the laws of Saskatchewan and that in any action or other proceeding arising out of, in connection with, or by reason of this Agreement, the laws of the Province of Saskatchewan shall be applicable and shall govern to the exclusion of the law of any other forum without regard to the jurisdiction in which any action may be instituted.

15. Agreement Binding

This Agreement shall enure to the benefit of and be binding on the parties and their respective heirs, executors, administrators, successors and approved assigns.

16. Receiver

No provisions of this Agreement shall preclude the Receiver from seeking its discharged as a receiver at any time during or after the expiration of the term of this Agreement.

17. Counterparts

This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF the Parties hereto have duly executed and entered into this Agreement the day and year first above written by their proper officers in that behalf.

DELOITTE RESTRUCTURING INC.,
in its capacity as Court Appointed Receiver of
all of the personal property of E & S Morrison
Family Holdings Ltd., and not in its personal
capacity

Per: _____

**E & S MORRISON FAMILY HOLDINGS
LTD.**

Per: _____

FARM CREDIT CANADA

Per: _____

Appendix B1

INTER-CREDITOR PRIORITY AGREEMENT

THIS AGREEMENT dated for reference the 22nd day of May, 2019.

BETWEEN:

FARM CREDIT CANADA, a corporation incorporated under the *Farm Credit Canada Act* ("FCC")

-and-

THE TORONTO-DOMINION BANK, a chartered bank organized under the *Bank Act of Canada* (the "**Bank**")

-and-

RICHARDSON PIONEER LIMITED, a corporation incorporated under the laws of the Province of Manitoba ("**Richardson**")

-and-

E & S MORRISON FAMILY HOLDINGS LTD., a corporation incorporated under the laws of the Province of Saskatchewan (the "**Borrower**")

-and-

DELOITTE RESTRUCTURING INC., in its capacity as Court Appointed Receiver of all of the personal property of E & S Morrison Family Holdings Ltd., and not in its personal capacity (the "**Receiver**")

WHEREAS:

- A. The Borrower has granted, or is in the process of granting, or in the future will grant certain security to FCC to secure repayment of indebtedness or other obligations owing by the Borrower to FCC, including, without limitation, a charge on the 2019 Crops (as such term is hereafter defined) to secure repayment of the FCC Debt (as such term is hereinafter defined), and FCC may make additional loan advances to the Borrower to finance the Borrower's farming operations for the 2019 crop year and in order to allow the Borrower to grow the 2019 Crops;
- B. The Borrower has granted security to the Bank to secure repayment of indebtedness or other obligations owing by the Borrower to the Bank, including, without limitation, a charge on the Grain in Bins (as such term is hereafter defined) to secure repayment of the Bank Debt (as such term is hereinafter defined), and a receiver has been appointed as the receiver of the personal property of the Borrower, and others, pursuant to an Order of the Court of Queen's Bench for Saskatchewan in Bankruptcy and Insolvency issued on April 11, 2019 under Court File Number Q.B. No. 40 of 2019 (the "Action") in respect of the Bank Debt;

- C. Rabobank Canada facilitated the financing of the purchase of fertilizer by the Borrower from Richardson Pioneer in the fall of 2018, as such fertilizer was to be applied during the fall of 2018 for the benefit of the 2019 Crops. Rabobank Canada has assigned its debt due from the Borrower and any related security interest and position to Richardson effective April 17th, 2019. By virtue of such assignment Richardson claims security against the 2019 Crops to secure the payment of the Richardson Debt (as such term is hereinafter defined);
- D. The parties have entered into this Agreement in order to set out the respective priorities of the FCC Security, the Bank Security, and the Richardson Security;

NOW THEREFORE, THIS AGREEMENT WITNESSETH that in consideration of the premises and payment of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party hereto, the parties hereby covenant, undertake, declare and agree as follows:

1. Definitions

1.01 In this Agreement, the following terms shall have the following meanings:

(a) “2019 Crops” means all present and future crops of the Borrower planted within the 2019 year and being grown upon the lands owned or leased by or under the possession of the Borrower, whether standing or harvested, and all grains and other products harvested or resulting from such crops, including without limitation any processed grains or other processed products and any cash proceeds or other proceeds derived from the sale or other dealings with such crops and other proceeds as provided for under the PPSA;

(b) “Bank Debt” means the indebtedness or other obligations due and owing or contingently owing by the Borrower to the Bank from time to time and whether present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, and wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter incurred again and whether the Borrower be bound alone or with another person, and whether as principal, guarantor or surety;

(c) “Bank Security” means all security of every nature and kind including all security agreements that create or provide for a security interest, heretofore, now or hereafter granted by the Borrower to the Bank including any and all charges, security interests and assignments heretofore, now or hereafter granted to the Bank;

(d) “FCC Debt” means the indebtedness or other obligations due and owing or contingently owing by the Borrower to FCC from time to time and whether present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, and wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter incurred again and whether the Borrower be bound alone or with another person and whether as principal, guarantor or surety;

(e) “FCC Security” means all security of every nature and kind including all security agreements that create or provide for a security interest, heretofore, now or hereafter granted by the

Borrower to FCC including any and all charges, security interests and assignments heretofore, now or hereafter granted to FCC;

(f) “Grain in Bins” means any grain of the Borrower as determined on April 11, 2019 which was derived from crops grown by the Borrower prior to April 11, 2019 and was held in grain bins or other storage facilities as of April 11, 2019;

(g) “PPSA” means *The Personal Property Security Act, 1993* (Saskatchewan) as may be amended from time to time;

(h) “Richardson Debt” means the indebtedness owing by the Borrower to Richardson in respect of the financing provided by Rabobank Canada, which debt was subsequently assigned to Richardson International Limited and then by it to Richardson, for the purchase of fertilizer by the Borrower from Richardson during the fall of 2018 as such fertilizer was applied during the fall of 2018 for the benefit of the 2019 Crops, up to the maximum amount of \$350,000;

(i) “Richardson Security” means all security of every nature and kind including all security agreements that create or provide for a security interest, heretofore granted by the Borrower to Rabobank Canada and subsequently assigned to Richardson or now or hereafter granted to Richardson including any and all charges, security interests and assignments heretofore granted to Rabobank or now or hereafter granted to Richardson.

2. Consents

2.01 Each of the parties hereby consents to the creation and issuance by the Borrower to FCC, the Bank, and Richardson, of, respectively, the FCC Security in respect of the 2019 Crops, the Bank Security in respect of the Grain in Bins, and the Richardson Security in respect of the 2019 Crops, and to the incurring by the Borrower of the indebtedness and obligations secured thereby.

2.02 Where there is any conflict between this Agreement and other agreements or registrations regarding the priority of the FCC Security, the Bank Security, and the Richardson Security, this Agreement shall prevail.

2.03 This Agreement, and the rights and obligations of the parties provided for in this Agreement are subject to the condition precedent that the entering into of this Agreement by the parties be approved by the Court having jurisdiction in the Action, by no later than June 15, 2019. If such approval is not granted by June 15, 2019 this Agreement shall be null and void and of no force or effect.

3. Priorities

3.01 Each of FCC, the Bank, Richardson, and the Borrower declare, covenant and agree as follows:

(a) the Bank Security shall have priority over the FCC Security and the Richardson Security with respect to the Grain in Bins; and

(b) the FCC Security and the Richardson Security shall have priority over the Bank Security with respect to the 2019 Crops, to be shared between FCC and Richardson on a pari passu basis.

3.02 Any of the 2019 Crops, Grain in Bins, or proceeds of any of the foregoing, received by FCC, the Bank, Richardson, or the Receiver, as charged by the FCC Security, the Bank Security, or the Richardson shall be dealt with according to the preceding provisions hereof as though paid or payable as proceeds of realization of the collateral for which they compensate, and all proceeds received by the Borrower shall be held in trust by it for the benefit of FCC, the Bank, and/or Richardson, as the case may be, in accordance with the provisions of this Agreement.

3.03 The priorities contained in Section 3.01 of this Agreement shall apply in all events and circumstances regardless of:

- (a) the date of execution, attachment, registration, perfection or re-perfection of the FCC Security, the Bank Security, or the Richardson Security;
- (b) the date of any advance or re-advances made by FCC, the Bank, or Richardson to the Borrower;
- (c) the date of default by the Borrower under any of the FCC Security, the Bank Security, or the Richardson Security, or the dates of crystallization of any floating charges held by FCC, the Bank, or Richardson;
- (d) the time at which notice is given to any of the debtors of any Borrower of the FCC Security, the Bank Security, or the Richardson Security, or any enforcement thereof by FCC, the Bank, or Richardson;
- (e) at the time of the realization of any of the FCC Security, the Bank Security, or the Richardson Security, the Borrower is not in default under the other security; or
- (f) any priority granted by any principle of law or any statute, or any personal property security, corporation securities registration, or like statute, including without limitation the PPSA.

3.04 Any proceeds from insurance received by the Borrower or by FCC, the Bank, or Richardson in respect of property and assets of the Borrower charged by the FCC Security, the Bank Security, and/or the Richardson Security shall be dealt with according to the preceding provisions of this Agreement as though such insurance proceeds were paid or payable as proceeds of realization of the collateral for which they compensate and all insurance proceeds received by any Borrower shall be held in trust by it for the benefit of FCC, the Bank, and Richardson in accordance with the provisions hereof.

3.05 The parties agree that this Agreement shall have no effect on or application to any present or after-acquired real property of any Borrower, nor shall this Agreement have any effect or application on any other present or after-acquired personal property of the Borrower other than the 2019 Crops and the Grain in Bins.

4. Information and Default

4.01 From time to time upon request therefor, FCC, the Bank, and Richardson may advise each other of the particulars of the indebtedness and liability of any Borrower to each other and all security held by each therefor and each Borrower hereby consents to the release of any such information.

4.02 Prior to making any demand for payment on any Borrower or proceeding to enforce its security, FCC, the Bank, or Richardson, as the case may be, shall use its best efforts to provide to the other party, other than such Borrower, 24 hours prior notice of such demand or enforcement, provided, however, that if any of FCC, the Bank, or Richardson determines in good faith that any delay in demanding payment or enforcing its security would be prejudicial to FCC, the Bank, or Richardson, as the case may be, such notice may be given at the time that demand for payment or enforcement is made. Neither FCC nor the Bank nor Richardson shall be liable for any inadvertent omission to provide notice to the other as required pursuant to this section.

5. Consent of the Borrower

5.01 The Borrower hereby consents to the terms of this Agreement and confirms to and agrees with FCC, the Bank, and Richardson that so long as the Borrower remains obligated or indebted to FCC, the Bank, or Richardson it shall stand possessed of its property and assets so charged in favour of FCC, the Bank, and Richardson in accordance with their respective interests and priorities as set out in this Agreement.

6. General

6.01 Any notice required or permitted to be given pursuant to this Agreement shall be in writing and shall be addressed and delivered to the parties hereto as follows:

to FCC: _____

to the Bank: _____

to Richardson: _____

to any Borrower: _____

to the Receiver: _____

Notices may be sent by facsimile or served personally on any business day and in each case shall be deemed to be received on the business day so transmitted by facsimile or personally delivered.

6.02 Neither FCC nor the Bank nor Richardson shall transfer or assign the FCC Security or the Bank Security or the Richardson Security, as the case may be, without obtaining from the transferee or assignee an agreement to be bound by the provisions of this Agreement, in a form satisfactory to the others of them. Neither FCC nor the Bank nor Richardson shall be liable for any inadvertent omission to obtain an agreement from the other party as required pursuant to this section.

6.03 Each of the parties to this Agreement shall do, perform, execute and deliver all acts, deeds and documents as may be necessary from time to time to give full force and effect to the intent of this

Agreement, provided however, that no consent of the Borrower shall be necessary to any amendment of the terms hereof by FCC, the Bank, Richardson, and the Receiver.

6.04 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

6.05 The parties hereto agree to execute and provide such further and other documents and do such further and other acts as may be necessary to give effect to this Agreement.

6.06 This Agreement shall be governed and construed in accordance with the laws of the Province of Saskatchewan.

6.07 Neither FCC nor the Bank nor Richardson shall take any action to defeat or challenge the priorities set forth in this Agreement.

6.08 This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which counterparts when so executed shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. Any party may execute and deliver this agreement by facsimile or email.

IN WITNESS WHEREOF FCC has had these presents executed by its proper signing officer(s) in that behalf, effective the day and year first written above.

FARM CREDIT CANADA

Per: _____

Per: _____

IN WITNESS WHEREOF the Bank has had these presents executed by its proper signing officer(s) in that behalf, effective the day and year first written above.

THE TORONTO-DOMINION BANK

Per: _____

Per: _____

IN WITNESS WHEREOF Richardson Pioneer Limited has had these presents executed by its proper signing officer(s) in that behalf, effective the day and year first written above.

RICHARDSON PIONEER LIMITED

Per: _____

Per: _____

IN WITNESS WHEREOF the Borrower has had these presents executed by its proper signing officer(s) in that behalf, effective the day and year first written above.

E & S MORRISON FAMILY HOLDINGS LTD.

Per: _____

Per: _____

IN WITNESS WHEREOF the Receiver has had these presents executed by its proper signing officer(s) in that behalf, effective the day and year first written above.

DELOITTE RESTRUCTURING INC.,
in its capacity as Court Appointed Receiver of all of
the personal property of E & S Morrison Family
Holdings Ltd., and not in its personal capacity

Per: _____

Per: _____

Appendix C

**IN THE MATTER OF THE RECEIVERSHIP OF EMW INDUSTRIAL LTD., EMW INDUSTRIAL INC., E&S MORRISON FAMILY HOLDINGS LTD., PEPPER
MAINTENANCE (CANADA) 2005 LTD., EMW HOLDINGS LTD., AND EMW REAL ESTATE CO. LTD.
COMBINED INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD APRIL 11, 2019 TO MAY15, 2019**

	EMW Industrial Ltd.	EMW Industrial Inc.	E&S Morrison Family Holdings Ltd.	Pepper Maintenance (Canada) 2005 Ltd.	EMW Holdings Ltd.	EMW Real Estate Co. Ltd.	Total
Receipts							
Accounts receivable collections	1,144,053.37						1,144,053.37
Miscellaneous receipts	2,957.57					110.00	3,067.57
GST collected	896.00						896.00
PST collected	555.47						555.47
Transfer of funds from related Estates	(350.00)	70.00	70.00	70.00	70.00	70.00	-
Total receipts	<u>1,148,112.41</u>	<u>70.00</u>	<u>70.00</u>	<u>70.00</u>	<u>70.00</u>	<u>180.00</u>	<u>1,148,572.41</u>
Disbursements							
Payroll and source deductions	77,076.87						77,076.87
Legal Fees	15,898.46						15,898.46
Asset security	5,460.00						5,460.00
Operating expenses	1,872.50						1,872.50
PST paid	1,410.26						1,410.26
GST paid	1,187.97						1,187.97
Equipment leases	948.26						948.26
Official Receiver filing fees	70.00	70.00	70.00	70.00	70.00	70.00	420.00
Total disbursements	<u>103,924.32</u>	<u>70.00</u>	<u>70.00</u>	<u>70.00</u>	<u>70.00</u>	<u>70.00</u>	<u>104,274.32</u>
Funds on hand at May 15, 2019	<u>1,044,188.09</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110.00</u>	<u>1,044,298.09</u>