

COURT FILE NUMBER 1901-06027  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
PLAINTIFF ATB FINANCIAL  
DEFENDANTS SOLO LIQUOR STORES LTD., SOLO LIQUOR  
HOLDINGS LTD., GENCO HOLDINGS LTD., PALI BEDI,  
JASBIR SINGH HANS and TARLOK SINGH TATLA  
DOCUMENT **FIRST REPORT OF FTI CONSULTING CANADA  
INC., IN ITS CAPACITY AS COURT APPOINTED  
RECEIVER AND MANAGER OF SOLO LIQUOR  
STORES LTD. and SOLO LIQUOR HOLDINGS LTD.**

**June 7, 2019**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

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**VOLUME 1 OF 2**

# Appendix A

## CLRA APA

**EXECUTION VERSION**

**FTI CONSULTING CANADA INC.  
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER OF THE ASSETS,  
PROPERTIES AND UNDERTAKINGS OF SOLO LIQUOR STORES LTD. AND SOLO  
LIQUOR HOLDINGS LTD., AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

**and**

**CANADIAN LIQUOR RETAILERS ALLIANCE LIMITED PARTNERSHIP**

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**ASSET PURCHASE AGREEMENT**

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**May 24, 2019**

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## ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is dated as of May 24, 2019,

BETWEEN:

**FTI CONSULTING CANADA INC.**, a corporation incorporated under the federal laws of Canada, in its capacity as the court-appointed receiver and manager of the assets, properties and undertakings of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd., and not in its personal or corporate capacity (the "**Vendor**")

- and -

**CANADIAN LIQUOR RETAILERS ALLIANCE LIMITED PARTNERSHIP**, a limited partnership formed under the laws of the Province of Alberta (the "**Purchaser**")

WHEREAS:

- A. pursuant to the Receivership Order, among other things, the Vendor was appointed as receiver and manager of all of the assets, undertaking and properties of the Debtors acquired for, or used in relation to, the Solo Business, including all proceeds thereof; and
- B. the Vendor has determined that it is in the best interests of the creditors and stakeholders of the Debtors to sell to the Purchaser, and the Purchaser desires to purchase from the Vendor, the Purchased Assets, subject to the terms and conditions set forth herein and subject to the Court Approval,

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged by each Party to the other, the Parties covenant and agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Agreement:

- (a) "**Accounts Receivable**" means, with respect to the Debtors and without duplication, all accounts receivable, trade receivables, bills receivable, trade accounts, book debts, notes receivables, rebates, refunds and other receivables of the Debtors in respect of the Business, whether current or overdue, together with all interests accrued on such items;
- (b) "**Acquired Stores**" means the Stores listed in Schedule 1.1(b);
- (c) "**Acquired Store Inventory Report**" has the meaning ascribed to that term in Section 4.2;
- (d) "**Affiliate**" means, with respect to any specified Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with that specified Person. For the purposes of this definition, "control" (including with correlative

meanings, controlling, controlled by and under common control with) means the power to direct or cause the direction of the management and policies of that Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and, it being understood and agreed that with respect to a corporation or partnership, control shall mean direct or indirect ownership of more than 50% of the voting shares in any such corporation or of the general partnership interest or voting interest in any such partnership;

- (e) "**Agreed Inventory**" has the meaning ascribed to that term in Section 4.2;
- (f) "**Agreement**" means this asset purchase agreement (including the recitals hereto) and any schedules attached hereto which are referred to in this agreement, together with any amendment or supplement thereto;
- (g) "**Applicable Law**" means, in respect of any Person, asset, transaction, event or circumstance: (i) statutes (including regulations enacted thereunder); (ii) judgments, decrees and orders of courts of competent jurisdiction (including the common law); (iii) regulations, orders, ordinances and directives issued by Governmental Authorities; and (iv) the terms and conditions of all permits, licenses, approvals and authorizations, in each case which are applicable to such Person, asset, transaction, event or circumstance;
- (h) "**Applicable Privacy Law**" means all Applicable Law relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including the *Personal Information Protection and Electronic Documents Act* (Canada), and/or any comparable provincial law;
- (i) "**Approval and Vesting Order**" means an order of the Court approving the Transaction in accordance with the provisions of this Agreement, and vesting all of the Vendor's Interest in, to and under the Purchased Assets in the Purchaser, such order to be substantially in the form attached hereto as Schedule 1.1(i) together with such modifications and amendments to such form as may be approved by the Vendor and the Purchaser, acting reasonably;
- (j) "**Assumed Contracts**" means: (i) the Leases in respect of the Acquired Stores that are assigned or novated to the Purchaser on the Closing Date; and (ii) the Contracts particularly listed and described in Schedule 1.1(j) (but excluding the Unassignable Contracts);
- (k) "**Assumed Liabilities**" means the liabilities and obligations of the Debtors set forth in Schedule 1.1(k);
- (l) "**Base Cash Float Amount**" means \$2,000 per Acquired Store;
- (m) "**Books and Records**" means all of the Debtors' books and records in their or the Vendor's possession at the Closing Date relating to the Purchased Assets and/or the Business, including all lists, files, data and information relating to customers and suppliers and prospective customers and suppliers of the Business, technical and Business records, all Contracts, Permits, licenses, approvals, warranties, manuals, accounting records, copies of insurance policies (excluding copies of insurance policies relating to directors' and officers' insurance), maintenance and usage logs related to the Purchased Assets, all programs and procedures of the Debtors related to their maintenance, usage, or operations and all Data Room Information related to the ownership, operation or conduct of the Purchased Assets



and the Business whether in hard copy or electronic format but specifically excluding any Personal Information regarding employees, officers or directors of each Debtor;

- (n) "**Business**" means the business carried on by the Debtors at the Acquired Stores prior to the Closing Date;
- (o) "**Business Day**" means any day other than a Saturday, Sunday or a statutory holiday in the City of Calgary in the Province of Alberta;
- (p) "**Business Intellectual Property**" means: (i) any and all intellectual property (whether foreign or domestic, registered or unregistered) that is owned by, licensed to, used by or held for use by the Debtors in the operation, conduct or maintenance of the Business as it is currently and has historically been operated, conducted or maintained, including: (A) all inventions (whether patentable or unpatentable and whether or not reduced to practice) and all patents, patent applications and patent disclosures, together with all reissues, continuations, continuations-in-part, revisions, extensions and re-examinations thereof; (B) all trademarks, trade-names, trade dress, logos, business names, corporate names, domain names, uniform resource locators (URL's) and the internet websites related thereto, and including all goodwill associated therewith and all applications, registrations and renewals in connection therewith; (C) all copyrightable works of authorship, all copyrights and all applications, registrations and renewals in connection therewith; (D) all designs, industrial designs, design patents and all applications, registrations and renewals in connection therewith; (E) all proprietary, technical or confidential information, including all trade secrets, processes, procedures, know-how, show-how, formulae, methods, data, compilations, databases and the information contained therein, together with all business and financial information relating to the Acquired Stores; and (F) all computer software (including all source code, object code and related documentation); and (ii) the trademarks, domain name and other intellectual property listed in Schedule 1.1(p) that are owned by and/or licensed to the Debtors and transferable by the Vendor, together with: (x) all copies and tangible embodiments of the foregoing referred to in subsections (i) and (ii) (in whatever form or medium); (y) all improvements, modifications, translations, adaptations, refinements, derivations and combinations thereof; and (z) all Intellectual Property Rights related thereto. For certainty, "Business Intellectual Property" only includes such intellectual property that is owned by and/or licensed to the Debtors and is transferable by the Vendor;
- (q) "**Claim**" means any right, claim, cause of action or complaint of any Person that may be asserted or made in whole or in part against the Vendor, its Affiliates and their respective Representatives, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right, claim, cause of action or complaint is executory or anticipatory in nature;

- (r) "**Closing**" means the completion of the Transaction and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with such purchase and sale, all subject to and in accordance with the terms and conditions of this Agreement;
- (s) "**Closing Cash Payment**" has the meaning ascribed to that term in Section 3.3(d);
- (t) "**Closing Date**" means the date on which Closing occurs, being one Business Day after satisfaction or waiver of all conditions precedent to Closing set forth in Article 10 or such other date as the Parties may agree, *provided, however*, that the Closing Date shall not be later than the Outside Date;
- (u) "**Closing Proceeds**" has the meaning ascribed to that term in Section 4.6(a);
- (v) "**Consulting Agreement**" means a consulting agreement substantially in the form attached hereto as Schedule 1.1(v) to be entered into by the Purchaser and the Vendor effective as of May 27, 2019;
- (w) "**Contracts**" means all contracts, agreements, leases, understandings and arrangements (whether oral or written) related to the Business to which a Debtor is a party or by which a Debtor or any of the Purchased Assets is bound or under which a Debtor has rights;
- (x) "**Court**" means the Court of Queen's Bench of Alberta;
- (y) "**Court Approval**" means both the issuance of the Approval and Vesting Order by the Court approving the sale of the Purchased Assets, and such Approval and Vesting Order having become a Final Order;
- (z) "**Court Orders**" means, collectively, the Receivership Order and the Approval and Vesting Order;
- (aa) "**Crown**" means Crown Capital Partner Funding, LP or any Affiliate thereof;
- (bb) "**Cure Costs**" means, in respect of any Assumed Contract, all amounts, costs and expenses required to be paid to remedy all of the Debtors' monetary defaults in relation to the Assumed Contracts or otherwise required to secure a counterparty's or any other necessary Person's consent to the assignment of an Assumed Contract or as may be required pursuant to the Approval and Vesting Order, and includes any other fees and expenses required to be paid to a counterparty or any other Person in connection with the assignment of an Assumed Contract;
- (cc) "**Data Room Information**" means all information made available (by the Vendor or its Representatives or otherwise) for the Purchaser's review in electronic form in relation to the Debtors, the Solo Business and/or the Purchased Assets;
- (dd) "**Debtors**" means, collectively, Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd., and "**Debtor**" means either one of them;
- (ee) "**Deposit**" has the meaning ascribed to that term in Section 3.2(a);
- (ff) "**Effective Time**" means 12:01 a.m. (Calgary time) on the Closing Date;

- (gg) "**Encumbrances**" means any pledges, liens, encumbrances, claims, charges, options or other security interests of any kind or other agreement or arrangement having the effect of conferring any of the foregoing;
- (hh) "**Environmental Laws**" means all statutes, regulations, ordinances, by-laws, and codes, now or hereafter in existence in Canada (whether federal, provincial or municipal) relating to the protection and preservation of the environment, occupational health and safety, transportation of dangerous goods or hazardous substances;
- (ii) "**Equipment**" means, collectively, the Vendor's Interest in and to all of the equipment (including office equipment), machinery, motor vehicles, implements, tools, furniture, leasehold improvements, fixtures and other personal tangible property of the Debtors used exclusively in the Business;
- (jj) "**Estimated Closing Statement**" has the meaning ascribed to that term in Section 4.3;
- (kk) "**Excess Amount**" has the meaning ascribed to that term in Section 4.6(a);
- (ll) "**Excess Income**" has the meaning ascribed to that term in Section 4.4(b)(v)(A);
- (mm) "**Excluded Assets**" means all property and assets of the Debtors other than the Purchased Assets, including without limitation the assets listed and described in Schedule 1.1(mm);
- (nn) "**Excluded Contracts**" means all contracts to which the Debtors and/or their Affiliates are party, other than the Assumed Contracts and all Unassignable Contracts for which the required consent to assignment has not been obtained pursuant to Section 2.4(a);
- (oo) "**Excluded Liabilities**" means all Losses and Liabilities of the Debtors and/or their Affiliates that are not expressly included as Assumed Liabilities, including the Losses and Liabilities of the Debtors listed and described in Schedule 1.1(oo);
- (pp) "**Excluded Stores**" has the meaning ascribed to that term in Section 4.1;
- (qq) "**Final Order**" means an order of the Court that has not been vacated, stayed, set aside, amended, reversed, annulled or modified, as to which no appeal or application for leave to appeal therefrom has been filed and the applicable appeal period with respect thereto shall have expired without the filing of any appeal or application for leave to appeal, or if any appeal(s) or application(s) for leave to appeal therefrom have been filed, any (and all) such appeal(s) or application(s) have been dismissed, quashed, determined, withdrawn or disposed of with no further right of appeal and all opportunities for rehearing, reargument, petition for certiorari and appeal being exhausted or having expired without any appeal, application or petition having been filed and remaining pending, any requests for rehearing have been denied, and no order having been entered and remaining pending staying, enjoining, setting aside, annulling, reversing, remanding, or superseding the same, and all conditions to effectiveness prescribed therein or otherwise by Applicable Law or order having been satisfied;
- (rr) "**Final Closing Statement**" has the meaning ascribed to that term in Section 4.5(a);
- (ss) "**Final Purchase Price**" has the meaning ascribed to that term in Section 4.6(a);

- (tt) "**General Conveyance, Assignment and Assumption Agreement**" means a general conveyance, assignment and assumption agreement, substantially in the form attached hereto as Schedule 1.1(tt), evidencing the conveyance to the Purchaser of the Vendor's Interest in, to and under the Purchased Assets and the assumption by the Purchaser of the Assumed Liabilities;
- (uu) "**General Partner**" means Canadian Liquor Retailers Alliance GP Inc., the general partner of the Purchaser;
- (vv) "**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board, court (including the Court) or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government, having jurisdiction over a Party, the Purchased Assets or this Transaction;
- (ww) "**GST**" means taxes, interest, penalties and fines imposed under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder; and "**GST Legislation**" means such act and regulations collectively;
- (xx) "**Income Shortfall**" has the meaning ascribed to that term in Section 4.4(b)(v)(B);
- (yy) "**Independent Accountant**" means an accounting firm of recognized national standing in Canada which is independent of the Parties and appointed by the mutual agreement of the Parties, provided that, if the Parties are unable to agree on the Independent Accountant within 5 Business Days of the requirement therefor, then the Independent Accountant will be Grant Thornton LLP or, in the event of a conflict, MNP LLP;
- (zz) "**Intellectual Property Rights**" means any and all rights or protections existing from time to time in a specific jurisdiction, whether registered or not, under any patent law or other invention or discovery law, copyright law, performance or moral rights law, trade secret law, confidential information law (including breach of confidence), trademark law, passing off or unfair competition law, domain name law, industrial design law or other similar laws, and includes legislation by competent Governmental Authorities and judicial decisions under common law or equity, and for greater certainty includes the right to file any applications, and the right to claim for the same the priority rights derived from any applications filed under any treaty, convention, or any domestic laws of a country in which a prior application is filed;
- (aaa) "**Interim Period**" means the period from and including May 27, 2019, to the Effective Time;
- (bbb) "**Interim Period Costs**" means the costs incurred by the Vendor and the Debtors in respect of rent and other Lease costs (including maintenance costs payable under such Leases), suppliers, employees, insurance and Taxes of the Business, provided, for greater certainty, that such costs shall exclude: (i) all Lease Cure Costs; (ii) all costs relating to (A) notice, pay in lieu of notice, severance and/or damages for wrongful dismissal and all related costs in respect of the termination by the Vendor or a Debtor of any employees of a Debtor and (B) employment-related claims, employment standards complaints and all other employment-related complaints, penalties and assessments of every nature or kind whatsoever; and (iii) all costs incurred by the Vendor and/or Crown in connection with the

Receivership Proceedings, including the costs incurred thereby in connection with this Agreement, the completion of the Transaction and the sale of any other Stores to third party purchasers;

- (ccc) "**Inventory**" means all tangible personal property, substances and consumable goods of any kind or nature (other than the Equipment) owned by a Debtor and located at or intended for sale in the Acquired Stores, including all materials, supplies, accessories, liquor, spirits, wine, beer and other alcoholic beverages (including those in possession of suppliers, customers and other Third Parties);
- (ddd) "**Inventory Adjustment**" has the meaning ascribed to that term in Section 4.4(b)(i);
- (eee) "**Inventory Adjustment Date**" means May 31, 2019;
- (fff) "**Inventory Count**" has the meaning ascribed to that term in Section 4.2;
- (ggg) "**Lease Cure Costs**" has the meaning ascribed to that term in Section 2.4(a)(i)(A);
- (hhh) "**Leased Equipment**" means, to the extent it is assignable, the Vendor's Interest in and to all equipment, motor vehicles, implements, tools, furniture and other personal tangible property which is leased by such Debtor from a Third Party and used exclusively in the Business (if any) as more particularly listed and described in Schedule 1.1(hhh);
- (iii) "**Leases**" means the real property leases in respect of the Acquired Stores which the Purchaser understands to be the real property leases listed in Schedule 1.1(iii), which listing shall be subject to amendment upon the direction of the Purchaser if better or more accurate information becomes available following execution of this Agreement;
- (jjj) "**Legal Proceeding**" means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;
- (kkk) "**Losses and Liabilities**" means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations and penalties, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, Claim by any Governmental Authority or any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority, and those arising under any contract, agreement, arrangement, commitment or undertaking and costs and expenses of any Legal Proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith (on a full indemnity basis);
- (lll) "**Material Adverse Change**" means any change, development, effect, event, circumstance, fact or occurrence that, individually or in the aggregate with such other changes, developments, effects, events, circumstances, facts or occurrences, is, or would reasonably be expected to be, material and adverse to the business, properties, assets, liabilities (contingent or otherwise), condition (financial or otherwise), operations or results of operations of the Purchased Assets; other than any change, development, effect, event, circumstance, fact or occurrence arising out of, attributable to or resulting from: (A) any action expressly required or permitted by this Agreement or relating to the Debtors current

financial condition, including the Receivership Proceedings; (B) general political, economic or financial conditions in Canada or elsewhere in the world; (C) any change generally affecting the industries in which the Business is conducted (including changes in prices, costs of materials, labor, or shipping, general market prices, or regulatory changes in any such industry); (D) acts of terrorism or war (whether or not declared); (E) any changes to existing Applicable Law (including the interpretation thereof); (F) any changes to accounting principles or the adoption, implementation or proposal of any new accounting principles; (G) hurricanes, earthquakes, storms, floods or other natural disasters, epidemics, pandemics, outbreak or escalation of hostilities, the declaration of war, acts of terrorism, or acts of God; (H) any action or omission consented to by the Purchaser; or (I) any failure by the Vendor to meet any projections or estimates (including internal projections or estimates) of revenues, earnings, working capital or performance for any period;

- (mmm) "**Non-Disclosure Agreement**" means the non-disclosure agreement dated January 24, 2019 between Solo Liquor Stores Ltd. and Liquor Stores Limited Partnership, an Affiliate of the Purchaser;
- (nnn) "**Objection**" has the meaning ascribed to that term in Section 4.5(b);
- (ooo) "**Outside Date**" means June 30, 2019 or such other date as the Parties may agree;
- (ppp) "**Parties**" means, collectively, the Purchaser and the Vendor, and "**Party**" means either one of them;
- (qqq) "**Permits**" means all franchises, licences, qualifications, authorizations, consents, certificates, certificates of authorization, decrees, orders-in-council, registrations, exemptions, consents, variances, waivers, filings, grants, notifications, privileges, rights, orders, judgments, rulings, directives, permits and other approvals, obtained from, issued by or required by a Governmental Authority with respect to the Business;
- (rrr) "**Permitted Encumbrances**" means:
- (i) Encumbrances given as security to a public utility or any Governmental Authority when required in the ordinary course of business but only insofar as they relate to any obligations or amounts not due as at the Closing Date;
  - (ii) Encumbrances in favour of any lessor, licensor or permitter for rent to become due or for other obligations or acts, the performance of which is required under contracts of the Vendor (including in respect of the Leased Equipment, if any) so long as the payment or the performance of such other obligation or act is not delinquent and provided that such Encumbrances or privileges do not materially affect the use or the operation of the assets affected thereby;
  - (iii) the right reserved to or vested in any municipality, governmental authority or other public authority to control or regulate any of the Purchased Assets in any manner, including any directives or notices received from any municipality, governmental authority or other public authority pertaining to the Purchased Assets; and
  - (iv) the Encumbrances set forth and described in Schedule 1.1(rrr), if any;

- (sss) **"Person"** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executory, Governmental Authority, or other entity however designated or instituted;
- (ttt) **"Personal Information"** means information about an identifiable individual (other than any information that is used for the purpose of communicating or facilitating communication with an individual in relation to their employment, business or profession such as the individual's name, position name or title, work address, work telephone number, work fax number or work electronic address);
- (uuu) **"Prepaid Expenses"** means all prepaid expenses or deposits of the Debtors related to the Business, (but excluding prepaid expenses in respect of insurance, Taxes related to the Business and workers' compensation prepayments), in all cases to the extent such amounts are transferable to the Purchaser, including those which are more particularly listed and described in Schedule 1.1(uuu);
- (vvv) **"Purchased Assets"** means the following tangible and intangible assets, undertakings and properties of the Debtors (other than the Excluded Assets) as of the Effective Time:
  - (i) all of the tangible and intangible assets, undertaking and properties of the Debtors located at the Acquired Stores and/or used exclusively in relation to the Acquired Stores and/or the Business, including all of the following assets of the Debtors located at the Acquired Stores and/or used exclusively in relation to the Acquired Stores and/or the Business, if any:
    - (A) Accounts Receivable;
    - (B) Assumed Contracts;
    - (C) Books and Records (except, in the case of those required by Applicable Law to be retained by the Debtor as copies thereof) and, in the case of any Books and Records that are stored in electronic form, the media on which the Books and Records are stored and any back-up related thereto;
    - (D) cash floats at each of the Acquired Stores;
    - (E) Equipment;
    - (F) Inventory;
    - (G) Permits;
    - (H) Prepaid Expenses;
    - (I) all transferrable rights of the Debtors in any telephone numbers used by the Debtors in connection with the Business; and
    - (J) all keys, key cards, access codes, passwords, and any other similar items or information necessary to access and/or use the Purchased Assets;

- (ii) the Business Intellectual Property and all passwords, and any other similar items or information necessary to access, use, make or modify the Business Intellectual Property;
  - (iii) all goodwill of the Business and the name "Solo Liquor", together with the exclusive right of the Purchaser, unless otherwise set forth herein, to represent itself as carrying on the Business and the operation of liquor stores under the name "Solo Liquor" in continuation of and in succession to the Debtors;
  - (iv) any benefits payable with respect to the Business or the Purchased Assets under all insurance policies of the Debtors; and
  - (v) all rights, claims or causes of action of the Debtors exclusively related to the Purchased Assets, whether choate, inchoate, known or unknown, contingent or otherwise, including all rights to bring any cause of action related to past, present or future infringement, misappropriation, misuse or other violation of the Business Intellectual Property;
- (www) "**Purchase Price**" has the meaning ascribed to that term in Section 3.1;
- (xxx) "**Purchase Price Adjustment Escrow Amount**" has the meaning ascribed to that term in Section 3.3(a);
- (yyy) "**Purchase Price Adjustments**" has the meaning ascribed to that term in Section 4.4(c);
- (zzz) "**Purchaser**" has the meaning ascribed to that term in the preamble hereto;
- (aaaa) "**Purchaser's Solicitors**" means Bennett Jones LLP, or such other firm or firms of solicitors as are retained or engaged by the Purchaser from time to time and notice of which is provided to the Vendor;
- (bbbb) "**Receivership Order**" means the order of the Court, dated May 1, 2019, pursuant to which, among other things, the Vendor was appointed as the receiver and manager of all of the assets, undertaking and properties of the Debtors acquired for, or used in relation to, the Business, including all proceeds thereof;
- (cccc) "**Receivership Proceedings**" means the court proceedings brought in the Court in Court Action No. 1901-06027;
- (dddd) "**Representative**" means, in respect of a Person, each director, officer, employee, agent, legal counsel, accountant, consultant, contractor, professional advisor and other representative of such Person and its Affiliates;
- (eeee) "**Solo Business**" means retail liquor sale business carried on by the Debtors prior to the Closing Date;
- (ffff) "**Shortfall Amount**" has the meaning ascribed to that term in Section 4.6(b);
- (gggg) "**Stores**" means the retail liquor stores operated by the Debtors;



- (hhhh) "**Subordinated Note**" means the unsecured subordinated note in the principal amount of \$10,000,000 to be issued by the Purchaser to the Vendor, substantially in the form attached hereto as Schedule 1.1(hhhh);
- (iiii) "**Subordinated Note Assignment Agreement**" means the subordinated note assignment agreement to be entered into by the Vendor and Crown contemporaneously with the Closing, substantially in the form attached hereto as Schedule 1.1(iiii);
- (jjjj) "**Tax**" means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority under any applicable federal, provincial, territorial, municipal and local, foreign, or other statutes, ordinances or regulations imposing a tax, including income, capital, capital gains, goods and services, sales, use, consumption, excise, value added (including GST), business, carbon, fuel, real property, personal property, transfer, franchise, withholding, payroll, or employer health taxes, Canada Pension Plan contributions, employment insurance premiums, and provincial workers' compensation payments, levy, assessment, whether computed on a separate, combined, unitary, or consolidated basis or any other manner, including any interest, penalties and fines associated therewith;
- (kkkk) "**Tax Act**" means the *Income Tax Act* (Canada);
- (llll) "**Tax Return**" shall mean any report, return, information statement, schedule, attachment, payee statement or other information required to be provided to any Governmental Authority with respect to Taxes or any amendment thereof;
- (mmmm) "**Third Party**" means any Person who is not a Party;
- (nnnn) "**Trademark Assignment**" means a registrable trademark assignment substantially in the form attached hereto as Schedule 1.1(nnnn);
- (oooo) "**Transaction**" means the transaction for the purchase and sale of the Vendor's Interest in, to and under the Purchased Assets, together with all other transactions contemplated in this Agreement, all as contemplated in this Agreement;
- (pppp) "**Transaction Personal Information**" means any Personal Information disclosed or conveyed by the Vendor or any of its Representatives to the Purchaser in anticipation of, as a result of, or in conjunction with the Transaction;
- (qqqq) "**Transfer Taxes**" means all present and future transfer Taxes, sales Taxes, use Taxes, production Taxes, value-added Taxes, goods and services Taxes, land transfer Taxes, registration and recording fees, and any other similar or like Taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets, including GST;
- (rrrr) "**Unassignable Contracts**" has the meaning ascribed to that term in Section 2.4(a), and, for greater certainty, excludes: (i) the Leases in respect of the Excluded Stores; and (ii) the Leases in respect of the Acquired Stores with respect to which the Purchaser has entered into new lease agreements with the applicable landlords;
- (ssss) "**Vendor**" has the meaning ascribed to that term in the preamble hereto;

- (tttt) "**Vendor's Interest**" means, when used in relation to any asset, undertaking or property, all the right, title and interest, if any, of the Debtors and/or the Vendor in, to and/or under such asset, undertaking or property;
- (uuuu) "**Vendor's Inventory Count**" has the meaning ascribed to that term in Section 4.2;
- (vvvv) "**Vendor's Inventory Report**" has the meaning ascribed to that term in Section 4.2; and
- (wwww) "**Vendor's Solicitors**" means the law firm of Torys LLP, or such other firm or firms of solicitors as are retained or engaged by the Vendor from time to time and notice of which is provided to the Purchaser.

## 1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

- (a) All references to monetary amounts, unless indicated to the contrary, are to the lawful currency of Canada.
- (b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.
- (c) Derivatives of a defined term shall have a corresponding meaning.
- (d) The words "include" and "including" and derivatives thereof shall be read as if followed by the phrase "without limitation".
- (e) The words "hereto", "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and not to any particular provision of this Agreement.
- (f) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.
- (g) Reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified.
- (h) If any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict.
- (i) All documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict.
- (j) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.
- (k) Reference to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof.

- (l) References to an Applicable Law means such Applicable Law as amended from time to time and includes any successor Applicable Law thereto and any regulations promulgated thereunder.

### 1.3 Schedules

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

Schedule 1.1(b)	Acquired Stores
Schedule 1.1(i)	Form of Approval and Vesting Order
Schedule 1.1(j)	Assumed Contracts
Schedule 1.1(k)	Assumed Liabilities
Schedule 1.1(p)	Business Intellectual Property
Schedule 1.1(v)	Form of Consulting Agreement
Schedule 1.1(mm)	Excluded Assets
Schedule 1.1(oo)	Excluded Liabilities
Schedule 1.1(tt)	Form of General Conveyance, Assignment and Assumption Agreement
Schedule 1.1(hhh)	Leased Equipment
Schedule 1.1(iii)	Leases
Schedule 1.1(rrr)	Permitted Encumbrances
Schedule 1.1(uuu)	Prepaid Expenses
Schedule 1.1(hhhh)	Form of Subordinated Note
Schedule 1.1(iiii)	Form of Subordinated Note Assignment Agreement
Schedule 1.1(nnnn)	Form of Trademark Assignment
Schedule 10.2(a)	Form of Bring-Down Certificate

### 1.4 Interpretation if Closing Does Not Occur

If Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Purchased Assets shall be construed as having been contingent upon Closing having occurred.

## **ARTICLE 2** **PURCHASE AND SALE**

### 2.1 Agreement of Purchase and Sale

Subject to the terms and conditions of this Agreement, and in consideration of the payment of the Purchase Price and the assumption of the Assumed Liabilities by the Purchaser, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser hereby agrees to purchase, accept and receive from the Vendor, all of the Vendor's Interest in, to and under the Purchased Assets, in each case free and clear of all Encumbrances (other than Permitted Encumbrances), effective as of the Effective Time. For greater certainty, the Excluded Assets are not part of the Transaction, are excluded from the Purchased Assets and remain the exclusive property of the applicable Debtor.

### 2.2 Transfer of Purchased Assets

Provided that Closing occurs, and subject to the terms and conditions of this Agreement, possession, risk, and legal and beneficial ownership of the Purchased Assets shall transfer from the Debtors to the Purchaser

on the Closing Date effective as of the Effective Time.

### 2.3 Assumption of Liabilities

Subject to the terms and conditions of this Agreement, the Purchaser hereby agrees to assume, discharge, perform and fulfil the Assumed Liabilities from and after the Effective Time. Notwithstanding any other provision of this Agreement, the Purchaser does not assume and shall not be responsible or liable, directly or indirectly, in any way or manner whatsoever for any Excluded Liabilities.

### 2.4 Assignment of Assumed Contracts and Third Party Consents

- (a) In the event that there are any Assumed Contracts which are not assignable by the Vendor to the Purchaser in whole or in part without the consent, approval or waiver of any party or parties to them, if any such consents, approvals or waivers therefor have not yet been obtained as of the Closing Date (any such Assumed Contracts, collectively, the "Unassignable Contracts"), then:
  - (i) each of the Parties shall use reasonable commercial efforts to obtain, as may be required by the terms of such Assumed Contracts, consents or approvals to the assignment of such Assumed Contracts; provided that to the extent that any:
    - (A) Cure Costs are payable with respect to any Lease ("**Lease Cure Costs**"), the Purchaser shall, at the direction of the Vendor, pay all such Lease Cure Costs (which shall be paid directly to the applicable counterparty at or prior to Closing) and the payment of all such Lease Cure Costs shall be deducted from the Purchase Price for the Purchased Assets; or
    - (B) Cure Costs are payable with respect to any Assumed Contract, which is not a Lease, the Purchaser shall be responsible for and shall pay all such other Cure Costs (which shall be paid directly to the applicable counterparty at or prior to Closing) and the payment of all such other Cure Costs shall be for the account of the Purchaser;
  - (ii) pending the effective transfer or assignment of the relevant Unassignable Contracts, the applicable Debtor shall hold the rights, entitlements, benefits, remedies, duties and obligations under such Unassignable Contracts in trust for the exclusive benefit of the Purchaser as bare trustee and agent;
  - (iii) until its discharge, the Vendor will, at the request and expense and under the direction of the Purchaser, in the name of the Vendor, the applicable Debtor or otherwise as the Purchaser shall, reasonably specify, take all such reasonable actions and do all such reasonable things as shall, in the reasonable opinion of the Vendor, be necessary or desirable in order that the rights, entitlements, benefits, remedies, duties and obligations of the Debtors under any such Unassignable Contract may be enjoyed, received or performed, as the case may be, in accordance with the terms of such Unassignable Contract, including that all monies receivable under such Unassignable Contract may be received by the Purchaser and that all rights and licenses under such Unassignable Contracts may be exercised by the Purchaser;

- (iv) subject to its discharge, the Vendor shall, no later than 30 days after receipt of funds and determination of all application costs or expenses, pay over to the Purchaser all such monies collected by the Vendor in respect of such Unassignable Contracts following the Closing Date, net of any unpaid related costs or expenses (including any Taxes that are payable in respect of the receipt of such amounts);
  - (v) to the extent permitted by the applicable Unassignable Contract:
    - (A) the Purchaser will pay, perform and discharge the duties and obligations under such Unassignable Contract, on behalf of the applicable Debtor, until such time as the effective transfer or assignment of the relevant Unassignable Contracts to the Purchaser; and
    - (B) until its discharge, the Vendor will use reasonable efforts to exercise the rights, entitlements, benefits and remedies under such Unassignable Contracts, on behalf of the Purchaser until such time as the effective transfer or assignment of the relevant Unassignable Contracts to the Purchaser, or such Unassignable Contracts expire or otherwise terminate;
  - (vi) the Vendor shall have no liability as a consequence of the Vendor taking any action or causing anything to be done under this Section 2.4, and the Purchaser shall be responsible and liable for, and, as a separate covenant, shall hereby indemnify and save harmless the Vendor and its Representatives against, all costs and expenses reasonably incurred by the Vendor or its Representatives as a consequence of or in connection with this Section 2.4; and
  - (vii) the Vendor shall cause each Debtor to maintain its existence, and to continue to be licensed, registered or otherwise qualified and authorized to conduct its affairs and carry on business as is necessary to fulfill its obligations as set out in this Section 2.4 until the earlier of (A) the Vendor's discharge; and (B) the expiry or assignment of the last Unassignable Contract, at which time all Unassignable Contracts for which consent is required for the assignment of such Unassignable Contract which has not been obtained by such date shall be deemed to be an Excluded Contract under this Agreement, without any adjustment of any kind whatsoever to the Purchase Price.
- (b) Nothing in this Agreement shall constitute an agreement to assign or be construed as an assignment of, or an attempt to assign to the Purchaser, any Unassignable Contract until such time as the necessary consents or approvals with respect to the assignment are obtained.
- (c) Both before and after Closing, each of the Parties shall use all reasonable efforts to obtain any and all approvals required under Applicable Law and any and all material consents of Third Parties required to permit this Transaction to be completed. The Parties acknowledge that, subject to Section 10.2(c) in respect of the Leases, the acquisition of such consents shall not be a condition precedent to Closing. With the exception of Lease Cure Costs, it shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all Cure Costs, financial assurances, deposits or security that may be required by Governmental Authorities or any Third Parties to permit the transfer of the Purchased Assets, including the Assumed Contracts, to the Purchaser.

- (d) Notwithstanding the generality of Section 2.4(c), the Purchaser shall, prior to Closing, post or satisfy, or cause to be posted and satisfied, all necessary security, deposits, letters of credit, guarantees or other financial assurances necessary to take possession of the Purchased Assets and to satisfy the security required by the Assumed Contracts.
- (e) Notwithstanding the foregoing provisions of this Section 2.4, if the Purchaser does not acquire all necessary and appropriate Permits, and other approvals to acquire certain of the Purchased Assets, then such Purchased Assets will:
  - (i) be deemed to be "Excluded Assets", without any adjustment of any kind whatsoever to the Purchase Price;
  - (ii) remain the property of, and in the possession of, the applicable Debtor regardless of whether the Closing occurs, subject to the provisions of Section 2.4(a) with respect to Unassignable Contracts; and
  - (iii) subject to the Vendor's discharge, be conveyed to the Purchaser when all such licenses, Permits, and other approvals are validly held by the Purchaser, subject to the provisions of Section 2.4(a) with respect to Unassignable Contracts.

## 2.5 Lease Cure Costs

For greater certainty and the avoidance of doubt, it is hereby agreed by the Purchaser and the Vendor that all Lease Cure Costs shall be the responsibility of the Vendor, whether incurred prior to, at, or following Closing and, in the event that the Purchaser pays any such Lease Cure Costs directly to any applicable landlords: (a) such amounts shall be deducted from the Purchase Price in accordance with Section 4.4(b)(iv); or (b) the Purchaser shall be entitled to reimbursement by the Vendor for such Lease Cure Costs.

## ARTICLE 3 PURCHASE PRICE

### 3.1 Purchase Price

The consideration payable by the Purchaser for the Purchased Assets shall be the sum of \$12,419,500 exclusive of Transfer Taxes (the "**Purchase Price**") and the assumption of the Assumed Liabilities as set forth in Section 2.3. The Purchase Price shall be satisfied in accordance with Section 3.3, and subject to adjustment only as set forth in Article 4.

### 3.2 Deposit

- (a) The Vendor acknowledges and confirms that the sum of \$1,241,950 (the "**Deposit**") has been paid in cash by the Purchaser to the Vendor as a deposit in respect of the Purchase Price.
- (b) If Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit shall be credited against the Purchase Price, in partial satisfaction of the Purchaser's obligation to pay the Purchase Price at Closing.
- (c) If this Agreement is terminated:

- (i) (A) pursuant to Section 12.1(a) by mutual agreement of the Parties, (B) pursuant to Section 12.1(b) or 12.1(c) by the Purchaser, or (C) pursuant to Section 12.1(e) by the Vendor, then the Deposit shall be returned to the Purchaser; or
- (ii) pursuant to Section 12.1(d) by the Vendor, the full amount of the Deposit shall be forfeited to the Vendor,

and, subject to Section 12.2, each Party shall be released from all obligations and liabilities under or in connection with this Agreement. In the event of termination of this Agreement under Section 3.2(c)(ii) pursuant to which the Vendor shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit constitutes a genuine pre-estimate of liquidated damages representing the Vendor's Losses and Liabilities as a result of Closing not occurring and is not a penalty, and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser expressly waives any present or future right, at law or in equity, that would prohibit or may prohibit the retention of the Deposit as liquidated damages by the Vendor in connection with Closing not occurring after the satisfaction or waiver of the conditions precedent in favour of the Purchaser set forth in Section 10.2 of this Agreement and the Purchaser and the Vendor expressly covenant and agree that:

- (i) this Agreement and all of the Transactions occurring or potentially occurring thereby, including without limitation the potential retention of the Deposit by the Vendor in the manner contemplated by Section 3.2(c)(ii) of this Agreement, are the product of an arm's length negotiations between sophisticated business people represented by counsel;
- (ii) there has been a course of conduct between the Vendor and the Purchaser giving specific consideration to all of the Transactions occurring herein including, without limitation, the potential retention of the Deposit by the Vendor in the manner contemplated by Section 3.2(c)(ii) of this Agreement;
- (iii) the Purchaser be and is hereby estopped from making any Claim to challenge the retention of the Deposit by the Vendor in the manner contemplated by Section 3.2(c)(ii) of this Agreement;
- (iv) the Purchaser's agreement to allow the Vendor to retain the Deposit as contemplated by Section 3.2(c)(ii) of this Agreement was a material inducement to the Vendor entering into this Agreement with the Purchaser; and

the Vendor would have elected to sell, convey and transfer the Purchased Assets to a different Person and the Vendor and the Purchaser would not have entered into this Agreement had the Vendor and the Purchaser not agreed to allow the Vendor to retain the Deposit in the manner contemplated by Section 3.2(c)(ii) of this Agreement.

### 3.3 Satisfaction of the Purchase Price

At Closing, the Purchase Price (as adjusted pursuant to Article 4) shall be paid and satisfied as follows:

- (a) as to the amount of \$1,000,000 (the "**Purchase Price Adjustment Escrow Amount**"), such amount shall be paid by the Purchaser to the Vendor by certified cheque, bank draft, solicitor's certified trust cheque or electronic wire transfer, to be held in trust by the Vendor

in its capacity as court-appointed receiver and manager of the Debtor's assets and such amount shall only be used and/or released in accordance with Section 4.6;

- (b) as to the amount of the Deposit, by crediting and set-off of the Deposit against the amount of the Purchase Price by an amount equal to the Deposit;
- (c) as to \$10,000,000 of the Purchase Price, by way of issuance by the Purchaser to the Vendor of the Subordinated Note; and
- (d) as to the balance of the Purchase Price (the "**Closing Cash Payment**"), the Purchaser shall pay to the Vendor or the Vendor's Solicitors (in trust for and on behalf of the Vendor) such amount by certified cheque, bank draft, solicitor's certified trust cheque or electronic wire transfer.

### **3.4 Allocation of Purchase Price**

No later than 30 days following the Closing Date, the Purchaser shall, acting reasonably and in good faith, prepare and deliver to the Vendor a proposed allocation of the Purchase Price. Following delivery of same, the Parties shall use reasonable efforts to agree on such allocation within 10 Business Days. If the Parties agree on such allocation within such 10 Business Day period, it shall be binding and the Purchaser and the Vendor shall report the purchase and sale of the Purchased Assets and file all filings which are necessary or desirable under the Tax Act to give effect to such allocations and shall not take any position or action inconsistent with such allocation. If the Parties are unable to so agree on the allocation, such failure shall not constitute a default for the purposes hereof by either Party and, in such case, each Party shall, in filing their respective Tax Return, be entitled to use an allocation of the Purchase Price as determined in its discretion.

## **ARTICLE 4 ADJUSTMENTS**

### **4.1 Excluded Stores**

If the Purchaser is unable to obtain the assignment or novation of the Lease in respect of an Acquired Store, or enter into a new lease with the applicable landlord in respect thereof, in either case in form and substance satisfactory to the Purchaser in its sole discretion, or otherwise determines not to proceed with the acquisition of an Acquired Store (each such Acquired Store, an "**Excluded Store**") in its sole discretion, then the Purchaser may, not less than five Business Days prior to the Closing Date, provide notice in writing to the Vendor identifying the Excluded Store(s), without any adjustment of any kind whatsoever to the Purchase Price. All assets of the Debtors' used exclusively to conduct the Solo Business at any such Excluded Stores (including the Leases in respect thereof) shall be deemed to be Excluded Assets for all purposes of this Agreement.

### **4.2 Inventory Count**

The Purchaser shall conduct a physical count of all Inventory located at the Acquired Stores, commencing not more than 4 Business Days prior to the Inventory Adjustment Date and to be completed on or before the Inventory Adjustment Date (the "**Inventory Count**"). Upon completion of the Inventory Count at each Acquired Store, the Purchaser shall deliver to the Vendor, via e-mail, a report setting out the quantity and type of Inventory at the Acquired Store, together with a calculation of the fair market value thereof (each such report, an "**Acquired Store Inventory Report**"). Upon receipt of each Acquired Store Inventory Report, the Vendor shall have 6 hours to either confirm that it is in agreement with the Acquired Store



Inventory Report or to object to the Acquired Store Inventory Report; *provided, however*, that if the Vendor does not object to any Acquired Store Inventory Report within such 6 hour period, the Vendor shall be deemed to have accepted the Acquired Store Inventory Report delivered by the Purchaser. If the Vendor objects to any applicable Acquired Store Inventory Report, then the Vendor shall, within 24 hours of receipt of the subject Acquired Store Inventory Report, attend at the applicable Acquired Store to conduct its own full count of the Inventory (together with a Representative of the Purchaser to monitor such count) located at such store (such count, a "**Vendor's Inventory Count**"); *provided that*, if the Vendor fails to complete such inventory count within such 24 hour period, the applicable objection shall be deemed to be withdrawn by the Vendor and the applicable Acquired Store Inventory Report delivered by the Purchaser shall be final and binding upon the Parties. Upon completion of a Vendor's Inventory Count, the Vendor shall deliver to the Purchaser, via e-mail, a report setting out the quantity and type of Inventory at the applicable Acquired Store, together with a calculation of the fair market value thereof (each such report, a "**Vendor's Inventory Report**") and the final value of Inventory attributed to such Acquired Store shall be the average of the amounts set forth in the Acquired Store Inventory Report and the Vendor's Inventory Report. Upon completion of the Inventory Count, including the completion of any objection procedures provided for above the amount derived through the completion of such process shall become the "**Agreed Inventory**" for all purposes under this Agreement. The Agreed Inventory shall be included in the Estimated Closing Statement and shall be used to calculate the adjustment to the Purchase Price provided for in Section 4.4(b)(i). For the purposes of this Section 4.2, the fair market value of Inventory shall be equal to the price paid by the Debtors or the Vendor to acquire such Inventory, as evidenced by the Books and Records.

#### 4.3 Estimated Closing Statement

The Vendor shall prepare and deliver to the Purchaser at least 2 Business Days prior to Closing a statement setting forth the Vendor's good faith calculation of the adjustments to the Purchase Price contemplated by Section 4.4 (the "**Estimated Closing Statement**"), together with all information reasonably necessary for the Purchaser to understand and confirm the calculations in the Estimated Closing Statement. The Estimated Closing Statement shall be used to calculate the Purchase Price payable at Closing in accordance with Section 3.3. The Purchaser will have the right to inspect, review and audit the financial books and records of the Debtors relevant to the preparation of the Estimated Closing Statement. The Estimated Closing Statement is subject to approval by the Purchaser prior to Closing.

#### 4.4 Adjustments to Purchase Price

- (a) To the extent not adjusted for in, or otherwise captured pursuant to, Section 4.4(b)(iii) or 4.4(b)(v), items of revenue and expense, including, but not limited to, Taxes, utilities, interest and rents with respect to each Lease that is assigned to, or otherwise acquired, re-entered into or replaced by, the Purchaser in respect of each Acquired Store, as would customarily be adjusted for in a similar transaction in Alberta, shall be adjusted between the Purchaser and the Vendor as of the Effective Time.
- (b) The Purchase Price shall further be adjusted as follows (without duplication):
  - (i) increased by an amount equal to 65% of the aggregate fair market value (as prescribed in Section 4.2) of the Agreed Inventory (the "**Inventory Adjustment**");
  - (ii) decreased (increased) by an amount equal to the amount by which the aggregate cash floats of the Acquired Stores as at the Effective Time is less than (greater than) the aggregate Base Cash Float Amount in respect of the Acquired Stores;

- (iii) decreased (increased) by an amount equal to the amount by which the aggregate amount of Prepaid Expenses in respect of the Acquired Stores as at the Effective Time is less than (greater than) the aggregate amount of Prepaid Expenses in respect of the Acquired Stores, as set forth in Schedule 1.1(uuu);
  - (iv) decreased by the aggregate amount of the Lease Cure Costs incurred by the Purchaser; and
  - (v) with respect to the Interim Period:
    - (A) if the gross revenue of the Business during the Interim Period is greater than the aggregate amount of expenditures made by the Debtors or the Vendor during the Interim Period to pay Interim Period Costs (the amount of such difference, the "**Excess Income**"), then the Purchase Price shall be reduced by an amount equal to the Excess Income; or
    - (B) if the gross revenue of the Business during the Interim Period is less than the aggregate amount of expenditures made by the Debtors or the Vendor during the Interim Period to pay Interim Period Costs (the amount of such difference, the "**Income Shortfall**"), then the Purchase Price shall be increased by an amount equal to the Income Shortfall.
- (c) For the purposes of the foregoing adjustments to the Purchase Price (collectively, the "**Purchase Price Adjustments**"):
- (i) any decrease in the Purchase Price payable at Closing as a result of the Purchase Price Adjustments shall be effected: (A) firstly, by decreasing the amount of the Closing Cash Payment; and (B) secondly, if necessary, by decreasing the principal amount of the Subordinated Note; and
  - (ii) any increase in the Purchase Price payable at Closing as a result of the Purchase Price Adjustments shall be effected by increasing the amount of the Closing Cash Payment.

#### 4.5 Final Closing Statement

- (a) Within 30 days of the Closing Date, the Purchaser shall prepare and deliver to the Vendor a statement calculating the Purchase Price Adjustments as at the Effective Time, (the "**Final Closing Statement**"). The Final Closing Statement shall provide details of any variance between the Final Closing Statement and the Estimated Closing Statement, provided that the Inventory Adjustment, as set forth in the Estimated Closing Statement, shall be final and binding and no further adjustment to the Purchase Price in respect of Inventory shall be made following the Closing Date.
- (b) The Vendor shall have 10 Business Days from the date it receives the Final Closing Statement to review the Final Closing Statement and to inform the Purchaser in writing of any disagreement (an "**Objection**") with the Final Closing Statement. If the Purchaser does not receive an Objection within such 10 Business Day period, the Final Closing Statement will be deemed to have been accepted by the Vendor and will become binding upon the Vendor and the Purchaser. If the Vendor delivers an Objection to the Purchaser within such 10 Business Day period, the Purchaser and Vendor shall attempt to resolve any

differences within 10 Business Days following the Purchaser's receipt of the Objection. If the Purchaser and Vendor are unable to come to a resolution with respect to the matters raised in the Objection, the Parties shall promptly refer the matters to an Independent Accountant. The Independent Accountant shall, as promptly as practicable (but in any event within 30 Business Days following its appointment), make a determination on the disputed items based solely on written submissions provided by the Purchaser and the Vendor to the Independent Accountant. The decision of the Independent Accountant as to any disputed items will, absent manifest error, be final and binding upon the Purchaser and the Vendor. If the Objection is materially accepted by the Independent Accountant, as determined by the Independent Accountant, then the Purchaser shall pay the fees, costs and expenses of the Independent Accountant. If the Objection is materially rejected by the Independent Accountant, as determined by the Independent Accountant, then the Vendor shall pay the fees, costs and expenses of the Independent Accountant. If the Objection is neither materially rejected nor materially accepted by the Independent Accountant, as determined by the Independent Accountant, then the Vendor (as to one-half) and the Purchaser (as to one-half) shall share equally the fees, costs and expenses of the Independent Accountant.

#### 4.6 Post-Closing Purchase Price Adjustments

Upon acceptance of the Final Closing Statement by the Purchaser and the Vendor, or a final determination pursuant to Section 4.5:

- (a) if the Purchase Price payable to the Vendor as finally adjusted in accordance with Section 4.5 (the "**Final Purchase Price**") is greater than the Purchase Price paid to the Vendor at Closing in accordance with the Estimated Closing Statement (the "**Closing Proceeds**") (the amount of such difference, the "**Excess Amount**"), then the Vendor shall be entitled to retain the entirety of the Purchase Price Adjustment Escrow Amount and the Purchaser shall, within 3 Business Days of the final determination of the Final Purchase Price, pay to the Vendor an amount equal to the Excess Amount in cash by wire transfer, bank draft or other immediately available funds; or
- (b) if the Final Purchase Price is less than the Closing Proceeds (the amount of such difference, the "**Shortfall Amount**") then:
  - (i) if the Shortfall Amount is greater than the Purchase Price Adjustment Escrow Amount, then the Vendor shall, within 3 Business Days of the final determination of the Final Purchase Price: (A) return the entirety of the Purchase Price Adjustment Escrow Amount to the Purchaser; and (b) pay the balance of the Shortfall Amount to the Purchaser; such amounts to be paid in cash by wire transfer, bank draft or other immediately available funds; or
  - (ii) if the Shortfall Amount is less than the Purchase Price Adjustment Escrow Amount, then within 3 Business Days of the final determination of the Final Purchase Price, the Vendor shall: (A) return to the Purchaser from the Purchase Price Adjustment Escrow Amount an amount equal to the amount of the Closing Proceeds less the Final Purchase Price, such amount to be paid in cash by wire transfer, bank draft or other immediately available funds; and (B) be entitled to retain the balance of the Purchase Price Adjustment Escrow Amount.

**ARTICLE 5**  
**TRANSFER TAXES**

**5.1 Transfer Taxes**

The Parties agree that the Purchase Price payable by the Purchaser to the Vendor pursuant to this Agreement does not include any Transfer Taxes and all Transfer Taxes are the responsibility of and for the account of the Purchaser. The Purchaser and the Vendor agree to cooperate to determine the amount of Transfer Taxes payable in connection with the Transaction. If the Vendor is required by Applicable Law or by administration thereof to collect any applicable Transfer Taxes from the Purchaser, the Purchaser shall pay such Transfer Taxes to the Vendor on Closing, unless the Purchaser qualifies for an exemption from any such applicable Transfer Taxes or has the right under Applicable Law to self-assess and remit, as the case may be, in which case the Vendor shall not collect any such applicable Transfer Taxes from the Purchaser, provided that the Purchaser, in lieu of payment of such applicable Transfer Taxes to the Vendor, delivers to the Vendor such certificates, elections, undertakings, indemnities or other documentation required by Applicable Law or the administration thereof or by the Vendor to substantiate and affect the exemption claimed by the Purchaser or its right to self-assess and remit, as the case may be. The Purchaser does hereby indemnify the Vendor and the Debtors against any Claims which may arise in connection with such Transfer Taxes, and the Purchaser further agrees to pay all such amounts including interest and penalties, if any, upon written request by the Vendor.

**5.2 GST Election**

To the extent permitted by Applicable Law, the Purchaser and Vendor shall jointly elect under subsection 167(1) of GST Legislation in respect of the purchase and sale of the Purchased Assets and jointly prepare and execute such election in prescribed form and within the time limits contained in the GST Legislation and the Purchaser shall, on a timely basis, file such election in compliance with the requirements of the GST Legislation. The Purchaser does hereby indemnify the Vendor and the Debtors against any Claims which may arise in connection with making such election.

**5.3 Accounts Receivable Election**

If requested by the Purchaser, the Purchaser and the Vendor shall elect jointly in the prescribed form under section 22 of the Tax Act and under any similar provision of any other applicable provincial legislation as to the sale of the Accounts Receivable forming part of the Purchased Assets and described in section 22 of the Tax Act and shall in that election allocate an amount equal to the portion of the Purchase Price allocated to those assets as specified by the Purchaser as the consideration paid by the Purchaser for those assets. The Parties shall file timely such election forms, along with any documentation necessary or desirable to give effect to such election, with the applicable Governmental Authority.

**5.4 Section 20(24) Election**

To the extent that the Vendor is transferring a portion of the Purchased Assets to the Purchaser in consideration for the Purchaser assuming prepaid obligations of the Vendor to deliver goods or provide services in the future, if requested by the Purchaser, the Vendor and the Purchaser shall execute and file, on a timely basis and using the prescribed form, a joint election under subsection 20(24) of the Tax Act as to such assumption hereunder. The Vendor and Purchaser shall prepare and file their respective Tax Returns in a manner consistent with such joint election.

**ARTICLE 6**  
**REPRESENTATIONS AND WARRANTIES**

**6.1 Vendor's Representations and Warranties**

The Vendor hereby represents and warrants to the Purchaser as of the date hereof and as of the Closing Date that:

- (a) the Vendor has, among other things, been appointed by the Court as receiver and manager of the property, assets and undertakings of the Debtors pursuant to the Receivership Order, and such appointment is valid and subsisting and has not been varied or amended, except as set forth in the Receivership Order;
- (b) except for: (i) the Court Approval; (ii) consents, approvals or waivers that are required in connection with the assignment of any Assumed Contract; and (iii) as otherwise expressly provided in this Agreement, the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Vendor of the Transaction;
- (c) subject to Court Approval being obtained, this Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of the Vendor and is enforceable against the Vendor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (d) the Vendor is not a non-resident of Canada within the meaning of such term under the Tax Act and is not an agent or trustee for anyone with an interest in the Purchased Assets who is a non-resident of Canada within the meaning of such term under the Tax Act (or a partnership that is not a Canadian partnership within the meaning of such term under the Tax Act);
- (e) each Debtor is a registrant for GST purposes and will continue to be a registrant at the Closing Date in accordance with the provisions of the GST Legislation or similar provincial legislation and that: (i) Solo Liquor Stores Ltd.'s GST registration number is 77646 7086 RT0002; and (ii) Solo Liquor Holdings Ltd.'s GST registration number is 85445 5037 RT0002; and
- (f) the Purchaser will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by the Vendor.

**6.2 Purchaser's Representations and Warranties**

The Purchaser hereby represents and warrants to the Vendor as of the date hereof and as of the Closing Date that:

- (a) it is a limited partnership duly formed and validly existing under the laws of the jurisdiction of its formation;

- (b) the General Partner is a corporation duly incorporated and validly existing under the laws of the jurisdiction of its incorporation and, in its capacity as the general partner of the Purchaser, has the requisite power and authority to enter into this Agreement and to complete the Transaction;
- (c) the General Partner, in its capacity as general partner of the Purchaser, has taken all necessary corporate or other acts to authorize the execution, delivery and performance by it of this Agreement;
- (d) neither the execution of this Agreement nor its performance by the General Partner, in its capacity as the general partner of the Purchaser, will result in a breach of any term or provision or constitute a default under any indenture, mortgage, deed of trust or any other agreement to which the Purchaser or the General Partner is a party or by which it is bound which breach could materially affect the ability of the Purchaser to perform its obligations hereunder;
- (e) the execution, delivery and performance of this Agreement by the General Partner, in its capacity as the general partner of the Purchaser, does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Purchaser of this Transaction;
- (f) this Agreement has been duly executed and delivered by the General Partner, in its capacity as the general partner of the Purchaser, and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (g) the Purchaser is not a non-Canadian Person within the meaning of the *Investment Canada Act* (Canada) nor a non-resident of Canada for the purposes of the Tax Act;
- (h) the Purchaser is a registrant for GST purposes and will continue to be a registrant at the Closing Date in accordance with the provisions of the GST Legislation or similar provincial legislation and that its GST registration number is 72386 9913 RT0001;
- (i) the Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser;
- (j) the Purchaser will have the financial resources necessary to pay, as and when due from the Purchaser, the Closing Cash Payment and any other cash amounts payable by the Purchaser pursuant hereto; and
- (k) the Purchaser or its Affiliates have the financial resources necessary to post or satisfy all necessary security, deposits, letters of credit, guarantees or other financial assurances necessary to take possession of the Purchased Assets and to satisfy the security required by the Assumed Contracts.

### 6.3 Enforcement of Representations and Warranties

- (a) The representations and warranties of each Party contained in this Agreement shall merge on Closing and shall thereafter be of no further force and effect. Effective upon the occurrence of Closing, each Party hereby releases and forever discharges each other Party from any breach of any representations and warranties set forth in this Agreement. For greater certainty, none of representations and warranties contained in this Article 6 shall survive Closing and the Purchaser's sole recourse for any material breach of representation or warranty by the Vendor shall be for the Purchaser to not complete the Transaction in accordance with this Agreement.
- (b) The representations and warranties of the Vendor made herein or pursuant hereto are made for the exclusive benefit of the Purchaser, and the representations and warranties of the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other Person.
- (c) The Parties expressly acknowledge and agree that the provisions of this Section 6.3 and the limit on each Party's liability set out in this Section 6.3 are intended by the Parties as a limitation of liability that represents a fair and equitable allocation of the risks and liabilities that each Party has agreed to assume in connection with the subject matter hereof and is not an agreement within the provision of subsection 7(2) of the *Limitations Act* (Alberta).

## ARTICLE 7

### "AS IS, WHERE IS" AND NO ADDITIONAL REPRESENTATIONS AND WARRANTIES

#### 7.1 Due Diligence Acknowledgement

The Purchaser acknowledges and agrees that:

- (a) it was solely responsible to perform any inspections it deemed pertinent to the purchase of the Purchased Assets and to be satisfied as to the condition of the Purchased Assets prior to entering into this Agreement with the Vendor;
- (b) notwithstanding the fact that it was permitted to review any diligence materials and disclosures provided by the Vendor, including the Data Room Information, the Vendor assumes no liability for errors or omissions in such diligence materials and disclosure or any other property listings or advertising, promotional or publicity statements and materials, and makes no representations or warranties in respect thereof;
- (c) by entering into this Agreement with the Vendor, the Purchaser shall be deemed to represent, warrant and agree with respect to the Purchased Assets that:
  - (i) the Purchaser has inspected the Purchased Assets and is familiar and satisfied with the physical condition thereof and has conducted such investigation of the Purchased Assets as the Purchaser has determined appropriate;
  - (ii) none of the Vendor or its Representatives have made any oral or written representation, warranty, promise or guarantee whatsoever to the Purchaser,

expressed or implied, and in particular, that no such representations, warranties, guarantees, or promises have been made with respect to the physical condition, operation, or any other matter or thing affecting or related to the Purchased Assets and/or the offering or sale of the Purchased Assets;

- (iii) the Purchaser has not relied upon any representation, warranty, guarantee or promise or upon any statement made or any information provided concerning the Purchased Assets, including the Data Room Information made available to the Purchaser by the Vendor or its Representatives;
- (iv) the Purchaser has entered into this Agreement after having relied solely on its own independent investigation, inspection, analysis, appraisal and evaluation of the Purchased Assets and the facts and circumstances related thereto;
- (v) any information provided or to be provided by or on behalf of the Vendor with respect to the Purchased Assets, including all Data Room Information, was obtained from information provided to the Vendor and the Vendor has not made any independent investigation or verification of such information, and makes no representations as to the accuracy or completeness of such information;
- (vi) without limiting the generality of the foregoing, the Vendor was not under any obligation to disclose to the Purchaser, and shall have no liability for its failure to disclose to the Purchaser, any information known to it relating to the Purchased Assets except as may be required by any Applicable Law;
- (vii) none of the Vendor or its Representatives are liable or bound in any manner by any oral or written statements, representations or information pertaining to the Purchased Assets, or the operation thereof, made or furnished by any real estate broker, agent, employee, or other Person; and
- (viii) the obligations of the Purchaser under this Agreement are not conditional upon any additional due diligence.

The Purchaser forever releases and discharges the Vendor and its representatives from any Claims and all liability to the Purchaser or the Purchaser's assigns and successors, as a result of the use or reliance upon advice, information or materials pertaining to the Purchased Assets which was delivered or made available to the Purchaser by the Vendor or its representatives prior to or pursuant to this Agreement, including, without limitation, the Data Room Information, any evaluations, projections, reports and interpretive or non-factual materials prepared by or for the Vendor, or otherwise in the Vendor's possession.

## **7.2 "As Is, Where Is", No Additional Representations**

- (a) Without limiting any other provision of this Agreement, the Purchaser acknowledges and agrees that it is acquiring the Purchased Assets on an "as is, where is" and "without recourse" basis with all defects, both patent and latent, and with all faults, whether known or unknown, presently existing or that may hereafter arise. The Purchaser acknowledges and agrees that the Vendor and its Representatives have not made, do not make and specifically negate and disclaim any representation, warranty, promise, covenant, agreement or guaranty of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Purchased Assets. For greater certainty, but without limitation, except as expressly set forth in this



Agreement, none of the Vendor or any of its Representatives make any condition, representation or warranty whatsoever, express or implied, with respect to:

- (i) the value of any of the Purchased Assets or the future cash flows therefrom or from the Business;
  - (ii) the nature, manner, quality, condition or state of repair of the Purchased Assets;
  - (iii) the merchantability, suitability, marketability, profitability, serviceability or fitness for a particular purpose of the Purchased Assets;
  - (iv) the validity or enforceability of the Assumed Contracts or Business Intellectual Property;
  - (v) the ability to assign any Unassignable Contracts or transfer any Permits;
  - (vi) any regulatory approvals, Permits, consents or authorizations that may be needed to conduct the Business or complete the purchase of the Purchased Assets contemplated by this Agreement;
  - (vii) the existence, state, nature, kind, identity, extent, effect or consequences of any administrative orders, control orders, abatement orders, compliance orders or any other orders, proceedings, directions, issues or actions taken under or pursuant to any other Applicable Law;
  - (viii) the compliance of or by the Purchased Assets or their operation with any Applicable Law (including Environmental Laws);
  - (ix) the nature and quantum of the Assumed Liabilities; or
  - (x) any other matter with respect to the Purchased Assets.
- (b) The Purchaser acknowledges that the release and disclaimer described in this Article 7 is intended to be very broad and the Purchaser expressly waives and relinquishes any rights or benefits it may have under any Applicable Law designed to invalidate releases of unknown or unsuspected claims.
- (c) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all common law, tort, contractual and statutory rights and remedies) against the Vendor and its Representatives in respect of the Purchased Assets and any representations or statements made or information or data furnished to the Purchaser or its Representatives in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means). Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties contained in the *Sale of Goods Act* (Alberta) (or similar applicable statutes, all as may be amended, repealed or replaced), warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights.

**ARTICLE 8**  
**RISK AND INSURANCE**

**8.1 Risk**

The Purchased Assets will be at the sole risk and responsibility of the Vendor until Closing. Upon Closing, all title and risk with respect to the Purchased Assets shall pass to the Purchaser effective as of the Effective Time.

**8.2 Insurance**

Any property, liability and other insurance maintained by the Vendor shall not be transferred at Closing, but shall remain the responsibility of the Vendor until the Closing Date. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Purchased Assets in respect of the period from and after the Effective Time.

**ARTICLE 9**  
**COVENANTS**

**9.1 Court Approval**

- (a) The Vendor shall prepare all materials, and shall as soon as reasonably practicable after execution of this Agreement: (i) bring an application for the issuance of the Approval and Vesting Order in the Court; and (ii) serve such parties as the Court and the Purchaser, acting reasonably, may require for applications seeking the granting of the Approval and Vesting Order. The Purchaser, at its own expense, shall promptly provide to the Vendor all such information and assistance within the Purchaser's power as the Vendor may reasonably request to obtain the Approval and Vesting Order. The application for the Approval and Vesting Order may be adjourned or rescheduled by the Vendor or its Representatives upon notice to the Purchaser.
- (b) In the event an appeal is taken, or a stay pending appeal is requested, from the Court Orders, the Vendor shall promptly notify the Purchaser of such appeal or stay request and shall provide to the Purchaser a copy of the related notice of appeal or order of stay. The Vendor shall also provide the Purchaser with written notice of any application filed in connection with any appeal from either of such orders.
- (c) From and after the date of execution of this Agreement and prior to the Closing or the termination of this Agreement in accordance with Section 12.1, the Vendor shall not take any action that is intended to (or is reasonably likely to), or fail to take any action the intent (or the reasonably likely result) of which failure to act is to, result in the reversal, voiding, modification or staying of the Court Orders, or this Agreement.

**9.2 Court Filings**

- (a) From and after the date of execution of this Agreement and until the Closing Date, the Vendor shall use commercially reasonable efforts to deliver to the Purchaser copies of all pleadings, notices, statements, schedules, applications, reports and other papers that relate, in whole or in part, to this Agreement, or to the Purchaser or its Representatives, that are to be filed by the Vendor in connection with the Court Approval in advance of their filing,

before the filing of such papers, and shall provide the Purchaser with a reasonable opportunity to review and comment thereon.

- (b) The Vendor shall act reasonably and in good faith in considering any comments provided by the Purchaser to such papers; *provided, however* that, subject in each case to the foregoing good faith obligations of the Vendor, the Vendor shall have no obligation to accept and incorporate the Purchaser's comments to such papers and neither the Vendor's inadvertent failure to comply with this Section 9.2, nor the Vendor's failure to comply with this Section 9.2 due to emergency circumstances, shall constitute a breach under this Agreement.

### 9.3 Conduct of Business Until Closing

- (a) Except: (A) as expressly provided in this Agreement; (B) with the prior written consent of the Purchaser (not to be unreasonably withheld, conditioned or delayed); (C) as necessary or advisable in connection with the Receivership Proceedings; or (D) as otherwise provided in the Court Orders or any other order of the Court in connection with the Receivership Proceedings; following the date hereof and prior to Closing, to the extent reasonably practicable having regard to the Receivership Proceedings, the Vendor shall use commercially reasonable efforts to:
  - (i) preserve intact the Purchased Assets;
  - (ii) continue operating the Solo Business in the ordinary and usual course, consistent with good operating practice and in material compliance with all Applicable Laws;
  - (iii) keep all Acquired Stores open for business during regular store hours;
  - (iv) subject to the terms and conditions of the Consulting Agreement, order and maintain sufficient Inventory;
  - (v) not: (A) terminate any employee without cause; or (B) increase, in any manner, the compensation (including bonuses) or employee benefits paid or potentially payable to any of the employees, in each case other than in the ordinary course of the Solo Business, consistent with past practice;
  - (vi) maintain any Permits currently in effect until Closing;
  - (vii) maintain any insurance currently in effect respecting the Purchased Assets until Closing;
  - (viii) not sell, convey, encumber or otherwise dispose of any part of the Purchased Assets, other than: (A) Permitted Encumbrances; and (B) the sale of Inventory in the ordinary course of normal day-to-day operations of the Solo Business, consistent with good operating practice;
  - (ix) not enter into any new agreements or amend any existing agreements relating to the Purchased Assets unless it is consistent with the past practice of, and in the ordinary and usual course of, the Business;

- (x) not agree to, authorize, approve, accept, propose or acquiesce to any release, waiver, surrender, cancellation, relinquishment or restriction of any material right or entitlement relating to the Purchased Assets or the Solo Business, whether under contract or otherwise;
  - (xi) pay and discharge all liabilities or obligations of the Debtors in respect of the Purchased Assets or the Solo Business in the ordinary and usual course of the Solo Business consistent with past practice, except for such liabilities or obligations: (i) as may be contested by the Vendor in good faith; or (ii) are specified by the Court as liabilities or obligations that the Debtors are not required to fulfil;
  - (xii) not authorize or agree, in writing or otherwise, to take any of the actions in respect of the foregoing in respect of the Acquired Stores; and
  - (xiii) promptly provide the Purchaser with any material communication, notice, report, schedule or other document delivered, filed or received by the Vendor in connection with the Solo Business or Purchased Assets or any filings under Applicable Law relating to the Solo Business or the Purchased Assets.
- (b) Until the Closing Date, the Vendor shall provide the Purchaser with: (i) all access to the Purchased Assets as is reasonably required by the Purchaser in order to allow for and assist the Purchaser with an orderly passing of the Purchased Assets to the Purchaser following Closing in accordance herewith; and (ii) all such information in respect of the Purchased Assets (including Inventory counts) as is reasonably requested by the Purchaser.

#### **9.4 Possession of Purchased Assets**

- (a) On Closing, the Purchaser shall take possession of the Purchased Assets where situate at Closing, and the Vendor shall deliver to the Purchaser all keys, key cards, access codes, passwords, and any other similar items or information necessary to access and/or use the Purchased Assets.
- (b) The Purchaser shall promptly notify the Vendor of any Excluded Assets which may come into the possession or control of the Purchaser, whether before or after Closing, and thereupon shall promptly release such Excluded Assets to the Vendor, or to such other Person as the Vendor may direct in writing and, for greater certainty, title shall not be deemed to vest to the Purchaser in respect of any Excluded Assets.

#### **9.5 Employee Matters**

- (a) Effective as of the Business Day immediately prior to the Closing Date, the Vendor shall terminate all employees and contractors of the Debtors who perform their duties primarily in respect of the Acquired Stores, and shall pay all compensation owing to such employees and contractors as of the Closing Date, including salary, wages, overtime, vacation and holiday pay, and the Vendor shall provide the Purchaser with evidence of the discharge of such obligations. In addition to the foregoing, the Purchaser shall not be responsible for paying any amounts or other claims owing to such terminated employees which relate to the period prior to Closing.
- (b) The Purchaser may, or may cause an Affiliate(s) to, make written offers of employment to all or any of the employees of the Debtors who perform their employment duties primarily

in respect of the Acquired Stores at any time after the date hereof and on new terms and conditions determined in the sole discretion of the Purchaser. It is understood and agreed by the Parties that the Purchaser or its Affiliate(s), as the case may be, shall not be required to recognize the prior service of any employees of the Debtors, their Affiliates or any predecessors. Notwithstanding that the Purchaser, or its Affiliate(s), may make offers of employment to the Debtors' employees at any time prior to Closing, all such offers made by the Purchaser, or its Affiliate(s), shall be conditional upon Closing and effective as of the Closing Date, unless otherwise agreed to in writing by the Vendor.

- (c) For greater certainty, nothing in this Section 9.5 shall be deemed or interpreted to override or qualify in any manner the obligations of the Vendor under this Agreement (including the obligations hereunder relating to the continued operation of the Solo Business in the ordinary and usual course and consistent with good operating practice).

## **9.6 Personal Information and Privacy Laws**

- (a) With respect to the Transaction Personal Information disclosed or conveyed to it, the Vendor and the Purchaser shall at all times: (i) use and disclose such Personal Information solely for the purposes for which such information was collected or permitted to be used or disclosed unless, to the extent required by Applicable Privacy Law, the Vendor or the Purchaser, as the case may be, has obtained the consent of or has given notice to the individual to whom the Personal Information relates of the additional purposes for which the Personal Information is to be used or disclosed, or such additional purposes are permitted or authorized by Applicable Privacy Law; (ii) protect such Personal Information using security safeguards that meet or exceed industry standards, taking into account the sensitivity of the Personal Information; and (iii) give effect to any withdrawal of consent by the individual to whom such Personal Information relates where the Personal Information was collected with consent.
- (b) Each Party shall, and shall ensure that its Representatives shall, comply with Applicable Privacy Law in the course of their collection, use and disclosure of Transaction Personal Information pursuant to this Agreement.
- (c) Each Party agrees that the collection, use and disclosure of Transaction Personal Information is necessary for the purposes of determining if the Parties will proceed with the Transaction and completing the Transaction.
- (d) The Purchaser shall, and shall ensure that its Representatives shall, not use Transaction Personal Information for any purposes other than those related to evaluation of the Transaction and/or the completion of the Transaction.
- (e) If the Transaction proceeds, neither the Purchaser nor any of its Representatives shall, after Closing, without the consent of the individuals to whom such Personal Information relates, or as otherwise permitted or required by Applicable Law, use or disclose Transaction Personal Information for purposes other than those for which such Transaction Personal Information was originally collected prior to Closing.
- (f) In the event of the successful completion of the Transaction, the Vendor, if and only to the extent required by Applicable Privacy Law that governs the Personal Information of individuals whose Personal Information has become Transaction Personal Information, shall notify such individuals that the Transaction has taken place and that their Personal

Information was disclosed by or on behalf of the Vendor to the Purchaser in connection with same.

- (g) If this Agreement is terminated as provided herein, the Purchaser shall promptly deliver to the Vendor all Transaction Personal Information in its possession or in the possession of its Representatives, including all copies, reproductions, summaries or extracts thereof.

## 9.7 Intellectual Property, Etc.

- (a) Conditional upon Closing:
  - (i) by no later than 30 days following Closing, the Vendor shall, and shall cause each Debtor and their Affiliates to, at the Vendor's or the Debtors' expense, cease using the name "Solo" and the Business Intellectual Property (including, in respect of each Store that is still owned by the Debtors following Closing, all signage, advertising, logos, branding or otherwise); and
  - (ii) as soon as reasonably practicable following Closing, the Vendor shall:
    - (i) transfer registration of the domain name "sololiquor.com" to the Purchaser;
    - (ii) transfer all social media accounts used in connection with the Business, including any and all Facebook, Twitter and Instagram accounts, to the Purchaser;
    - (iii) take all such actions as are required to transfer to the Purchaser all transferrable rights of the Debtors in all telephone numbers used by the Debtors in connection with the Acquired Stores; and
    - (iv) direct all inquires related to the Acquired Stores to the Purchaser.
- (b) Furthermore, the Vendor covenants and agrees that any sale by the Vendor of any Store(s), other than the sale of the Acquired Stores to the Purchaser pursuant to this Agreement, shall: (i) exclude any rights to use the name "Solo" or any of the Business Intellectual Property; and (ii) include a covenant from the third party purchaser of such Store to cease using the name "Solo" and the Business Intellectual Property (including in respect of the acquired Store, all signage, advertising, logos, branding or otherwise) by the earlier of: (A) the date which is 30 days following the completion of the Transaction; or (B) the date which is 30 days following the completion of the sale of the other Store(s) to such third party purchaser; *provided, however*, that no third party purchaser shall be permitted to use the name "Solo" or any Business Intellectual Property after the date which is 30 days following the completion of the Transaction. The restrictions set forth in this Section 9.7(b) shall apply whether such other sale(s) to third party purchasers are completed prior to or following the Closing Date. The Vendor shall forthwith deliver a notice in writing to such third party purchasers, advising of the sale of the name "Solo" and the Business Intellectual Property to the Purchaser, and requesting for the removal of all signage, advertising, logos, branding or otherwise related to same as soon as reasonably practicable, but in any event by no later than the earlier of the aforementioned dates. The Vendor and the Purchaser agree to cooperate in the enforcement of: (x) the Purchaser's ownership of the name "Solo"

and the Business Intellectual Property; and (y) the covenants of third party purchasers provided for in this Section 9.7(b), in each case at the Purchaser's sole cost and expense.

- (c) If, in the opinion of the Purchaser's Solicitors, such is necessary for the election contemplated by Section 5.2, the Vendor shall cause the Business Intellectual Property owned by Solo Liquor Holdings Ltd. to be transferred to Solo Liquor Stores Ltd. prior to the Closing.

#### **9.8 Discharge of Vendor**

The Vendor shall, at least 10 Business Days' prior to the date set for the Vendor's application for the discharge of its status as receiver and manager of the assets, properties and undertakings of the Debtors in the Court, provide written notice to the Purchaser of the date and time of such application and shall promptly following the issuance of a discharge order by the Court deliver a copy thereof to the Purchaser.

#### **9.9 Consulting Agreement**

The Purchaser and the Vendor shall enter into the Consulting Agreement which shall be effective as of May 27, 2019.

### **ARTICLE 10** **CONDITIONS**

#### **10.1 Mutual Conditions**

The respective obligations of the Parties to complete the purchase and sale of the Purchased Assets are subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) the Court shall have granted the Approval and Vesting Order and the Approval and Vesting Order shall be a Final Order;
- (b) no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable order or Applicable Law which has the effect of: (i) making any of the transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the Vendor from the sale of the Purchased Assets;
- (c) all waivers, consents and/or approvals from any Governmental Authority, as the Parties reasonably determine are required in connection with the consummation of the Transaction, shall have been obtained; and
- (d) the Closing is not otherwise prohibited by Applicable Law.

The foregoing conditions are for the mutual benefit of the Vendor and the Purchaser and may be asserted by the Vendor or the Purchaser regardless of the circumstances and may be waived only with the agreement of both the Vendor and the Purchaser.

#### **10.2 Conditions for the Benefit of the Purchaser**

The obligation of the Purchaser to complete the purchase of the Purchased Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Vendor contained in Section 6.1 of this Agreement shall be true and correct in all material respects as at the Closing Date with the same force and effect as if made at and as of such time, and the Vendor shall have delivered to the Purchaser a certificate to that effect substantially similar in form to that attached hereto as Schedule 10.2(a);
- (b) the Vendor shall have complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement, and the Vendor shall have delivered to the Purchaser a certificate to that effect substantially similar in form to that attached hereto as Schedule 10.2(a);
- (c) the Purchaser shall have entered into new lease agreements with each landlord with respect to the Acquired Stores in form and substance satisfactory to the Purchaser in its sole discretion or, in the absence of such new lease agreements in respect of any Acquired Stores, the Leases in respect of such Acquired Stores shall have been assigned to the Purchaser either with the consent of the applicable landlord or pursuant to the terms of the Approval and Vesting Order;
- (d) the Vendor shall have disclaimed or otherwise duly terminated:
  - (i) the Lease in respect of each Acquired Store with respect to which the Purchaser has entered into a new lease agreement with the applicable landlord (excluding, for greater certainty, any Lease that is assigned or novated to the Purchaser); and
  - (ii) any and all Contracts whereby any rights, licenses, privileges or entitlements in respect of the Business Intellectual Property are granted (A) to a Third Party or (B) by one Debtor to the other Debtor;
- (e) between the date of this Agreement and the Closing Date, no Material Adverse Change will have occurred in respect of the Purchased Assets or the Business;
- (f) the Purchaser shall have obtained all Permits required by Applicable Law to operate the Business (other than: (i) the Permits issued to or held by the Debtors that are transferrable to the Purchaser pursuant to Applicable Law; and (ii) the Permits that may be obtained by the Purchaser following Closing pursuant to Applicable Law); and
- (g) the Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at or before the Closing all the documents contemplated in Section 11.2.

The foregoing conditions are for the exclusive benefit of the Purchaser and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have.

### **10.3 Conditions for the Benefit of the Vendor**

The obligation of the Vendor to complete the sale of the Purchased Assets is subject to the following conditions being fulfilled or performed as at or prior to the Closing Date:

- (a) all representations and warranties of the Purchaser contained in Section 6.2 of this Agreement shall be true and correct in all material respects as at the Closing Date with the



same force and effect as if made at and as of such time, and the Purchaser shall have delivered to the Vendor a certificate to that effect substantially similar in form to that attached hereto as Schedule 10.2(a);

- (b) the Purchaser shall have complied with and performed in all material respects all of its covenants and obligations contained in this Agreement, and the Purchaser shall have delivered to the Vendor a certificate to that effect substantially similar in form to that attached hereto as Schedule 10.2(a);
- (c) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at or before the Closing all the documents contemplated in Section 11.3; and
- (d) the Vendor has not lost its ability to convey the Purchased Assets due to an order of the Court or otherwise.

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Vendor may have.

#### **10.4 Satisfaction of Conditions**

Each of the Parties shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the conditions set forth in Sections 10.1, 10.2 and 10.3. In addition, each of the Parties agrees not to take any action that could reasonably be expected to preclude, delay or have an adverse effect on the Transaction or would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect.

### **ARTICLE 11 CLOSING**

#### **11.1 Closing Date and Place of Closing**

Subject to the conditions set out in this Agreement, the Transaction shall close and be completed on the Closing Date, or at such other time as the Parties may agree in writing.

#### **11.2 Deliveries on Closing by the Vendor**

The Vendor shall deliver (or cause to be delivered) to the Purchaser's Solicitor on or before the Closing Date:

- (a) the issued and entered Approval and Vesting Order;
- (b) copies of the notices to be delivered to the landlord in respect of each Acquired Store that is assigned to the Purchaser, indicating that the Lease in respect of such Acquired Store has been assigned to the Purchaser pursuant to the Approval and Vesting Order;
- (c) the General Conveyance, Assignment and Assumption Agreement duly executed by the Vendor;

- (d) a Trademark Assignment duly executed by the Vendor in respect of each trademark forming part of the Business Intellectual Property;
- (e) an assignment and assumption or novation agreement, as applicable, in respect of each Lease that the Purchaser has agreed to acquire by way of assignment or novation, duly executed by the Vendor on behalf of the applicable Debtor and the applicable landlord;
- (f) all other conveyances, assurances, transfers, bills of sale and assignments and any other instruments or documents necessary or reasonably required by the Purchaser to assign, transfer and convey (or evidence or confirm the assignment, transfer and conveyance of) the Purchased Assets to the Purchaser with good title, free and clear of all Encumbrances (other than Permitted Encumbrances), in registrable form if required, each in form and substance acceptable to the Purchaser, acting reasonably;
- (g) registrable and duly executed articles of amendment in respect of the change of the name of each Debtor, and each of its Affiliates whose corporate name includes the word "Solo", to a numbered company or other corporate name that does not contain the word "Solo" or any similar words, which the Vendor hereby agrees may be filed by the Purchaser or the Purchaser's Solicitors with the applicable corporate registrar(s) immediately following Closing;
- (h) a consent in favour of the Purchaser and its Affiliates to use "Solo" as the distinctive element of a corporate name, duly executed by the Vendor;
- (i) the Subordinated Note Assignment Agreement duly executed by the Vendor;
- (j) evidence of discharge of the Vendor's and Debtors' obligations under Section 9.5(a);
- (k) all documents listed in Section 11.3 which contemplate execution by the Vendor;
- (l) the certificate of the Vendor referred to in Section 10.2(a); and
- (m) any other documents, resolutions and certificates as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

### **11.3 Deliveries on Closing by the Purchaser**

The Purchaser shall deliver (or cause to be delivered) to the Vendor's Solicitor on or before the Closing Date:

- (a) the Subordinated Note duly executed by the Purchaser;
- (b) the Closing Cash Payment in accordance with Section 3.3(d);
- (c) payment of all Transfer Taxes (if any) payable on Closing to the Vendor (or evidence of payment by the Purchaser thereof to the relevant Governmental Authorities);
- (d) evidence of payment by the Purchaser to the relevant counterparty of all Cure Costs payable on Closing;
- (e) the General Conveyance, Assignment and Assumption Agreement duly executed by the Purchaser;

- (f) an assignment and assumption or novation agreement, as applicable, in respect of each Lease that the Purchaser has agreed to acquire by way of assignment or novation, duly executed by the Purchaser;
- (g) all documents listed in Section 11.2 which contemplate execution by the Purchaser;
- (h) the certificate of the Purchaser referred to in Section 10.3(a); and
- (i) any other documents, resolutions and certificates as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

## **ARTICLE 12**

### **TERMINATION**

#### **12.1 Grounds for Termination**

This Agreement may be terminated at any time prior to Closing:

- (a) by the mutual written agreement of the Vendor and the Purchaser, provided however that if this Agreement has been approved by the Court, any such termination shall require approval of the Court;
- (b) by the Purchaser, upon written notice to the Vendor, if there has been a material breach by the Vendor of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 10.2 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendor, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Vendor received such notice;
- (c) by the Purchaser, upon written notice to the Vendor, any time after the Outside Date, if the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the Purchaser's breach of this Agreement;
- (d) by the Vendor, upon written notice to the Purchaser, if there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 10.3 impossible by the Outside Date; or (ii) if such breach is curable, the Vendor has provided prior written notice of such breach to the Purchaser, and such breach has not been cured within ten (10) days (or, if not curable within ten (10) days, such longer period as is reasonable under the circumstances, not to exceed thirty (30) days) following the date upon which the Purchaser received such notice; or
- (e) by the Vendor, upon written notice to the Purchaser, any time after the Outside Date, if the Closing has not occurred by the Outside Date and such failure to close was not caused by or as a result of the Vendor's breach of this Agreement.

## **12.2 Effect of Termination**

Notwithstanding any termination of this Agreement by the Vendor or the Purchaser as permitted under Section 12.1, the provisions of Sections 1.2 (Interpretation), 1.4 (Interpretation if Closing Does Not Occur), 3.2 (Deposit), 13.1 (Public Announcements), 13.4 (Governing Law), 13.10 (Costs and Expenses), 13.11 (Entire Agreement) and 13.16 (Third Party Beneficiaries) shall remain in full force and effect following any such permitted termination, and the Deposit shall be governed by Section 3.2.

## **ARTICLE 13** **GENERAL**

### **13.1 Public Announcements**

- (a) Subject to Sections 13.1(b), if a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction, the disclosing Party shall provide the other Party with an advance copy of any such press release or public disclosure with sufficient time to enable the other Party to review such press release or other public disclosure and provide any comments. The disclosing Party shall not issue such press release or other public disclosure without the prior written consent of the other Party, such consent not to be unreasonably withheld, provided that the foregoing shall not restrict or prohibit either Party or its Affiliates from issuing any press release or making any other public disclosure that, in the opinion of such Party's or its Affiliates' legal counsel, is required or advisable in order to comply with applicable securities laws.
- (b) Notwithstanding Section 13.1(a): (i) this Agreement may be filed by the Vendor with the Court; and (ii) the Transaction may be disclosed by the Vendor to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Law. The Parties further agree that:
  - (i) the Vendor may prepare and file reports and other documents with the Court containing references to the Transaction and the terms of such Transaction; and
  - (ii) the Vendor and its professional advisors may prepare and file such reports and other documents with the Court containing references to the Transaction contemplated by this Agreement and the terms of such Transaction as may reasonably be necessary to obtain the Court Approval and to complete the Transaction contemplated by this Agreement or to comply with their obligations to the Court.

### **13.2 Dissolution of Debtors**

Subject to the Vendor's obligations in Section 2.4, the Purchaser acknowledges and agrees that nothing in this Agreement shall operate to prohibit or diminish in any way the right of each Debtor or the Vendor to dissolve, wind-up, make an assignment in bankruptcy or otherwise cease operations of the Business in any manner or at any time subsequent to the Closing Date as it may determine in their sole discretion, which may be exercised without regard to the impact any such action may have on the Vendor's ability to fulfil its obligations under this Agreement that survive Closing.

### **13.3 Survival**

Upon Closing, the obligations, covenants, representations and warranties of the Parties set out in this Agreement shall expire, be terminated and extinguished and of no further force or effect, provided that notwithstanding the Closing contemplated hereunder or the delivery of documents pursuant to this Agreement, the obligations and covenants of the Parties set out in Sections 1.2 (Interpretation), 2.4 (Assignment of Assumed Contracts and Third Party Consents), 6.3 (Enforcement of Representations and Warranties), 9.4 (Possession of Purchased Assets and Expenses for Removal), 9.5 (Employee Matters), 9.6 (Personal Information and Privacy Laws), 9.7 (Intellectual Property, Etc.) and Article 5 (Transfer Taxes), Article 7 ("As Is, Where Is" and No Additional Representations and Warranties), and Article 13 (General), shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Parties indefinitely thereafter except as expressly stated to the contrary therein.

### **13.4 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). The Parties consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.

### **13.5 Further Assurances**

Each of the Parties hereto from and after the date hereof until the Vendor's discharge shall, from time to time, and at the request and expense of the Party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the Transaction and for more effectually carrying out the true intent and meaning of this Agreement.

### **13.6 Assignment**

The Purchaser shall not, without the Vendor's prior written consent, assign any right or interest in this Agreement, which consent may be withheld in the Vendor's sole and absolute discretion, except that the Purchaser shall have the right to assign any or all of its rights, interests or obligations hereunder to one or more Affiliates of the Purchaser, provided that: (a) such Affiliate agrees to be bound by the terms of this Agreement; (b) the Purchaser shall remain liable hereunder for any breach of the terms of this Agreement by such Affiliate; (c) such assignment shall not release the Purchaser from any obligation or liability hereunder in favour of the Vendor; and (d) the Purchaser shall acknowledge and confirm its continuing obligations in favour of the Vendor in an assignment and assumption agreement in form and substance satisfactory to the Vendor.

### **13.7 Waiver**

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

**13.8 Amendment**

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

**13.9 Time of the Essence**

Time is of the essence in this Agreement.

**13.10 Costs and Expenses**

Unless otherwise provided for in this Agreement, each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the Transaction. Notwithstanding any other provision of this Agreement, the Purchaser shall pay the cost of all surveys, title insurance policies and title reports ordered by the Purchaser.

**13.11 Entire Agreement**

This Agreement and the Non-Disclosure Agreement (the terms and conditions of which are incorporated by reference into this Agreement, and binding upon the Parties, as if such agreement were signed directly by the Parties) constitute the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement or in the Non-Disclosure Agreement.

**13.12 Notices**

Any notice, direction or other communication given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier or electronic mail and addressed:

- (a) in the case of the Vendor:

FTI Consulting Canada Inc.  
520 Fifth Avenue S.W., Suite 1610  
Calgary, AB T2P 3R7

Attention: Lindsay Shierman  
Email: Lindsay.Shierman@fticonsulting.com

With a copy to the Vendor's Solicitors:

Torys LLP  
525 – 8th Avenue S.W., 46th Floor  
Eighth Avenue Place East  
Calgary, AB T2P 1G1

Attention: Kyle Kashuba  
Email: [kkashuba@torys.com](mailto:kkashuba@torys.com)

(b) In the case of the Purchaser:

Canadian Liquor Retailers Alliance Limited Partnership  
c/o Canadian Liquor Retailers Alliance GP Inc.  
101, 17220 Stony Plain Road  
Edmonton, AB T5S 1K6

Attention: David Gordey and Matt Hewson  
Email: [david.gordey@alcanna.com](mailto:david.gordey@alcanna.com); [matthew.hewson@alcanna.com](mailto:matthew.hewson@alcanna.com)

With a copy to the Purchaser's Solicitors:

Bennett Jones LLP  
4500, 855-2<sup>nd</sup> Street SW  
Calgary, AB T2P 4K7

Attention: Chris Simard; Jon Truswell  
Email: [SimardC@bennettjones.com](mailto:SimardC@bennettjones.com); [TruswellJ@bennettjones.com](mailto:TruswellJ@bennettjones.com)

A notice is deemed to be given and received if: (i) sent by personal delivery or courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day; or (ii) email, on the date of transmission if it is a Business Day and the transmission was made prior to 4:00 p.m. (local time in place of receipt), and otherwise on the next Business Day. A Party may change its address for service from time to time by providing a notice in accordance with the foregoing. Any subsequent notice must be sent to the Party at its changed address. Any element of a Party's address that is not specifically changed in a notice will be assumed not to be changed. **Sending a copy of a notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice to that Party. The failure to send a copy of a notice to legal counsel does not invalidate delivery of that notice to a Party.**

### 13.13 Release

Notwithstanding any other provisions of this Agreement, effective as of the Effective Time, each of the Purchaser and the Vendor, on behalf of itself and its affiliates, does hereby forever release and discharge such other Party and its affiliates and their respective present and former direct and indirect shareholders, officers, directors, employees, advisors (including, without limitation, financial advisors and legal counsel) and agents (collectively, the "**Released Parties**") from any and all demands, claims, liabilities, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, indebtedness, liens of whatever nature based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time relating to, arising out of or in connection with, the Purchased Assets, save and except for Claims: (i) under this Agreement (including the acquisition of the Purchased

Assets and the assumption of the Assumed Liabilities by the Purchaser and the Purchase Price Adjustments) or any document ancillary thereto; or (ii) arising out of fraud, bad faith or illegal acts (unless such Party believed in good faith that its conduct was legal) of or by the Released Parties.

#### **13.14 Liability of the Parties**

The Purchaser acknowledges and agrees that in all matters pertaining to this Agreement, including in its execution, the Vendor is acting solely in its capacity as a receiver and manager of the Debtors and, as such, its liability under this Agreement, if any, will be in its capacity as a receiver and manager, and the Vendor and its directors, officers, employees, agents, affiliates, managers, lenders, professional advisors, consultants, contractors and other representatives shall have no personal or corporate liability of any kind, whether in contract, in tort or otherwise and in no circumstance will the Vendor be liable for any consequential damages including loss of profit.

#### **13.15 Enurement**

This Agreement shall be binding upon, and enure to the benefit of, the Parties and their respective successors and permitted assigns.

#### **13.16 Third Party Beneficiaries**

Each Party intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties and their successors and permitted assigns, and no Person, other than the Parties and their successors and permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.

#### **13.17 Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

#### **13.18 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or other electronic means of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

**[Remainder of Page Intentionally Left Blank; Signature Page Follows]**



IN WITNESS WHEREOF this Agreement has been properly executed by the Parties as of the date first above written.

FTI CONSULTING CANADA INC.  
IN ITS CAPACITY AS COURT-APPOINTED  
RECEIVER AND MANAGER OF THE ASSETS,  
PROPERTIES AND UNDERTAKINGS OF SOLO  
LIQUOR STORES LTD. AND SOLO LIQUOR  
HOLDINGS LTD. AND NOT IN ITS PERSONAL OR  
CORPORATE CAPACITY

Per: 

Name: Deryck Helka

Title: Sr. Managing Director

CANADIAN LIQUOR RETAILERS ALLIANCE  
LIMITED PARTNERSHIP, by its general partner,  
CANADIAN LIQUOR RETAILERS ALLIANCE  
GP INC.

Per: 

Name: James Burns

Title: Director

**SCHEDULE 1.1(b)**

**ACQUIRED STORES**

<b>Store Count</b>	<b>Store Status</b>	<b>Store Name</b>	<b>Address</b>	<b>Location</b>
1	Operating	Ambleside	16220 Ellerslie Road SW	Edmonton
2	Operating	Bankview	2601- 14 Street SW	Calgary
3	Operating	Beaumont	Unit 06, Rue Montalet & 50th St	Beaumont
4	Operating	Bonaventure #4	Unit 8, Macleod Plaza, 9250 Macleod Trail SE, Calgary	Calgary
5	Operating	Canmore #8	101, 802 Bow Valley Tr	Canmore
6	Operating	Cochrane	#2, 70 Quarry Street West	Cochrane
7	Operating	Copperfield	107, 10 Copperstone Street SE, Calgary	Calgary
8	Operating	Copperpond	Unit # 209, 151 Copperpond Blvd SE	Calgary
9	Operating	Crossroads	2141 18Th Ave NE	Calgary
10	Operating	Douglasdale	#7, 3451 Douglasdale Blvd SE	Calgary
11	Operating	GP Two	Centre 100 Plaza, 11030-100 Street	Grande Prairie
12	Operating	Grande Prairie	Unit 105, 11230 Westgate Dr.	Grande Prairie
13	Operating	Hinton	632 Carmichael Lane	Hinton
14	Operating	Millwood	3927 – 34th Street, Edmonton	Edmonton
15	Operating	Okotoks	Unit 200, 104 Southbank Blvd	Okotoks
16	Operating	Panorama	12 Panatella Blvd NW	Calgary
17	Operating	Red Deer	Unit B, 2067 Gaetz Avenue, Red Deer	Red Deer
18	Operating	Spruce Grove	201-1 <sup>st</sup> Avenue, Spruce Grove, AB	Spruce Grove
19	Operating	St Albert	1500 Tudor Glen Market, St. Albert Trail	St. Albert
20	Operating	Stony Plain	101, 5013 – 48 St, Stony Plain	Stony Plain
21	Operating	Sylvan Lake	Unit 810 62, Thevenaz Industrial Dr	Sylvan Lake
22	Operating	Tuscany	Unit 3, 5091 Nose Hill Dr NW	Calgary

23	Operating	Westpoint	West Point Centre ,Unit 15 & 16,9977- 178 Street	Edmonton
24	Operating	Whitecourt	3815 Caxton St	Whitecourt
25	Operating	Lloydminster	Unit 103, 7703 – 44th Street, Lloydminster	Lloydminster
26	Operating	Walden	Unit 1 &2 19605 Walden Blvd SE	Calgary
27	Operating	Drayton Valley	2128 – 50th Street, Drayton Valley, AB T7A 0C5	Drayton Valley
28	Operating	Brooks	731 Alberta Street, Brooks	Brooks
29	Non-operating	West Granville (Winterburn)	7175 Winterburn Rd	Edmonton
30	Non-operating	Cranston	35 Cranford WY SE, Cranston	Calgary
31	Non-operating	Banff	302 Lynx Street, Banff, Alberta	Banff

**SCHEDULE 1.1(i)**

**FORM OF APPROVAL AND VESTING ORDER**

(attached)

COURT FILE NUMBER 1901-06027  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
PLAINTIFF ATB FINANCIAL  
DEFENDANT SOLO LIQUOR STORES LTD., SOLO LIQUOR HOLDINGS LTD., GENCO HOLDINGS LTD., PALI BEDI, JASBIR SINGH HANS and TARLOK SINGH TATLA  
DOCUMENT APPROVAL AND VESTING ORDER  
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Torys LLP Suite 4600, 525 - 8<sup>th</sup> Avenue SW Calgary, AB. T2P 1G1



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File Number: 39586-2004

DATE ON WHICH ORDER WAS PRONOUNCED: \_\_\_\_\_

LOCATION WHERE ORDER WAS PRONOUNCED: \_\_\_\_\_

NAME OF JUSTICE WHO MADE THIS ORDER: \_\_\_\_\_

UPON THE APPLICATION by FTI Consulting Canada Inc. in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of the undertakings, property and assets of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd. (together, the "**Debtors**") for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and Canadian Liquor Retailers Alliance Limited Partnership (the "**Purchaser**") dated May •, 2019 and appended to the • Report of the Receiver dated May •, 2019 (the "**Report**"), and vesting in the Purchaser the Debtors' right, title and interest in and to the assets described in the Sale Agreement (the "**Purchased Assets**");

AND UPON HAVING READ the Receivership Order dated May 1, 2019 (the "Receivership Order"), the Report and the Affidavit of Service of •; AND UPON HEARING the submissions of counsel for the Receiver, the Purchaser and other interested parties;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

**APPROVAL OF TRANSACTION**

2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser.

**VESTING OF PROPERTY**

3. Upon delivery of a Receiver's certificate to the Purchaser substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Closing Certificate**"), all of the Debtors' right, title and interest in, to and under the Purchased Assets shall vest absolutely in the name of the Purchaser, free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:
  - (a) any encumbrances or charges created by the Receivership Order;
  - (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
  - (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and

- (d) those Claims listed in **Schedule "B"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the Permitted Encumbrances (when used herein, such term shall have the same meaning as defined in the Sale Agreement));

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

4. With respect to the Purchased Assets that are Leases (as defined in the Sale Agreement and hereinafter the "**Leases**", and for reference, listed in **Schedule "C"** hereto), upon delivery of the Receiver's Closing Certificate, the Purchaser shall be entitled to all of the rights and benefits of the Leases as if it were the original tenant and there were no previous defaults and shall be subject to all of the obligations as tenant pursuant to the terms of the Leases for the period commencing from and after the delivery of such Receiver's Closing Certificate and may enter into and upon and hold and have quiet enjoyment of such premises contemplated by the Leases and, if applicable, any renewals thereof, for its own use and benefit, all in accordance with the terms of the Leases, without any interruption from the Vendor, the landlords under the Leases or any person whatsoever claiming through or under any of the Vendor or the landlords under the Leases.
5. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing,
- the Registrar of the Alberta Personal Property Registry (the "**PPR Registrar**") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtors in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
6. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate

shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.

7. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.
9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtors.
10. Upon completion of the Transaction, the Debtors and all persons who claim by, through or under the Debtors in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or



other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser.

11. The Purchaser shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtors, or any person claiming by, through or against the Debtors.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser.
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtors' records pertaining to the Debtors' past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtors were entitled.

#### **MISCELLANEOUS MATTERS**

15. Notwithstanding:
  - (a) the pendency of these proceedings and any declaration of insolvency made herein;
  - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c.B-3, as amended (the "**BIA**"), in respect of the Debtors, and any bankruptcy order issued pursuant to any such applications;
  - (c) any assignment in bankruptcy made in respect of the Debtors; and
  - (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor

shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. The Receiver, the Purchaser and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, 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 order and to provide such assistance to the Receiver, as an officer of the 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.
18. Service of this Order shall be deemed good and sufficient by:
  - (a) Serving the same on:
    - (i) the persons listed on the service list created in these proceedings;
    - (ii) any other person served with notice of the application for this Order;
    - (iii) any other parties attending or represented at the application for this Order;
    - (iv) the Purchaser or the Purchaser's solicitors; and
  - (b) Posting a copy of this Order on the Receiver's website at: ●and service on any other person is hereby dispensed with.
19. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

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Justice of the Court of Queen's Bench of Alberta

**Schedule "A"**

**Form of Receiver's Certificate**

COURT FILE NUMBER

COURT

JUDICIAL CENTRE

PLAINTIFF

DEFENDANT

DOCUMENT

COURT OF QUEEN'S BENCH OF ALBERTA

[1]

**RECEIVER'S CERTIFICATE**

Clerk's Stamp

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**RECITALS**

- A. Pursuant to an Order of the Honourable Justice C.M. Jones of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated May 1, 2019, FTI Consulting Canada Inc. was appointed as the receiver and manager (the "**Receiver**") of the undertakings, property and assets of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd. (together, the "**Debtors**").
- B. Pursuant to an Order of the Court dated [**Date**], the Court approved the agreement of purchase and sale made as of [**Date of Agreement**] (the "**Sale Agreement**") between the Receiver and Canadian Liquor Retailers Alliance Limited Partnership (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtors' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Sections 10.1, 10.2 and 10.3 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Sections 10.1, 10.2 and 10.3 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at [Time] on [Date].

**FTI Consulting Canada Inc., in its capacity as Receiver of the undertakings, property and assets of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd., and not in its personal capacity.**

**Per:** \_\_\_\_\_

**Name:**

**Title:**

**Schedule "B"**

**Claims**

**Schedule "C"**

**Leases**

**SCHEDULE 1.1(j)**

**ASSUMED CONTRACTS**

The Leases that are assigned to the Purchaser either with the consent of the applicable landlord or pursuant to the terms of the Approval and Vesting Order.

**SCHEDULE 1.1(k)**

**ASSUMED LIABILITIES**

1. All of the Debtors', and the Vendor's (if any), obligations and liabilities arising from and after the Effective Time from the ownership and/or use of the Purchased Assets by the Purchaser after the Effective Time, except any and all such obligations and liabilities related to or arising out of any breach or default by a Debtor or the Vendor occurring at prior to the Effective Time.
2. All obligations and liabilities of the Vendor under the Assumed Contracts, except those that relate to a breach by a Debtor of any such Assumed Contract at or prior to the Effective Time.
3. All obligations and liabilities of the Debtor under the Permits that are transferred to the Purchaser in accordance with Applicable Law, except those that relate to a breach or violation by the Debtor of any of the terms or conditions of such Permits at or prior to the Effective Time.



**SCHEDULE 1.1(p)**  
**BUSINESS INTELLECTUAL PROPERTY**

**Trademarks**

<b>Trademark</b>	<b>Owner</b>	<b>Registration No.</b>	<b>Jurisdiction</b>
SOLO LIQUOR	Solo Liquor Holdings Ltd.	TMA840688	Canada
SOLO LIQUOR STORES	Solo Liquor Holdings Ltd.	TMA840691	Canada
	Solo Liquor Holdings Ltd.	TMA840689	Canada
	Solo Liquor Holdings Ltd.	TMA846296	Canada
SOLO	Solo Liquor Holdings Ltd.	TMA854890	Canada
SELECTION, VALUE & EXPERIENCE	Solo Liquor Holdings Ltd.	TMA840687	Canada
TOAST TO PROSPERITY	Solo Liquor Holdings Ltd.	TMA840686	Canada

**Domain Names**

sololiquor.com

**Social Media Accounts**

All social media accounts used in connection with the Solo Business, including any and all Facebook, Twitter and Instagram accounts.

**SCHEDULE 1.1(v)**

**FORM OF CONSULTING AGREEMENT**

(attached)

**FTI CONSULTING CANADA INC.  
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER AND MANAGER OF THE ASSETS,  
PROPERTIES AND UNDERTAKINGS OF SOLO LIQUOR STORES LTD. AND SOLO LIQUOR  
HOLDINGS LTD., AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

**and**

**CANADIAN LIQUOR RETAILERS ALLIANCE LIMITED PARTNERSHIP**

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**CONSULTING AGREEMENT**

**May 27, 2019**

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## CONSULTING AGREEMENT

THIS AGREEMENT is made effective as of the 27<sup>th</sup> day of May, 2019 (the “**Effective Date**”)

### BETWEEN:

**FTI CONSULTING CANADA INC.**, in its capacity as Court-appointed receiver and manager of the assets, properties and undertakings of **SOLO LIQUOR STORES LTD.** and **SOLO LIQUOR HOLDINGS LTD.** (collectively, the “**Debtors**”), and not in its personal or corporate capacity (the “**Receiver**”)

- and -

**CANADIAN LIQUOR RETAILERS ALLIANCE LIMITED PARTNERSHIP**, a limited partnership formed under the laws of the Province of Alberta (the “**Consultant**”)

### RECITALS:

- A. the Debtors operate the “Solo Liquor” chain of retail liquor stores in Alberta;
- B. pursuant to the Receivership Order, among other things, the Receiver was appointed as receiver and manager of all of the assets, undertaking and properties of the Debtors acquired for, or used in relation to, the Solo Business, including all proceeds thereof; “
- C. the Receiver and the Consultant have entered into an asset purchase agreement dated as of May 24, 2019 (the “**Asset Purchase Agreement**”), pursuant to which the Receiver has agreed to sell, assign and transfer to the Consultant, and the Consultant has agreed to purchase, accept and receive from the Receiver, all of the Purchased Assets, all as more particularly described in the Asset Purchase Agreement;
- D. the Consultant desires to be involved with the management of the Business prior to the Closing of the Transaction to prevent further reputational harm to same, particularly as a result of low Inventory levels in the Acquired Stores, and to increase the inventory levels therein, in accordance with the provisions of this Agreement;
- E. the Consultant owns and operates numerous retail liquor locations in the Province of Alberta, is willing and has the experience and expertise necessary to provide the Services, all in accordance with the terms and conditions of this Agreement; and
- F. the Receiver has determined that it is in the best interests of the creditors and stakeholders of the Debtors to engage the Consultant in the conduct of the Business and to provide the Services.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged by each Party to the other, the Parties covenant and agree as follows:

## ARTICLE 1 DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

For the purposes of this Agreement (including the recitals), unless the context otherwise requires, any term defined in the Asset Purchase Agreement that is not otherwise defined in this Agreement shall have the meaning given to it therein and grammatical variations of such term shall have a corresponding meaning. In addition, each of the following

terms shall have the meaning given to it, as set out below, and grammatical variations of such term shall have a corresponding meaning, respectively:

**“Agreement”** means this Consulting Agreement and all attached schedules, as such may be amended, restated, modified or superseded from time to time in accordance with the terms hereof.

**“Confidential Information”** means any and all knowledge, information, documentation and data relating to the Business which is provided by the Receiver to the Consultant after the Effective Date, in relation to the performance of the Services or by virtue of the relationship between the Parties created by this Agreement, whether written or otherwise. Notwithstanding any of the foregoing: (a) Confidential Information shall not include any information which: (i) is in the public domain prior to disclosure by the Receiver to the Consultant; (ii) becomes part of the public domain, by publication or otherwise, through no unauthorized act or omission on the part of the Consultant, its Personnel or any Subcontractor; (iii) as confirmed by written record of the Consultant, was in the lawful possession of the Consultant without obligations of confidentiality attached prior to its disclosure by the Receiver; and (b) from and after the Closing, all Confidential Information related to the Business or the Purchased Assets shall be the confidential information of the Consultant and: (i) the Receiver shall have no rights in or to such Confidential Information; and (ii) the Consultant shall have no obligations to the Receiver with respect to such Confidential Information hereunder.

**“Dispute”** means any dispute or controversy arising out of this Agreement or the performance of any activities under this Agreement, and any dispute or controversy regarding the existence, construction, validity, interpretation, enforceability or breach of this Agreement.

**“Event of Default”** means, in relation to a Party, the occurrence of any of the following:

- (a) a breach by such Party of any of its material obligations hereunder which is capable of being cured and:
  - (i) if such breach is capable of being cured within fifteen (15) days, the failure of such Party to cure such breach within fifteen (15) days of its receipt of notice thereof from the other Party; and
  - (ii) if such breach is not capable of being cured within fifteen (15) days, the failure of such Party to commence and diligently pursue the curing of such breach within fifteen (15) days of receipt of notice thereof from the other Party and to thereafter continue to diligently pursue the curing of such breach after the end of such fifteen (15) day period;
- (b) a breach by such Party of any of its material obligations hereunder which is not capable of being cured; or
- (c) in the case of the Consultant, the Consultant is subject to insolvency proceedings.

**“IFRS”** means International Financial Reporting Standards;

**“Loss”** or **“Losses”** means any and all, direct or indirect, demands, claims, notices of violations, notices of probable violations, filings, investigations, administrative proceedings, actions, causes of action, suits, other legal proceedings, judgments, assessments, damages, deficiencies, penalties, fines, obligations, responsibilities, liabilities, payments, charges, losses, costs and expenses of any kind or character (whether known or unknown, fixed or unfix, conditional or unconditional, based on negligence, strict liability or otherwise, choate or inchoate, liquidated or unliquidated, secured or unsecured, accrued, absolute, contingent or other legal theory), including penalties and interest on any amount payable as a result of any of the foregoing, any legal (on a solicitor and own client basis) or other costs and expenses incurred in connection with investigating or defending any of the foregoing, and all amounts paid in settlement of any of the foregoing.

**“Parties”** means the parties to this Agreement, and **“Party”** means one of them.

**“Personnel”** means, in respect of a Party, each director, officer, employee, agent, consultant, contractor and other representative of such Party.

“**Services**” means general managerial and retail advice and consultation including with respect to inventory purchasing and management, staffing and operations and other activities relating thereto, as further set out in Schedule A.

“**Subcontractor**” means any Person to whom execution of any part of the Services are subcontracted directly or indirectly by the Consultant as permitted by the Receiver in accordance with Section 2.4 hereof.

“**Term**” means the term during which Services are provided hereunder by the Consultant as set forth in Section 6.1.

“**Third Party**” means any Person that is not a Party or an Affiliate of a Party.

## **1.2 Schedules**

Attached to and forming part of this Agreement is Schedule A – Services. Wherever any term or condition, express or implied, of Schedule A conflicts or is at variance with any term or condition in the body of this Agreement, such term or condition in the body of this Agreement shall prevail to the extent of the conflict.

## **1.3 Other Terms**

Other capitalized terms used in this Agreement may be defined elsewhere in the text of this Agreement and, unless otherwise indicated, shall have such meaning throughout this Agreement.

## **1.4 Rules of Interpretation**

In this Agreement, unless otherwise specifically provided or unless the context otherwise requires:

- (a) the terms “Agreement”, “this Agreement”, “the Agreement”, “hereto”, “hereof”, “herein”, “hereby”, “hereunder” and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof;
- (b) references to an “Article”, “Section” or “Schedule” followed by a number or letter refer to the specified Article or Section of or Schedule to this Agreement;
- (c) the division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (d) references to a Party in this Agreement mean the Party or its successors or permitted assigns;
- (e) the words “including”, “includes” and “include” shall be deemed to be followed by the words “without limitation”;
- (f) words in the singular include the plural and *vice versa* and words in a particular gender include all genders;
- (g) any time period within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends;
- (h) whenever any payment is required to be made, action is required to be taken or period of time is to expire on a day other than a Business Day, such payment shall be made, action shall be taken or period shall expire on the next following Business Day;
- (i) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of this Agreement; and



- (j) references to statutes or regulations are to be construed as including all statutory and regulatory provisions consolidating, amending, supplementing, interpreting or replacing the statute or regulation referred to.

### 1.5 Currency

All references in this Agreement to currency or to "\$", unless otherwise expressly indicated, shall be to Canadian dollars.

### 1.6 Accounting Principles

Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation is required to be made, for the purposes of this Agreement and any matters in connection herewith, such determination, consolidation or computation shall, unless the Parties otherwise agree or the context otherwise requires, be made in accordance with IFRS applied on a consistent basis.

### 1.7 Time of Essence

Time shall be of the essence of this Agreement.

### 1.8 Representatives

- (a) During the Term, the Receiver and the Consultant have each appointed the following representatives (for purposes of this Agreement, a "**Representative**"):
  - (i) Receiver's Representative - Deryck Helkaa; and
  - (ii) Consultant's Representative - Jamie Burns.

Such Representatives shall be available or readily accessible to the other Representative at all commercially reasonable times during the performance of the Services for consultation, communication of instructions or requests. All notices, determinations, clarifications, instructions and other communications provided to the Representative shall be conclusively considered to be provided to the Receiver or the Consultant, as applicable.

- (b) Each of the Parties covenants, represents and warrants to the other Party that its respective Representative will be authorized and empowered to bind such Party in writing when such Representative acts in respect of any matter or thing arising in respect of this Agreement; provided, however, that such Representatives shall not be empowered to:
  - (i) amend any portion of this Agreement;
  - (ii) settle any Claims or waive a Party's rights hereunder; or
  - (iii) terminate this Agreement.
- (c) The Receiver and the Consultant may each, by notice to the other Party, appoint an alternate Representative to serve in addition to, or temporarily in place of, its Representative, and may also delegate some or all of the delegating Representative's authority as specified in such notice. Either Party may replace its Representative at any time upon notice to the other Party.
- (d) Except in the case of fraud, each Party agrees that it shall not take any legal action against the other Party's Representative for Losses arising out of the acts or omissions of such Representative hereunder and all remedies of such Party for any such Losses shall be solely against the other Party.

## ARTICLE 2 APPOINTMENT OF THE CONSULTANT

### 2.1 Appointment

The Receiver hereby retains the Consultant to provide the Services in accordance with this Agreement and the Consultant hereby agrees to provide such services in accordance with, and subject to, all of the terms and conditions of this Agreement.

### 2.2 Performance Standards

The Consultant warrants to the Receiver that its employees and the agents and Subcontractors engaged by the Consultant for the purposes of carrying out the Services in accordance with this Agreement shall be properly qualified, competent and experienced to carry out their respective responsibilities in the performance of the Services.

### 2.3 Independent Contractor – Consultant's Employees and Contractors

- (a) The Consultant shall be an independent contractor in respect of the provision of the Services. Nothing herein shall render the Consultant or any of its Personnel as a partner, agent, representative, joint venture participant or employee of the Receiver or the Debtors and none shall hold itself out as such. Neither the Receiver nor the Consultant shall have direction or control of the Personnel of the other Party. Neither Party shall be liable for the actions or omissions of the other Party except as stated in this Agreement.
- (b) The number, selection, hours of labour and remuneration of the Consultant's Personnel shall be determined by the Consultant. In no event shall any Personnel of the Consultant carrying out the duties and responsibilities of the Consultant under this Agreement be considered or deemed to be the Personnel of the Receiver, or the Debtors. The Consultant shall ensure that the Consultant's Personnel are trained and competent to perform their duties in connection with the Services. The number, selection, hours of labour and remuneration of the Receiver's and/or the Debtors' Personnel shall be determined by the Receiver. In no event shall any Personnel of the Receiver or the Debtors carrying out the duties and responsibilities of the Receiver or the Debtors under this Agreement be considered or deemed to be the Personnel of the Consultant.
- (c) The Consultant is not and shall not act or hold itself out as agent of the Receiver or any of the Debtors, nor make any commitments on their behalf, that it does not have the authority to commit to under the terms of this Agreement unless otherwise specifically directed by the Receiver in respect of the Services, in writing.

### 2.4 Subcontracting

- (a) The Consultant shall not subcontract any part of the Services to any other Person without the Receiver's prior written approval, which may be withheld for any reason whatsoever.
- (b) Any subcontracting or delegations approved under Section 2.4(a) shall not relieve the Consultant of any of its duties, obligations, warranties, liabilities, or responsibilities under this Agreement. The Consultant shall be responsible for the acts, defaults, omissions and neglects of any Subcontractor of any tier or delegate and any of their respective Personnel as fully as if they were acts, defaults, omissions or neglects of the Consultant or Consultant's Personnel.

### 2.5 Consultant's Authority

Save as expressly authorized in this Agreement, the Consultant shall have no power or authority, and shall not hold itself out or otherwise represent itself as having any power or authority, to contract on behalf of or otherwise bind the Receiver and/or the Debtors.

## 2.6 Right of Access to the Purchased Assets and Records

The Receiver shall provide the Consultant with access to the Purchased Assets that may reasonably be required in order to carry out the Services. The Receiver shall permit the Consultant, at any commercially reasonable time, to review, inspect and make copies of any of the records of the Debtors as may be reasonably required in order to carry out the Services in accordance with this Agreement.

## ARTICLE 3 OWNERSHIP OF PURCHASED ASSETS AND PURCHASE OF INVENTORY

### 3.1 Ownership of Purchased Assets

The Parties acknowledge and agree that legal title to, and risk of loss of, the Purchased Assets shall be held by the Receiver and/or the Debtors until closing of the Transaction.

### 3.2 Purchase of Inventory During the Interim Period

During the Interim Period, the Consultant shall have the right to direct the Receiver, either on its own behalf or by or through the Debtors, to purchase Inventory for sale at the Acquired Stores (the "**Acquired Inventory**"), *provided that*:

- (a) all funds required in connection with the purchase of the Acquired Inventory (the "**Consultant's Funds**") shall be provided by the Consultant to the Receiver and shall be held by the Receiver in trust for and on behalf of the Consultant and shall only be used by the Receiver, either on its own behalf or by or through the Debtors, for the purchase of the Acquired Inventory as directed by the Consultant;
- (b) all Acquired Inventory purchased by the Receiver, either on its own behalf or by or through the Debtors, shall be the property of the Consultant and shall not be the property of nor be included in the estate of the Debtors, and shall only be sold through the Acquired Stores in the ordinary course of business, unless otherwise directed by the Consultant; and
- (c) in the event that the Transaction does not close: (i) the Receiver shall pay to the Consultant all Consultant's Funds which have not been used to purchase Inventory; (ii) the Consultant shall remove, at its sole cost and expense, all remaining Acquired Inventory from the Acquired Stores; (iii) with respect to Acquired Inventory that has been sold by the Receiver and/or the Debtors (the "**Sold Acquired Inventory**") the Receiver shall pay to the Consultant the cost of the Sold Acquired Inventory; *provided that*: (iv) for the purpose of determining the quantity of Sold Acquired Inventory, all sales of a particular item of Inventory during the Interim Period shall be deemed to be a sale of such items from the Receiver's and/or Debtors' stock of Inventory that was existing prior to the purchase of any Acquired Inventory ("**Pre-Existing Inventory**"), and only after all Pre-Existing Inventory for such item has been fully depleted, shall such a sale be deemed to be a sale of Acquired Inventory; and (v) the Parties agree that the Receiver's obligation to pay to the Consultant the cost of the Sold Acquired Inventory in subparagraph (c)(iii) hereof is a post-Receivership obligation of the Receiver.

## ARTICLE 4 FEES AND EXPENSES

### 4.1 Fees & Costs

- (a) The Receiver shall pay to the Consultant, in consideration for the performance of the Services, a management fee of one dollar (\$1.00), the receipt of which is hereby acknowledged by the Consultant; however, as it is the Consultant's desire to be involved with the management of the Business to prevent further reputational harm to same, particularly as a result of low Inventory levels in the Acquired Stores, and to increase the inventory levels therein, all in accordance with the

provisions of this Agreement, the Consultant will not, under any circumstances, be compensated for any other costs and expenses incurred by the Consultant in the performance of the Services, including reasonable professional, legal, accounting and administrative costs and expenses (including the Consultant's overhead and compensation for its Personnel or Subcontractors), including without limitation, in the event that the Transaction does not close.

- (b) The Consultant hereby acknowledges that it will be responsible for its own routine administrative costs and any other costs and expenses incurred in connection with the Services, including the fees and expenses of any Third Party retained by the Consultant to perform the Services, and will not be entitled to any reimbursement for such expenses.

## **ARTICLE 5 INDEMNIFICATION**

### **5.1 Indemnification of the Receiver**

The Consultant shall indemnify and hold harmless each of the Receiver, any of its respective Affiliates and their respective Personnel and their respective successors, heirs and legal and personal representatives (collectively, the "Receiver Indemnitees") against all Losses of any nature whatsoever, known or unknown, liquidated or unliquidated, that are incurred or suffered by the Receiver Indemnitees that arise out of the gross negligence, wilful misconduct or fraud of the Consultant in carrying out the duties of the Consultant hereunder.

### **5.2 Indemnification of the Consultant**

The Receiver shall indemnify and hold harmless each of the Consultant, any of its respective Affiliates and their respective Personnel and their respective successors, heirs and legal and personal representatives (collectively, the "Consultant Indemnitees") against all Losses of any nature whatsoever, known or unknown, liquidated or unliquidated, that are incurred or suffered by the Consultant Indemnitees that arise out of the gross negligence, wilful misconduct or fraud of the Receiver and/or the Debtors in connection with the performance of this Agreement by the Receiver.

## **ARTICLE 6 TERM**

### **6.1 Term**

This Agreement shall be effective as and from the Effective Date and, subject to earlier termination in accordance with Section 6.2, shall remain in full force and effect until the Closing Date or the termination of the Asset Purchase Agreement.

### **6.2 Early Termination**

This Agreement may be terminated prior to the end of the Term upon the occurrence of any of the following events:

- (a) agreement in writing of the Parties to terminate this Agreement;
- (b) the Court Approval is not granted; or
- (c) the Asset Purchase Agreement is terminated in accordance with the provisions thereof.

### **6.3 Effect of Termination**

Notwithstanding any termination of this Agreement, all rights and obligations of the Consultant, and the Receiver under this Agreement which arose prior to and remain outstanding on the date of termination shall continue until

satisfied and fulfilled in full. Without limiting the foregoing, this Section 6.3 and Article 1, Article 3, Article 4, Article 5, Article 8, Article 9 and Article 10 shall survive termination of this Agreement.

## **ARTICLE 7 ASSIGNMENT**

### **7.1 Assignment**

The Consultant shall not assign or transfer any of its interests, rights or obligations under this Agreement or any ancillary rights without the prior written consent of the Receiver, which consent may be withheld by the Receiver for any reason, whether reasonable or unreasonable. The Receiver shall not assign or transfer any of its interests, rights or obligations under this Agreement or any ancillary rights without the prior written consent of the Consultant, which consent may be withheld by the Consultant for any reason, whether reasonable or unreasonable.

## **ARTICLE 8 CONFIDENTIALITY**

### **8.1 Confidentiality**

- (a) Subject to the terms and conditions of this Agreement, the Receiver will make available to the Consultant any Confidential Information necessary for the performance of the Services, and the Consultant shall hold all such Confidential Information in confidence pursuant to the provisions of this Article 8.
- (b) The Consultant acknowledges that, during the Term, all Confidential Information is the property of the Receiver and/or the Debtors, and shall not be disclosed to any Third Party or made use of by the Consultant in any way other than in the performance of the Services without the written approval of the Receiver. Upon demand by the Receiver during the Term, or upon termination of this Agreement due to an Event of Default of the Consultant, all Confidential Information shall be returned to the Receiver, or destroyed or caused to be destroyed by the Consultant. The Consultant shall, upon written request of the Receiver, provide a certificate from a senior officer certifying that the Consultant, its Personnel and any Subcontractors have complied with the terms and conditions of this Section 8.1(b).
- (c) Notwithstanding the foregoing, during the Term, for the purposes of performance of the Services, the Consultant may disclose Confidential Information to those of its Personnel and Subcontractors who require such Confidential Information for carrying out the Services and then only such parts of the Confidential Information as is necessary to carry out that portion of the Services. The Consultant shall ensure that its Personnel and Subcontractors maintain such Confidential Information in strict confidence, agree to be bound by the terms of this Article 8 to the same extent and with the same effect as if such Personnel and Subcontractors were original signatories hereto and, if requested by the Receiver, execute and deliver to the Receiver a confidentiality agreement or non-disclosure agreement in a form satisfactory to the Receiver. Further, the Consultant agrees to be liable for any breach of this Article 8 by any Person to whom it has provided Confidential Information.
- (d) Notwithstanding any provision of this Agreement to the contrary, upon closing of the Transaction, the confidentiality obligations of the Consultant set forth in this Agreement with respect to Confidential Information shall terminate, and all Confidential Information shall become the sole property of the Consultant, free from any obligations of confidentiality to the Receiver or the Debtors.

**ARTICLE 9  
DISPUTE RESOLUTION**

**9.1 Dispute Resolution**

In the event of a Dispute arising between the Parties in connection with this Agreement, such Dispute, unless otherwise provided for herein, shall be promptly referred to a member of senior management of each of the Receiver and the Consultant who shall attempt to resolve such Dispute. If such persons are unable to resolve any such Dispute within ten (10) days after such referral, or such further time as the Parties may agree in writing, then either such Party may commence litigation.

**ARTICLE 10  
GENERAL**

**10.1 Notices**

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be sent or delivered to the respective Parties at their respective addresses, facsimile numbers or e-mail addresses set forth below (or at or to such other address, facsimile, number or e-mail address as shall be designated by any Party in a written notice to the other Parties):

In the case of the Receiver:

FTI Consulting Canada Inc.  
520 Fifth Avenue S.W., Suite 1610  
Calgary, AB T2P 3R7

Attention: Lindsay Shierman  
Email: Lindsay.Shierman@fticonsulting.com

In the case of the Consultant:

Canadian Liquor Retailers Alliance Limited Partnership  
c/o Canadian Liquor Retailers Alliance GP Inc.  
101, 17220 Stony Plain Road  
Edmonton, AB T5S 1K6

Attention: David Gordey and Matt Hewson  
Email: david.gordey@alcanna.com; matthew.hewson@alcanna.com

Any notice and communications shall be effective:

- (a) if delivered by hand, sent by certified or registered mail or sent by an overnight courier service, when received; and, provided that if such date is a day other than a Business Day, where the recipient Party is located, then such notice shall be deemed to have been given and received on the first Business Day, where the recipient Party is located, following the date of such delivery; and
- (b) if sent by facsimile or e-mail transmission and successfully transmitted before 5:00 p.m. on a Business Day, where the recipient Party is located, then on that Business Day, and if transmitted after 5:00 p.m. on that day or on a day that is not a Business Day, then on the first Business Day, where the recipient Party is located, following the date of transmission.

## **10.2 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Each of the Parties irrevocably submits to the exclusive jurisdiction of the courts of the Province of Alberta and all courts of appeal therefrom in respect of all matters arising out of or in connection with this Agreement.

## **10.3 Further Assurances**

Each Party shall execute all such further instruments and documents and shall take all such further actions as may be necessary to effect this Agreement and the transactions contemplated hereby, in each case at the cost and expense of the Party requesting such further instrument, document or action, unless expressly indicated otherwise.

## **10.4 Severability**

If any provision of this Agreement is wholly or partially invalid, this Agreement shall be interpreted as if the invalid provision had not been a part hereof so that the invalidity shall not affect the validity of the remainder of this Agreement which shall be construed as if this Agreement had been executed without the invalid portion. Should any provision of this Agreement be or become ineffective because of changes in Applicable Law or the interpretations thereof, or should this Agreement fail to include a provision that is required as a matter of Applicable Law, the validity of the other provisions of this Agreement shall not be affected thereby. If such circumstances arise, the Parties shall negotiate in good faith appropriate modifications to this Agreement to reflect those changes that are required by Applicable Law.

## **10.5 Enurement**

This Agreement will be binding upon and enure to the benefit of the Parties and their successors and permitted assigns

## **10.6 Entire Agreement**

This Agreement constitutes the entire agreement among the Parties pertaining to the subject matter hereof and supersedes all prior agreements, negotiations, discussions and understandings, written or oral, between the Parties in respect hereof.

## **10.7 Paramountcy**

This Agreement is executed and delivered by the Parties pursuant and subject to the provisions of the Asset Purchase Agreement. In the event of a conflict between the provisions of the Asset Purchase Agreement and this Agreement, the provisions of the Asset Purchase Agreement shall govern.

## **10.8 Amendments**

This Agreement may not be changed, amended or modified in any manner, except pursuant to an instrument in writing signed on behalf of each of the Parties.

## **10.9 Waiver**

The failure by any Party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision unless such waiver is acknowledged in writing, nor shall such failure affect the validity of this Agreement or any part thereof or the right of a Party to enforce each and every provision. No waiver of a breach of this Agreement shall be held to be a waiver of any other or subsequent breach. No waiver of a right created by this Agreement by one or more Parties shall constitute a waiver of such right by the other Parties except as

may otherwise be required by law with respect to Persons not Parties hereto. The failure of one or more Parties to perform its or their obligations hereunder shall not release the other Parties from the performance of such obligations.

**10.10 No Beneficiaries**

Except as expressly provided otherwise herein, this Agreement is intended for the benefit of the Parties and their respective successors and permitted assigns and is not for the benefit of, nor may any provision in this Agreement be enforced by, any other Person.

**10.11 Remedies**

All rights and remedies under this Agreement are cumulative and in addition to, and not in lieu of, other rights or remedies under this Agreement or any Applicable Law, including the equitable remedies of specific performance or injunction.

**10.12 Counterpart Signatures**

This Agreement may be executed in one or more counterparts and by the Parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier or electronic format shall be effective as delivery of a manually executed counterpart of this Agreement.

*[Signature page follows.]*



IN WITNESS WHEREOF, this Agreement is executed as of the date first written above by a duly authorized signatory of each of the Parties.

**FTI CONSULTING CANADA INC.**  
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER  
AND MANAGER OF THE ASSETS, PROPERTIES AND  
UNDERTAKINGS OF SOLO LIQUOR STORES LTD. AND  
SOLO LIQUOR HOLDINGS LTD. AND NOT IN ITS  
PERSONAL OR CORPORATE CAPACITY

Per: \_\_\_\_\_  
Name:  
Title:

**CANADIAN LIQUOR RETAILERS ALLIANCE  
LIMITED PARTNERSHIP, BY ITS GENERAL  
PARTNER, CANADIAN LIQUOR RETAILERS  
ALLIANCE GP INC.**

Per: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE A  
SERVICES**

The Consultant shall perform such services as are requested by the Receiver from time to time, in each case, on behalf of the Receiver with respect to the Purchased Assets and the Business, including but not limited to advising the Receiver in relation to the following:

- (a) Inventory Management
  - (i) Management of existing Inventory.
  - (ii) Ordering new Inventory.
- (b) Human Resources
  - (i) Workforce planning.
  - (ii) Such other human resources functions and services reasonably requested by the Receiver.
- (c) Operations and Maintenance
  - (i) All aspects of the ordinary course development, operation and maintenance of the Purchased Assets and the Business.
  - (ii) Onsite management services.
  - (iii) Such other operations and maintenance functions and services as reasonably requested by the Receiver.

**SCHEDULE 1.1(mm)**

**EXCLUDED ASSETS**

All of the following assets of the Debtors:

1. Excluded Contracts:
  - (a) All Leases in respect of the Excluded Stores.
  - (b) All Leases in respect of the Acquired Stores with respect to which the Purchaser has entered into new lease agreements with the applicable landlords (excluding, for greater certainty, any Leases in respect of the Acquired Stores that are assigned or novated to the Purchaser).
2. All Equipment, Inventory and other assets of the Debtors used exclusively in the Excluded Stores.
3. Equity and debt securities legally or beneficially owned by each Debtor.
4. Cash, cash equivalents, deposits and bank accounts of each Debtor (other than the cash floats of each of the Acquired Stores).
5. Permits that are not transferrable to the Purchaser under Applicable Law.
6. Policies of insurance or assurance (including directors and officers insurance and claims against insurance and insurance settlements) (except for the right to receive the proceeds of insurance in respect of Purchased Assets and all books and records related thereto which shall not constitute Excluded Assets);
7. Rights to receive a refund of, and/or credit in respect of, Taxes paid by or on behalf of each Debtor.
8. Tax returns of each Debtor.
9. Tax installments paid by or on behalf of each Debtor.
10. The financial statements and Tax records, minute books, corporate seal, taxpayer and other identification numbers and other corporate records of each Debtor relating to the organization, maintenance and existence of such Debtor.
11. Any Books and Records that each Debtor is required by Applicable Law to retain in its possession, provided however, the Purchaser shall be provided with copies of all such Books and Records that pertain to the Business unless prohibited by Applicable Law.
12. Records, policies, manuals, and other proprietary, confidential business or technical information not used exclusively in connection with the Purchased Assets and/or Business.
13. All properties, assets and rights of the Debtors not related to the Business.
14. Any real property interest of the Vendor or the Debtors other than the Leases in respect of the Acquired Stores.
15. Legal and title opinions.

16. The Vendor's rights under this Agreement.
17. All motor vehicles, forklifts and other mobile equipment that are leased by the Debtors.

## SCHEDULE 1.1(oo)

### EXCLUDED LIABILITIES

1. All Losses and Liabilities of each Debtor relating to: (i) the employment by a Debtor of any employees and former employees of such Debtor; and (ii) the engagement by a Debtor of any contractors and former contractors of such Debtor.
2. All Losses and Liabilities of each Debtor relating to the employment by a Debtor of any employees of a Debtor due, arising or accruing prior to the Effective Time, including all obligations and liabilities relating to salary, wages, commissions, fees, bonuses, incentive payments, reimbursement, overtime pay, benefits, disability pay, sick leave pay, vacation pay, holiday pay, insurance, and workers' compensation premiums.
3. All Losses and Liabilities of each Debtor relating to notice, pay in lieu of notice, severance and/or damages for wrongful dismissal and all related costs in respect of the termination by the Vendor or a Debtor of any employees of a Debtor.
4. All employment-related claims, human rights and employment standards complaints and all other complaints, grievances, arbitration awards, penalties and assessments of every nature or kind whatsoever (whether under statute, contract, common law or otherwise) in respect of all employees of a Debtor arising out of matters occurring prior to the Effective Time.
5. All Losses and Liabilities related to the Excluded Assets.
6. All indebtedness, obligations and liabilities of every nature or kind whatsoever of each Debtor to any lenders or creditors of such Debtor (other than to the beneficiaries of the Assumed Liabilities).
7. All Tax-related Losses and Liabilities of each Debtor (other than as set forth in Article 5 of the Agreement).

**SCHEDULE 1.1(tt)**

**FORM OF GENERAL CONVEYANCE, ASSIGNMENT AND ASSUMPTION AGREEMENT**

(attached)

## GENERAL CONVEYANCE, ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS AGREEMENT (this "**Agreement**") is made the \_\_ day of \_\_\_\_\_, 2019.

BETWEEN:

**FTI CONSULTING CANADA INC.**, a corporation incorporated under the federal laws of Canada, in its capacity as the court-appointed receiver and manager of the assets, properties and undertakings of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd. (together, the "**Debtors**"), and not in its personal or corporate capacity (the "**Vendor**")

- and -

**CANADIAN LIQUOR RETAILERS ALLIANCE LIMITED PARTNERSHIP**, a limited partnership formed under the laws of the Province of Alberta (the "**Purchaser**", and together with the Vendor, the "**Parties**")

WHEREAS:

- A. Pursuant to an asset purchase agreement dated [●], 2019 (the "**Purchase Agreement**") between the Vendor and the Purchaser: (i) the Vendor agreed to sell and the Purchaser agreed to purchase and accept from the Vendor the Purchased Assets; and (ii) the Purchaser agreed to assume the Assumed Liabilities on the terms and conditions set out in the Purchase Agreement (the "**Transaction**");
- B. Pursuant to the Order of the Alberta Court of Queen's Bench (the "**Court**") dated [●], 2019 (the "**Approval and Vesting Order**"), the Court, among other things, approved the Transaction and vested all of the each Debtor's right, title and interest in and to the Purchased Assets, in and to the Purchaser; and
- C. By entering this Agreement, the Parties wish to: (i) further evidence the sale, assignment, transfer and conveyance all of each Debtor's right, title and interest in, to and under the Purchased Assets to the Purchaser pursuant to the Approval and Vesting Order; and (ii) give effect to the assumption by the Purchaser of the Assumed Liabilities.

NOW THEREFORE in consideration of the covenants and agreements set forth herein and in the Purchase Agreement, and other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, the Parties agree as follows:

### **1. Capitalized Terms**

Capitalized terms used but not specifically defined in this Agreement shall have the meanings ascribed thereto in the Purchase Agreement and the Approval and Vesting Order, as applicable.

### **2. General Conveyance and Assignment**

As of the Effective Time, the Vendor hereby sells, assigns, transfers and conveys to the Purchaser all the Vendor's Interest in, to and under the Purchased Assets, but only to the extent not otherwise expressly

transferred or assigned to the Purchaser by separate instrument or agreement or the Approval and Vesting Order, and all rights, benefits and advantages accruing to the Debtors thereunder to have and to hold the same unto the Purchaser absolutely.

### **3. Assumption**

As of the Effective Time, the Purchaser hereby accepts the assignments, transfers and conveyances in Section 2 and the Approval and Vesting Order and hereby assumes and undertakes to pay, satisfy, discharge, perform, fulfil and otherwise be responsible for all Assumed Liabilities.

### **4. No Assignment or Transfer of Unassignable Contracts and Non-Transferrable Assets**

Nothing in this Agreement shall be construed as an attempt to: (i) assign to the Purchaser any Assumed Contract which, as a matter of law or by its terms, is not assignable in whole or in part without the consent of the other party or parties thereto and in respect of which no such consent has been received; or (ii) transfer to the Purchaser any other Purchased Asset which, as a matter of law or otherwise, is not transferrable in whole or in part to the Purchaser. The Vendor acknowledges that Section 2.4 of the Purchase Agreement will continue to apply in respect of all such unassignable or non-transferrable Purchased Assets.

### **5. No Assumption of Liabilities except as in the Purchase Agreement**

Nothing herein contained will be deemed or construed as an assumption by the Purchaser of, and the Purchaser does not hereby assume, any obligations, commitments or liabilities of either Debtor arising under or relating to any property, asset or right described herein and hereby sold, assigned, transferred and conveyed by the Vendor to the Purchaser, except in accordance with and only to the extent provided for in the Purchase Agreement and this Agreement.

### **6. Subordinate Document**

This Agreement is executed and delivered by the Parties pursuant and subject to the provisions of the Purchase Agreement. In the event of a conflict between the provisions of the Purchase Agreement and this Agreement, the provisions of the Purchase Agreement shall govern. This Agreement is not intended to supersede the Purchase Agreement or to vary, affect or effect a merger of any of the terms thereof but is entered into for the purpose only of effecting a conveyance, assignment and assumption and is ancillary and subordinate to the Purchase Agreement.

### **7. Successors and Assigns**

This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns

### **8. Assignment**

Neither Party may assign in whole or in part its rights or obligations under this Agreement without the prior written consent of the other Party.

### **9. Governing Law**

This Agreement shall be governed by and construed and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein (without reference to conflicts of law principles).



**10. Further Assurances**

Each of the Parties hereby covenants and agrees that at any time and from time to time after the date hereof until the Vendor's discharge it will, at its expense and upon the request of the other, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, documents and things in connection with this Agreement that the other party hereto may reasonably require for the purpose of giving effect to this Agreement.

**11. Counterparts**

This Agreement may be executed and delivered by the Parties in separate counterparts and by facsimile, PDF or other electronic means, each of which when so executed and delivered shall be deemed an original, and all of which, when taken together, shall constitute one and the same agreement.

**[Remainder of Page Intentionally Left Blank; Signature Page Follows]**

**IN WITNESS WHEREOF** this Assignment and Assumption Agreement has been properly executed by the Parties as of the date first above written.

**FTI CONSULTING CANADA INC.**  
IN ITS CAPACITY AS COURT-APPOINTED  
RECEIVER AND MANAGER OF THE ASSETS,  
PROPERTIES AND UNDERTAKINGS OF SOLO  
LIQUOR STORES LTD. AND SOLO LIQUOR  
HOLDINGS LTD. AND NOT IN ITS PERSONAL OR  
CORPORATE CAPACITY

Per: \_\_\_\_\_  
Name:  
Title:

**CANADIAN LIQUOR RETAILERS ALLIANCE  
LIMITED PARTNERSHIP**, by its general partner,  
**CANADIAN LIQUOR RETAILERS ALLIANCE  
GP INC.**

Per: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE 1.1(hhh)**

**LEASED EQUIPMENT**

NIL

**SCHEDULE 1.1(iii)**

**LEASES**

<b>Store Name</b>	<b>Title of Agreement</b>	<b>Date of Agreement</b>	<b>Lessor</b>	<b>Lessee</b>	<b>Municipal Address of Leased Premises</b>	<b>Landlord Address (as per Lease)</b>
Ambleside	Ambleside Centre Retail Space Lease	March 27 <sup>th</sup> , 2017	Ambleside East Shopping Centre Ltd.	Solo Liquor Store (Ambleside) Ltd.	16220 Eillerslie Road SW Edmonton, AB	1300, 10423 101 Street Edmonton AB T5H 0E7 Attention: Vice President, Commercial Development With a copy to: Rancho Realty (Edmonton) Ltd. 1350, 10423 101 Street Edmonton, AB T5H 0E7 Attention: General Manager
Bankview	Lease	May 27 <sup>th</sup> , 2010	1325228 Alberta Inc.	Solo Liquor Store (Bankview) Ltd.	2601- 14 Street SW Calgary, AB	711 – 54 Avenue SW Calgary, AB T2V 0E6 Attention: Mr. Achilles Benekos Fax Number: (403) 228-9501
	Amendment to Lease	September 22 <sup>nd</sup> , 2014				

Store Name	Title of Agreement	Date of Agreement	Lessor	Lessee	Municipal Address of Leased Premises	Landlord Address (as per Lease)
Beaumont	Lease	Undated	1422642 Alberta Ltd.	Solo Liquor Store (Beaumont) Ltd. ("Tenant") Solo Liquor Holdings Ltd. ("Indemnitior")	Unit 06, Rue Montalet & 50th Street Beaumont, AB	10180 – 111 <sup>th</sup> Street Edmonton, AB T5K 1K6
Bonaventure #4	Indenture	May 18 <sup>th</sup> , 2007	RMA Properties Ltd.	Solo Liquor Store #4 Ltd.	Unit 8, Macleod Plaza, 9250 Macleod Trail SE Calgary, AB	c/o GWL Realty Advisors Ltd., 2700, Western Canadian Place, 700 – 9 <sup>th</sup> Avenue SW, Calgary, AB, T2P 3V4 Attention: Lease Administration
	Lease Extension and Amending Agreement	October 15 <sup>th</sup> , 2012	First Capital Holdings (ALB) Corporation			c/o First Capital Asset Management Corporation, Mount Royal Village, Suite 400, 1550 – 8 <sup>th</sup> Street S.W., Calgary, Alberta T2R 1K1

Store Name	Title of Agreement	Date of Agreement	Lessor	Lessee	Municipal Address of Leased Premises	Landlord Address (as per Lease)
	Lease Reinstatement	April 8 <sup>th</sup> , 2019				
Canmore #8	Net Retail Lease	February 26 <sup>th</sup> , 2004	Canmore Gateway Shoppes Ltd.	Solo Liquor Store #8 Ltd.	101, 802 Bow Valley Trail Canmore, AB	#201, 308 – 11 <sup>th</sup> Avenue SE Calgary, AB T2G 0Y2 Attention: Kyle Fleishman Facsimile: (403) 225-1716
	Renewal of Solo Liquor Lease in Canmore	December 13 <sup>th</sup> , 2013				
	Lease Renewal Agreement	January 31 <sup>st</sup> , 2014	Calgary Gateway Shoppes Ltd.		Suite #338, 1201 5 <sup>th</sup> Street SW Calgary, AB. T2R 0Y6	
	Lease Renewal Agreement	March 18 <sup>th</sup> , 2019	2034683 Alberta Ltd. (having obtained the premises from the previous landlord: Canmore Gateway Shoppes Ltd.)	Solo Liquor Stores Ltd.		129 – 17 Ave. NE. Calgary AB. T2S 1L7

Store Name	Title of Agreement	Date of Agreement	Lessor	Lessee	Municipal Address of Leased Premises	Landlord Address (as per Lease)
Cochrane	Lease	October 28 <sup>th</sup> , 2015	Vantage Land Corporation	Solo Liquor Store (Cochrane) Ltd.	#2, 70 Quarry Street West Cochrane, AB	12420 – 102 Avenue NW Edmonton, Alberta T5N 0M1 Facsimile: (780) 488-1193 Attention: President
Copperfield	Lease	March 12 <sup>th</sup> , 2013	SL Copperfield Ltd.	Solo Liquor Store (Copperfield) Ltd.	107, 10 Copperstone Street SE, Calgary,	C/O Pali Bedi Avison Young (Canada) Inc. Gulf Canada Square Suite 309, 401 – 9 <sup>th</sup> Avenue SW Calgary, Alberta, T2P 3C5
Copperpond	Lease	April 13 <sup>th</sup> , 2013	Genco (Copperpond) Ltd.	Solo Liquor Store (Copperpond) Ltd.	Unit # 209, 151 Copperpond Blvd SE Calgary, AB	C/O Pali Bedi Avison Young (Canada) Inc. Gulf Canada Square Suite 309, 401 – 9 <sup>th</sup> Avenue SW Calgary, Alberta, T2P 3C5
Crossroads	Sublease	November 9 <sup>th</sup> , 2005	Chip Reit No. 4 Operations Limited Partnership by its General Partner Chip	Solo Liquor Store #1 Ltd. ("Tenant") Jasbir Hans ("Guarantor")	2141 18th Ave NE Calgary, AB	Radisson Hotel Calgary Airport 2120-16 <sup>th</sup> Avenue NW Calgary, Alberta T2E 1L4 Attention: General Manager

Store Name	Title of Agreement	Date of Agreement	Lessor	Lessee	Municipal Address of Leased Premises	Landlord Address (as per Lease)
			Management Ltd.			With a copy to: Chip Reit No. 4 Operations Limited Partnership c/o CHIP Hospitality Limited Partnership Suite 1600 – 1030 West Georgie Street Vancouver, BC V6E 2Y3 Attention: Vice President, Real Estate Fax No: (604) 646-2404
Douglasdale	Indenture	December 30 <sup>th</sup> , 2002	Douglasdale Crossing Inc.	916846 Alberta Ltd.	#7, 3451 Douglasdale Blvd SE Calgary, AB	143 Diamond Point S.E. Calgary, Alberta T2J 7B2
GP Two	Lease	September 1 <sup>st</sup> , 2015	Centre One Hundred Holdings Ltd.	Solo Liquor Store (GP Two) Ltd. ("Tenant") Pali Bedi ("Guarantor")	Centre 100 Plaza 11030-100 Street Grand Prairie, AB	#201, 9924-100 Ave Grande Prairie AB T8V 0T9 Attn: Mark Storcer
Grande Prairie	Lease	November 9 <sup>th</sup> , 2011	GDC (GP) Ltd.	Solo Liquor Store (Grand Prairie) Ltd.	Unit 105, 11230 Westgate Dr. Grand Prairie, AB	c/o New West Enterprises Property Group (Alberta) Ltd. #310, 910 – 7 <sup>th</sup> Avenue SW Calgary, AB T2P 3N8 Fax Number: (403) 263-0900



Store Name	Title of Agreement	Date of Agreement	Lessor	Lessee	Municipal Address of Leased Premises	Landlord Address (as per Lease)
Hinton	Lease Agreement	July 25 <sup>th</sup> , 2016	Altamart Investments (1993) Ltd.	Solo Liquor Store (Hinton) Ltd.	632 Carmichael Lane Hinton, AB	130, 4401 – 48 Street, Stony Plain, Alberta T7Z 1N3
Millwoods	MeadowBrook II Retail Lease	October 21 <sup>st</sup> , 2011	First Capital Holdings (ALB) Corporation and 678469 Alberta Ltd.	Solo Liquor Store (Millwood) Ltd. ("Tenant") Solo Liquor Holdings Ltd. ("Indemnifier")	3927 – 34th Street, Edmonton, AB	c/o First Capital Asset Management ULC, TransCanada Centre, Unit 158, 1440 – 52 Street N.E., Calgary, Alberta, T2A 4T8, Attention: Director, Legal Affairs, Western Canada, with a copy to Landlord at 85 Hanna Avenue, Suite 400, Toronto, Ontario, M6K 3S3, Attention: Vice President, Legal Affairs
Okotoks	Indenture	July 15 <sup>th</sup> , 2013	Riotrin Properties (Okotoks) Inc.	Solo Liquor Store (Okotoks) Ltd.	Unit 200, 104 Southbank Blvd Okotoks, AB	359 Kent Street Suite 400 Ottawa, Ontario K2P 0R6 Attention: President
Panorama	Indenture	June 21 <sup>st</sup> , 2005	Panorama Crossing Inc.	Solo Liquor Store (Panorama) Ltd.	12 Panatella Blvd N.W. Calgary, AB T3K 6K7	c/o 136 Christie Park View S.W. Calgary, Alberta T3H 2Z5 Facsimile: (403) 777-1535

Store Name	Title of Agreement	Date of Agreement	Lessor	Lessee	Municipal Address of Leased Premises	Landlord Address (as per Lease)
Red Deer	Lease	May 12 <sup>th</sup> , 2011	DMJ Investments Ltd.	Solo Liquor Store (Red Deer) Ltd.	Unit B, 2067 Gaetz Avenue Red Deer, AB T4R 1Z4	Suite 107, 747 – Lake Bonavista Drive S.E Calgary, Alberta T2J 0N2 Attention: Mr. Mark St. Pierre
Spruce Grove	Lease	August 17 <sup>th</sup> , 2010	Bruce Hagel & Nathalie Hagel	Solo Liquor Store (Spruce Grove) Ltd.	201-1 <sup>st</sup> Avenue, Spruce Grove, AB	Paramount Properties 724 Lake Placid Dr. SE. Calgary, AB; T2J 4C1 Attention: Bruce & Nathalie Hagel Fax Number: (403) 225-0413
St. Albert	Tudor Glen Market Lease Agreement	May 4 <sup>th</sup> , 2015	Kootenay Holdings Ltd.	Solo Liquor Store (St. Alberta) Ltd.	1500 Tudor Glen Market, St. Albert Trail St. Albert, AB	Suite 348 – 1917 West 4 <sup>th</sup> Avenue Vancouver, British Columbia V6J 1M7 with a copy to: Humford Management Inc. Suite 300, 10050 – 112 Street Edmonton, Alberta T5K 2J1

Store Name	Title of Agreement	Date of Agreement	Lessor	Lessee	Municipal Address of Leased Premises	Landlord Address (as per Lease)
Stony Plain	Lease	September 1 <sup>st</sup> , 2010	Bruce Hagel and Nathalie Hagel	Solo Liquor Store (Stony Plain) Ltd.	101, 5013 – 48 St. Stony Plain, AB	PARAMOUNT PROPERTIES 724 Lake Placid Drive SE Calgary, AB T2J 4C1 Attention: Bruce and Nathalie Hagel Fax Number: (403) 225-0413
Sylvan Lake	Lease	October 2 <sup>nd</sup> , 2015	Sylvan Lake Shopping Centres Limited	Solo Liquor Store (Sylvan Lake) Ltd. ("Tenant") Solo Liquor Holdings Ltd. ("Indemnifier")	Unit 810 62, Thevenaz Industrial Dr. Sylvan Lake, AB	700 Applewood Crescent Suite 200 Vaughan, Ontario L4K 5X3 Fax No. (905) 760-6220
Tuscany	Lease	May 15 <sup>th</sup> , 2014	Genco (Tuscany) Ltd.	Solo Liquor Store (Tuscany) Ltd.	Unit 101; 5029 Nose Hill Drive NW, Calgary, Alberta	Genco (Tuscany) Ltd. c/o Pali Bedi Avison Young (Canada) Inc. Gulf Canada Square Suite 309, 401 – 9 <sup>th</sup> Avenue SW Calgary, Alberta, T2P 3C5

Store Name	Title of Agreement	Date of Agreement	Lessor	Lessee	Municipal Address of Leased Premises	Landlord Address (as per Lease)
West Point	Lease for Premises at West Point Centre	October 1 <sup>st</sup> , 2014	Rancho Realty (Edmonton) Ltd. Agent for and on behalf of West Point Mall Ltd.	Solo Liquor Store (West Point) Ltd.	West Point Centre, Unit 15 & 16, 9977- 178 Street Edmonton, AB	#200, 3203 – 93 Street, Edmonton Alberta, T6N 0B2
Whitecourt	Indenture of Lease	June 1 <sup>st</sup> , 2016	1326234 Alberta Ltd.	Solo Liquor Store (Whitecourt 1) Ltd.	3815 Caxton St. Whitecourt, AB	c/o McConnel Law Office Box 1795, 5115 Highway 43 Whitecourt, AB T7S 1N5 Attention: Michael W. Jones
Lloydminster	Lease Agreement for Solo Liquor Store (Lloydminster Ltd.)	September 7 <sup>th</sup> , 2012	Lloydminster Hwy. 16 Properties Inc., or nominee	Solo Liquor Store (Lloydminster Ltd.)	Unit 103, 7703 – 44th Street Lloydminster, AB	Suite 1407 TD Tower, 10088 – 102 Avenue, Edmonton, Alberta, T5J 2Z1 Fax Number: (780) 424-7307
Walden	Offer to Lease	November 19 <sup>th</sup> , 2015	Genco (Walden) Ltd.	Solo Liquor Store (Walden) Ltd.	Unit 1 & 2 19605 Walden Blvd SE Calgary, AB	Genco Walden Ltd. c/o Pali Bedi Suite 1200, 585 – 8 <sup>th</sup> Ave. SW., Calgary, AB.; T2P 1G1
Drayton Valley	Lease	January 1 <sup>st</sup> , 2016	Horizon Travel Centre Drayton Valley Ltd.	Solo Liquor Store (Drayton Valley) Ltd.	2128 – 50 <sup>th</sup> Street Drayton Valley, AB T7A 0C5	15150 – 123 Avenue, Edmonton, AB T5V 0A3

Store Name	Title of Agreement	Date of Agreement	Lessor	Lessee	Municipal Address of Leased Premises	Landlord Address (as per Lease)
Brooks	Lease	December 1 <sup>st</sup> , 2014	Town Centre Properties (Brooks) Inc.	Solo Liquor Store (Brooks) Ltd.	731 Alberta Street Brooks, AB	10639 131 Street, Edmonton, Alberta T1W 1P4
West Granville (Winterburn)	Offer to Lease	July 19 <sup>th</sup> , 2017	Alldritt Land Corporation LP, by its General Partner Alldritt Land Corporation	Solo Liquor Store (Winterburn) Ltd.	7175 Winterburn Road NW, Edmonton, AB	Suite #500 East Tower, 14310 – 111 Avenue, Edmonton, Alberta, T5M 3Z7 Attention: Manager, Leasing and Property Phone: 780-453-5631 Fax: 780-451-1788
Cranston	Offer to Lease	August 17 <sup>th</sup> , 2018	1846708 Alberta Ltd.	Solo Liquor Stores Ltd.	35 Cranford WY SE, Cranston, AB	c/o Colliers International 900, 335 – 8 <sup>th</sup> Avenue SW Calgary, AB T2P 1C9
Banff	Sublease	November 13 <sup>th</sup> , 2018	1059945 Alberta Inc.	Solo Liquor Stores Ltd.	302 Lynx Street, Banff, Alberta	2415 Ellwood Drive SW Edmonton, Alberta T6X 0J4 Attention: Miles Davis

**SCHEDULE 1.1(rrr)**  
**PERMITTED ENCUMBRANCES**

NIL

**SCHEDULE 1.1(uuu)**

**PREPAID EXPENSES**

(attached)

<b>Store Name</b>	<b>Deposit</b>
Ambleside	Security Deposit - \$10,000.00
Bankview	Security Deposit - \$8,515.00
Beaumont	Nil
Bonaventure #4	Nil
Canmore #8	Security Deposit - \$7,797.63
	Security Deposit - \$4,045.94 (remaining from Net Retail Lease)
	Nil
Cochrane	Deposit - \$20,000.00
Copperfield	Security Deposit - \$0
Copperpond	Security Deposit - \$0
Crossroads	Security Deposit - \$10,084.75
Douglasdale	Security - \$6,600.00
GP Two	Deposit - \$16,240.00
Grande Prairie	Security Deposit - \$15,374.17
Hinton	Deposit - \$19,800.00
Millwoods	Security Deposit - \$11,224.57
	Prepaid rent – \$10,639.19
Okotoks	Deposit - \$16,800.00
Panorama	Security - \$15,700.00
Red Deer	Advance Rent - \$5,283.92

Store Name	Deposit
	Security Deposit - \$14,216.08
Spruce Grove	Security Deposit - \$13,289.06
St. Albert	Deposit - \$6,169.79
Stony Plain	Security Deposit - \$12,079.46
Sylvan Lake	Pre-Paid Rent - \$18,192.00
Tuscany	Security Deposit - \$2,500.00
West Point	Security Deposit - \$16,679.25
Whitecourt	Security Deposit - \$15,230.60
Lloydminster	Security Deposit - \$19,736.67
Walden	Prepaid Rent and Security Deposit – 1 <sup>st</sup> (~\$13,860) and last month's (~\$16,380) minimum rent
Drayton Valley	Security Deposit - \$19,535.25
Brooks	Nil
West Granville (Winterburn)	Deposit – first (\$10,766.67) and last months net rent plus GST (\$11,758.33)
Cranston	Prepaid Rent and Security Deposit - \$31,647.00 (first and last month's Basic Rent)
Banff	Security Deposit - \$4,305.00



**SCHEDULE 1.1(hhhh)**

**FORM OF SUBORDINATED NOTE**

(attached)

## SUBORDINATED NOTE

PRINCIPAL AMOUNT: \$10,000,000

DATE: [●], 2019

### **1. Promise to Pay**

FOR VALUE RECEIVED, Canadian Liquor Retailers Alliance Limited Partnership (the "**Payor**") unconditionally promises to pay to or to the order of FTI Consulting Canada Inc., in its capacity as the court-appointed receiver and manager of the assets, properties and undertakings of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd., and not in its personal or corporate capacity (the "**Holder**") at the office of the Holder in Calgary, Alberta (or such other place as the Holder may direct in writing or the Holder and the Payor may otherwise agree in writing), on or before [insert date that is 3 years from the Closing Date] (the "**Maturity Date**"), in lawful money of Canada, the sum of \$10,000,000 (the "**Principal Amount**"), together with interest thereon at the Interest Rate (as defined below) from and after [insert date that is the first day of the second month following the Closing Date].

### **2. Interest**

The Principal Amount outstanding shall bear simple interest at a rate of 12.0% per annum (the "**Interest Rate**"), both before and after demand, default, and judgment. Interest shall be payable on the Maturity Date and shall be calculated hereunder without deduction or allowance in respect of deemed reinvestment of interest or otherwise and on the basis of the actual number of days elapsed in a year of 365 or 366 days, as the case may be.

### **3. Prepayment**

The Payor shall be entitled to prepay, at any time and from time to time, all or any portion of the Principal Amount (and interest thereon) or so much thereof as remains, from time to time, unpaid hereunder, without notice, bonus or penalty.

### **1. Application of Payments**

Any payments in respect of amounts due under this Subordinate Note shall be applied first in satisfaction of any accrued and unpaid interest and then to the Principal Amount outstanding.

### **5. Waiver by the Payor**

The Payor waives demand, presentment for payment, notice of non-payment, notice of dishonour, notice of acceleration and notice of protest of this Subordinated Note. The Payor also waives the benefit of any days of grace, the benefits of division and discussion and the right to assert in any action or proceeding with regard to this Subordinated Note any setoffs or counterclaims which the Payor may have against the Holder.

### **6. No Waiver by the Holder**

Neither the extension of time for making any payment which is due and payable under this Subordinated Note at any time or times, nor the failure, delay or omission of the Holder to exercise or enforce any of its rights or remedies under this Subordinated Note, shall constitute a waiver by the Holder of its right to enforce any such rights and remedies subsequently. The single or partial exercise of any such right or remedy shall not preclude the Holder's further exercise of such right or remedy or any other right or remedy.

**7. Subordination**

- (a) Each of the Payor and the Holder covenants and agrees that, unless and until the holders of Senior Indebtedness otherwise agree or consent, the payment of the Principal Amount and interest thereon is hereby expressly subordinated, postponed and subrogated in right of payment to the prior payment in full of all Senior Indebtedness in all events and circumstances. Nothing contained in this Subordinated Note is intended to or shall impair, as between the Payor and its creditors (other than the holders of Senior Indebtedness) and the Holder, the obligation of the Payor, which is unconditional and absolute, to pay to the Holder the Principal Amount and interest under this Subordinated Note as and when the same shall become due and payable in accordance with the terms hereof.
  
- (b) The postponement and subordination provided for in this Subordinated Note is in addition to and not in substitution for or in limitation of any other agreement, right or other security by whomsoever given or at any time held by or for the benefit of the holders of Senior Indebtedness, and nothing in this Subordinated Note shall limit or prejudice any of the contractual, common law or other rights of holders of Senior Indebtedness or the contractual, common law or other priority of the Senior Indebtedness insofar as such rights or priority arises or exists outside of this Subordinated Note. In particular, the holders of Senior Indebtedness shall be entitled to:
  - (i) lend monies or otherwise extend credit or accommodations to the Payor or its affiliates as part of the Senior Indebtedness;
  - (ii) agree to any change in, amendment to, waiver of or departure from, any term of the documents evidencing any Senior Indebtedness, including, without limitation, any amendment, renewal, restatement or extension of any such agreement, or increase in the payment obligations of the Payor or its affiliates under any such documents;
  - (iii) take any security interests from the Payor or its affiliates;
  - (iv) grant time, renewals, extensions, releases, discharges or other indulgences or forbearances to the Payor or its affiliates in respect of the Senior Indebtedness;
  - (v) waive timely and strict compliance with or refrain from exercising any rights under or relating to the Senior Indebtedness;
  - (vi) acquire, give up, vary, exchange, release, discharge or otherwise deal with or fail to deal with any security interests relating to any Senior Indebtedness, or allow the Payor, its affiliates or any other person to deal with the property which is subject to such security interests, all as the holders of Senior Indebtedness may deem appropriate; and/or
  - (vii) abstain from taking, protecting, securing, registering, filing, recording, renewing, perfecting, insuring or realizing upon any security for any Senior Indebtedness, and no loss in respect of any of the security interests received or held for and on behalf of the holders of Senior Indebtedness, whether occasioned by fault, omission or negligence of any kind, whether of such holders or otherwise, shall in any way limit or impair the liability of the Holder or the rights of the holders of the Senior Indebtedness.

- (c) The Holder, upon receipt of the written request of the Payor, shall enter into and deliver such agreements and assurances as are reasonably necessary or desirable to provide any holder of Senior Indebtedness with confirmation of the subordination provided for under this Subordinated Note.
- (d) For the purposes of this Subordinated Note, "Senior Indebtedness" means any indebtedness, liability or obligation of whatsoever nature or kind of the Payor or its affiliates to Canadian Imperial Bank of Commerce, any other bank under the *Bank Act* (Canada) or any other financial institution or any affiliate thereof, unless in any case it is provided by the terms of the instrument creating or evidencing such indebtedness or pursuant to which such indebtedness is outstanding that such indebtedness is not prior in right of payment of this Subordinated Note but ranks *pari passu* with, or is subordinated in right of payment to, this Subordinated Note.

#### **8. Governing Law**

This Subordinated Note shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein. The Holder and Payor consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Subordinated Note.

#### **9. Enurement**

This Subordinated Note shall enure to the benefit of and be binding upon the Payor and the Holder and their respective successors and permitted assigns.

#### **10. Assignment**

Neither the Payor nor the Holder may assign, transfer, endorse, pledge or encumber this Subordinated Note without the written consent of the other, provided that the Holder shall be permitted to assign this Subordinated Note to Crown Capital Partner Funding, LP or an Affiliate thereof without the written consent of the Payor.

**[Remainder of Page Intentionally Left Blank; Signature Page Follows]**

DATED effective the \_\_\_\_ day of \_\_\_\_\_, 2019.

**CANADIAN LIQUOR RETAILERS ALLIANCE  
LIMITED PARTNERSHIP, by its general partner,  
CANADIAN LIQUOR RETAILERS ALLIANCE  
GP INC.**

Per:

\_\_\_\_\_  
Name:

Title:

Accepted and Agreed:

**FTI CONSULTING CANADA INC.  
IN ITS CAPACITY AS COURT-APPOINTED  
RECEIVER AND MANAGER OF THE ASSETS,  
PROPERTIES AND UNDERTAKINGS OF SOLO  
LIQUOR STORES LTD. AND SOLO LIQUOR  
HOLDINGS LTD. AND NOT IN ITS PERSONAL OR  
CORPORATE CAPACITY**

Per:

\_\_\_\_\_  
Name:

Title:

SCHEDULE 1.1(iii)

**FORM OF SUBORDINATED NOTE ASSIGNMENT AGREEMENT**

(attached)

**SUBORDINATED NOTE ASSIGNMENT AGREEMENT**

THIS SUBORDINATED NOTE ASSIGNMENT AGREEMENT (this "**Agreement**") is made as of the [●] day of [●], 2019,

BETWEEN:

**FTI CONSULTING CANADA INC.**, a corporation incorporated under the federal laws of Canada, in its capacity as the court-appointed receiver and manager of the assets, properties and undertakings of Solo Liquor Stores Ltd. ("**Solo Liquor Stores**") and Solo Liquor Holdings Ltd. ("**Solo Liquor Holdings**") and, together with Solo Liquor Stores, the "**Debtors**", and not in its personal or corporate capacity (the "**Vendor**")

- and -

**CROWN CAPITAL PARTNER FUNDING, LP**, a limited partnership formed under the laws of the Province of [Alberta] ("**Crown**")

WHEREAS:

- A. pursuant to the Receivership Order, among other things, the Vendor was appointed as receiver and manager of all of the assets, undertaking and properties of the Debtors acquired for, or used in relation to, the Solo Business, including all proceeds thereof;
- B. pursuant to an asset purchase agreement dated as of [●], 2019 (the "**Purchase Agreement**") between the Vendor and Canadian Liquor Retailers Alliance Limited Partnership (the "**Purchaser**"), the Purchaser acquired the Purchased Assets effective as of the date hereof in consideration for, among other things, the issuance by the Purchaser to the Vendor of an unsecured subordinated note dated as of the date hereof in the principal amount of \$10,000,000 (the "**Subordinated Note**");
- C. the Debtors are indebted to Crown in the aggregate principal amount of \$[●] (collectively with all interest thereon, the "**Debt**") pursuant to: (i) a special situations term loan provided by Crown to Solo Liquor Holdings on or about February 27, 2017; and (ii) indebtedness of the Debtors to ATB Financial ("**ATB**") in the principal amount of \$[●] pursuant to a commitment letter dated June 5, 2017 between, *inter alios*, ATB and the Debtors, as acquired by Crown from ATB pursuant to a loan purchase agreement dated as of [●], 2019 between Crown and ATB; and
- D. the Vendor wishes to assign the Subordinated Note to Crown as partial repayment of the Debt, and Crown wishes to accept such assignment of the Subordinated Note,

NOW THEREFORE, in consideration of the covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

## **ARTICLE I INTERPRETATION**

### **1.1 Interpretation**

In this Agreement (including the recitals hereto):

- (a) capitalized terms used but not defined herein shall have the meanings given to such terms in the Purchase Agreement;
- (b) the terms "this Agreement", "hereof", "herein", "hereunder" and similar expressions refer to this Agreement and not to any particular article, section, paragraph, clause or other portion hereof and include any agreement or instrument supplementary or ancillary hereto;
- (c) the headings are for convenience of reference only, do not form a part of this Agreement and are not to be considered in the interpretation of this Agreement;
- (d) all references to designated Articles, Sections and other subdivisions are to designated articles, sections and other subdivisions of this Agreement;
- (e) words importing the masculine gender include the feminine and neuter genders, corporations, partnerships and other persons, and words in the singular number include the plural and vice versa, wherever the context requires; and
- (f) all references to currency are references to lawful money of Canada.

## **ARTICLE II ASSIGNMENT OF SUBORDINATED NOTE**

### **2.1 Assignment of Subordinated Note**

- (a) Effective as of the date hereof, the Vendor hereby grants, assigns, transfers and sets over unto Crown all of its right, title and interest in, to and under the Subordinated Note in satisfaction of \$10,000,000 of the Debt.
- (b) The Creditor hereby accepts the assignment of the Subordinated Note pursuant to Section 2.1(a), and hereby acknowledges and agrees that \$10,000,000 of the Debt has been repaid in accordance with this Agreement.

## **ARTICLE III REPRESENTATIONS AND WARRANTIES**

### **3.1 Representations and Warranties of the Vendor**

The Vendor represents and warrants to Crown as follows and acknowledges that Crown is relying upon the accuracy of each of such representations and warranties in connection with the transactions contemplated herein:

- (a) the Vendor has, among other things, been appointed by the Court as receiver and manager of the property, assets and undertakings of the Debtors pursuant to the Receivership Order, and such appointment is valid and subsisting and has not been varied or amended, except as set forth in the Receivership Order;



- (b) the execution, delivery and performance of this Agreement by it does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any governmental authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by the Vendor of the transactions contemplated hereby;
- (c) this Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of the Vendor and is enforceable against the Vendor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws relating to creditors' rights generally and subject to general principles of equity;
- (d) no person, other than Crown, has any commitment, agreement, undertaking, option, warrant, right or privilege, whether by law, pre-emptive or contractual, absolute or contingent, which is capable of becoming an agreement or right for the acquisition or purchase from the Vendor of the Subordinated Note; and
- (e) the Vendor has not sold, transferred, assigned, pledged, hypothecated or otherwise encumbered or disposed of the Subordinated Note.

### 3.2 Representations and Warranties of Crown

The Creditor represents and warrants to the Vendor as follows and acknowledges that the Vendor is relying upon the accuracy of each of such representations and warranties in connection with the transactions contemplated herein:

- (a) it is a limited partnership duly formed and validly existing under the laws of the jurisdiction of its formation;
- (b) Crown Capital LP Partner Funding Inc. (the "**General Partner**"), the general partner of the Vendor, is a corporation duly incorporated and validly existing under the laws of the jurisdiction of its incorporation and, in its capacity as the general partner of Crown, has the requisite power and authority to enter into this Agreement and to complete the transactions contemplated hereby;
- (c) the General Partner, in its capacity as general partner of Crown, has taken all necessary corporate or other acts to authorize the execution, delivery and performance by it of this Agreement;
- (d) neither the execution of this Agreement nor its performance by the General Partner, in its capacity as the general partner of Crown, will result in a breach of any term or provision or constitute a default under any indenture, mortgage, deed of trust or any other agreement to which Crown or the General Partner is a party or by which it is bound which breach could materially affect the ability of Crown to perform its obligations hereunder;
- (e) the execution, delivery and performance of this Agreement by the General Partner, in its capacity as the general partner of Crown, does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any governmental authority, except where failure to obtain such consent, approval,

authorization or action, or to make such filing or notification, would not prevent or materially delay the consummation by Crown of the transactions contemplated hereby; and

- (f) this Agreement has been duly executed and delivered by the General Partner, in its capacity as the general partner of Crown, and constitutes a legal, valid and binding obligation of Crown and is enforceable against Crown in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws relating to creditors' rights generally and subject to general principles of equity.

#### **ARTICLE IV GENERAL**

##### **4.1 Further Assurances**

Each of the parties hereto from and after the date hereof until the Vendor's discharge shall, from time to time, and at the request and expense of the party requesting the same, do all such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the transactions contemplated by, and for more effectually carrying out the true intent and meaning of, this Agreement.

##### **4.2 Assignment**

This Agreement shall not be assigned by either party hereto without the prior written consent of the other party hereto and the Purchaser.

##### **4.3 Enurement**

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns. Except for the rights granted to the Purchaser pursuant to Sections 4.2 and 4.5, nothing herein, express or implied, is intended to confer upon any person, other than the parties hereto and their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

##### **4.4 Entire Agreement**

This Agreement constitutes the only agreement between the parties hereto with respect to the subject matter hereof, and shall supersede any and all prior negotiations and understandings with respect to the subject matter hereof.

##### **4.5 Amendments**

No modification or amendment to this Agreement may be made unless agreed to by the parties hereto, and consented to by the Purchaser, in writing.

##### **4.6 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein. The parties hereto consent to the jurisdiction and venue of the courts of Alberta for the resolution of any such dispute arising under this Agreement.

**4.7 Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision validity or enforceability in any other jurisdiction.

**4.8 Time of Essence**

Time shall be of the essence in this Agreement.

**4.9 Counterparts**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or other electronic means of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

**[Remainder of Page Intentionally Left Blank; Signature Page Follows]**

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

**FTI CONSULTING CANADA INC.**  
IN ITS CAPACITY AS COURT-APPOINTED  
RECEIVER AND MANAGER OF THE ASSETS,  
PROPERTIES AND UNDERTAKINGS OF SOLO  
LIQUOR STORES LTD. AND SOLO LIQUOR  
HOLDINGS LTD. AND NOT IN ITS PERSONAL OR  
CORPORATE CAPACITY

Per:

\_\_\_\_\_  
Name:

Title:

**CROWN CAPITAL PARTNER FUNDING, LP**, by  
its general partner, **CROWN CAPITAL LP  
PARTNER FUNDING INC.**

Per:

\_\_\_\_\_  
Name:

Title:

**SCHEDULE 1.1(nnnn)**

**FORM OF TRADEMARK ASSIGNMENT**

(attached)

## TRADEMARK ASSIGNMENT

TO: CANADIAN LIQUOR RETAILERS ALLIANCE LIMITED PARTNERSHIP, a limited partnership formed under the laws of the Province of Alberta with an address at [●] (the "**Purchaser**")

Further to the Asset Purchase Agreement dated [●], 2019 between the undersigned and the Purchaser (the "**Agreement**"), and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the undersigned, the undersigned hereby agrees and confirms that:

- A. the undersigned, a corporation formed under the federal laws of Canada having a principal place of business at [●], has, pursuant to the Agreement and the Approval and Vesting Order (as defined in the Agreement), assigned, conveyed, and otherwise transferred, and, to the extent not thereby assigned, conveyed and otherwise transferred, hereby assigns, conveys, and otherwise transfers, to the Purchaser all of the rights, title and interest whatsoever in and to the trademarks listed in Schedule A attached hereto, including without limitation, all goodwill in said trademarks, the registration thereto, all rights of registration, maintenance, renewal and protection thereof, and all rights of recovery and of legal action for past infringements and of opposition and/or cancellation proceedings for protection of the said trademark (collectively, the "**Trademarks**");
- B. the undersigned further agrees that on the Purchaser's reasonable request and without further consideration, but at the expense of the Purchaser, to sign all lawful papers, make all rightful oaths and generally do everything possible to aid the Purchaser, its successors, assigns, and nominees to obtain and enforce the Trademarks; and
- C. the undersigned has not entered into or authorized any assignment, sale, agreement or encumbrance that would conflict with this Trademark Assignment or the matters contemplated hereby.

**[Remainder of Page Intentionally Left Blank; Signature Page Follows]**

IN WITNESS WHEREOF the undersigned has executed this Trademark Assignment as of the [•] day of [•], 2019.

**FTI CONSULTING CANADA INC.**  
IN ITS CAPACITY AS COURT-APPOINTED  
RECEIVER AND MANAGER OF THE ASSETS,  
PROPERTIES AND UNDERTAKINGS OF  
SOLO LIQUOR STORES LTD. AND SOLO  
LIQUOR HOLDINGS LTD., AND NOT IN ITS  
PERSONAL OR CORPORATE CAPACITY

Per:

\_\_\_\_\_  
Name:

Title:

**SCHEDULE A**

**TRADEMARKS**

<b>Trademark</b>	<b>Owner</b>	<b>Registration No.</b>	<b>Jurisdiction</b>
SOLO LIQUOR	Solo Liquor Holdings Ltd.	TMA840688	Canada
SOLO LIQUOR STORES	Solo Liquor Holdings Ltd.	TMA840691	Canada
	Solo Liquor Holdings Ltd.	TMA840689	Canada
	Solo Liquor Holdings Ltd.	TMA846296	Canada
SOLO	Solo Liquor Holdings Ltd.	TMA854890	Canada
SELECTION, VALUE & EXPERIENCE	Solo Liquor Holdings Ltd.	TMA840687	Canada
TOAST TO PROSPERITY	Solo Liquor Holdings Ltd.	TMA840686	Canada



SCHEDULE 10.2(a)

FORM OF BRING-DOWN CERTIFICATE

**TO:** [Name of Vendor/Purchaser] [(the "Vendor")] [(the "Purchaser")]

**RE:** Asset Purchase Agreement dated [●], 2019 between the Vendor and the Purchaser (the "Agreement")

Unless otherwise defined herein, the definitions provided for in the Agreement are adopted in this certificate (the "Certificate").

I, [Name], [Position] of [Name of Vendor/Purchaser] [(the "Vendor")] [(the "Purchaser")] hereby certify that as of the date of this Certificate:

1. The undersigned is personally familiar, in [his][her] capacity as an officer of [Vendor][Purchaser], with the matters hereinafter mentioned.
2. Each of the representations and warranties of the [Vendor][Purchaser] contained in Section [6.1 / 6.2] of the Agreement were true and correct in all material respects when made and are true and correct in all material respects as of the Closing Date.
3. All obligations and covenants of [Vendor][Purchaser] contained in the Agreement to be performed or complied with prior to or at Closing have been timely performed or complied with in all material respects.
4. This Certificate is made for and on behalf of the [Vendor][Purchaser] and is binding upon it, and I am not incurring, and will not incur, any personal liability whatsoever with respect to it.
5. This Certificate is made with full knowledge that the [Vendor][Purchaser] is relying on the same for the Closing of the Transaction.

IN WITNESS WHEREOF I have executed this Certificate this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

[Name of Vendor/Purchaser]

Per: \_\_\_\_\_  
Name:  
Title:

# Appendix B

## 158 AB APA

## ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of the 22 day of May, 2019

### B E T W E E N:

FTI Consulting Canada Inc., solely in its capacity as the Court-appointed receiver and manager of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd. (collectively, the "Debtors" and individually, a "Debtor"), and not in its personal or corporate capacity (the "Seller")

- and -

1586638 Alberta Ltd and/or Nominee (the "Purchaser")

### RECITALS:

- A. Pursuant to an order of C.M. Jones of the Court of Queen's Bench of Alberta (the "Court") dated and filed May 1, 2019, the Seller was appointed receiver and manager of the Debtors (as such order may be amended or restated from time to time, the "Receivership Order", bearing Court File No. 1901-06027, and such proceedings, the "Receivership Proceedings").
- B. The Seller wishes to sell, and the Purchaser wishes to purchase, the Purchased Assets, and the Purchaser further wishes to assume certain liabilities in connection therewith, subject to the terms and conditions of this Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement, the Parties agree as follows:

### ARTICLE 1 INTERPRETATION

- 1.1 **Definitions.** In this Agreement, unless the context otherwise requires:
- (a) "Adjustments" means the adjustments to the Purchase Price provided for and determined pursuant to Section 3.4;
  - (b) "Affiliate" means, with respect to any Person, a Person directly or indirectly controlling, controlled by or under common control with such Person. For these purposes, "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise;
  - (c) "AGLC" means the Alberta Gaming, Liquor and Cannabis agency, which is the agency responsible for administering the *Gaming and Liquor Act*, and the regulations and policies related thereto;
  - (d) "Agreement" means this Asset Purchase Agreement and all attached Schedules, in each case as the same may be supplemented, amended, restated or replaced from time to time;
  - (e) "Approval and Vesting Order" means an order to be granted by the Court, substantially in the form of Approval and Vesting Order as attached in Schedule 1, with any amendments thereto to be acceptable to each of the Seller and the Purchaser, each acting reasonably, which authorizes, approves and confirms this Agreement and the sale of the Purchased Assets by the Seller to the Purchaser in accordance with the terms and conditions contained herein, and vests beneficial title to the Purchased Assets in the Purchaser free and clear of all Encumbrances, other than any Permitted Encumbrances;
  - (f) "Business" means the "Solo Liquor" retail liquor store business carried on by the Debtors at the Leased Premises prior to the Closing Date;
  - (g) "Closing" means the completion of the Transaction at the Closing Time;

- (h) "Closing Date" means the day that the Court Approval is obtained, or such later date as the Parties may agree, acting reasonably;
- (i) "Closing Documents" means all contracts, agreements and instruments required by this Agreement to be delivered at or before the Closing Time;
- (j) "Closing Time" means 10:00 a.m. (Mountain Standard Time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place;
- (k) "Court Approval" means the issuance of the Approval and Vesting Order by the Court;
- (l) "Encumbrance" means any security interest, lien, prior Claim, charge, hypothec, hypothecation, reservation of ownership, pledge, encumbrance, mortgage or adverse Claim of any nature or kind;
- (m) "Excluded Assets" means, without limitation, all property and assets of the Debtors or the Seller that are not exclusively used in relation to the Business and/or the Purchased Assets, and/or exclusively located at the Leased Premises, including without limitation, the following Property which is excluded from the Transaction and does not form part of the Purchased Assets:
  - (i) any real property interest of the Seller or the Debtors other than the Seller's rights and interest in the Leased Premises;
  - (ii) all of the Seller's and/or the Debtor's cash and cash equivalents including cash on hand or in banks or other similar depository;
  - (iii) the accounts receivable and all other trade debts due or accruing to the Seller in connection with the Business that originated prior to the Closing Date and the full benefit of all security therefor;
  - (iv) all intellectual property and associated rights of the Seller;
  - (v) the name "Solo Liquor" (or any variation thereof, any trademarks, trade names, logos or symbols related thereto);
  - (vi) point of sale (POS) system in the Leased Premises;
  - (vii) any refundable taxes previously paid by the Seller and any Claim or right of the Seller to any refund of taxes paid by the Seller;
  - (viii) computer hardware, software or associated instructions books or manuals;
  - (ix) employment contracts or contracts with consultants or contractors related to the Purchased Assets; and
  - (x) the Seller's rights under this Agreement;
- (n) "General Conveyance" means the form of general conveyance attached hereto as Schedule 2;
- (o) "GST" means the goods and services tax or harmonized sales tax payable pursuant to the *Excise Tax Act* (Canada) or any other statute in any other jurisdiction of Canada, as such statutes may be amended, modified or replaced from time to time, including any successor statute;
- (p) "Income Tax Act" means, collectively, the *Income Tax Act* (Canada) and the *Income Tax Regulations* (Canada), in each case as amended to the date hereof;
- (q) "Inventory" means the inventory located at the Leased Premises;

- (r) **"Lease"** means the lease agreement dated April 6, 2016 between a Debtor, as tenant, and North Haven Plaza Ltd., as landlord. Address: Solo North Haven 8, 4404 14 Street NW, Calgary, Alberta T2K 1J5
- (s) **"Leased Premises"** means the premises leased pursuant to the Lease;
- (t) **"Liabilities"** means any and all debts, liabilities and obligations of the Debtors, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any applicable law, Claim or governmental order, and those arising under any contract, agreement, arrangement, commitment or undertaking;
- (u) **"Loss"** means any and all loss, liability, damage, cost, charge, fine, penalty or assessment, including the costs and expenses of any legal proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith;
- (v) **"Permitted Encumbrances"** means:
- (i) inchoate or statutory liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of the construction, maintenance, repair or operation of the Purchased Assets (or any of them), provided that such liens are related to obligations not due or delinquent as of the date hereof or, if then due or delinquent, are being contested in good faith by the Seller or the Debtors;
  - (ii) the right reserved to or vested in any municipality, governmental authority or other public authority to control or regulate any of the Purchased Assets in any manner, including any directives or notices received from any municipality, governmental authority or other public authority pertaining to the Purchased Assets;
  - (iii) the terms and conditions of the Lease;
  - (iv) liens granted in the ordinary course of business to a public utility, municipality or governmental authority with respect to operations pertaining to any of the Purchased Assets; and
  - (v) any other Encumbrances set out as "Permitted Encumbrances" in the Court Approval;
- (w) **"Person"** means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, governmental authority or other entity however designated or constituted;
- (x) **"Property"** means all of the Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof;
- (y) **"Purchased Assets"** means all of the right, title and interest of the Debtors and the Seller in the following Property located at the Leased Premises:
- (i) Tangible Personal Property;
  - (ii) Inventory; and
  - (iii) Lease;

provided that "Purchased Assets" do not include any Excluded Assets;

- (z) **"Receiver's Certificates"** has the meaning given to such term in Paragraph 22 of the Receivership Order;
- (aa) **"Representative"** means, with respect to any Party, its Affiliates, and its and their respective directors, officers, servants, agents, advisors, employees and consultants;
- (bb) **"Tangible Personal Property"** means all machinery and equipment presently located at the Leased Premises, owned by the Seller and used in or relating to the Business including, without limitation, all racks, shelving, millwork, lighting, security systems and associated access codes, safe and combination and keys, coolers, compressors, shelving, furniture, security shutter and bars used or held by the Seller for use in, or relating to, the Business;
- (cc) **"Transaction"** means, collectively, the sale and purchase of the Purchased Assets pursuant to this Agreement and all other transactions contemplated by this Agreement that are to occur contemporaneously with the sale and purchase of the Purchased Assets; and
- (dd) **"Transfer Taxes"** means all present and future transfer taxes, sales taxes, harmonized sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a governmental authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets to the Purchaser, or payable upon completion of the Transaction, including GST, but excluding any taxes imposed or payable under the *Income Tax Act* and any other similar income tax legislation, including any interest, penalties and fines associated therewith.

## ARTICLE 2 PURCHASE AND SALE

- 2.1 Agreement to Purchase and Sell Purchased Assets.** On the Closing Date and subject to the terms and conditions of this Agreement (which conditions, for greater certainty, include the Court Approval), the Seller, exercising the powers of sale granted pursuant to the Receivership Order, hereby agrees to sell, assign, transfer, convey and set over to the Purchaser, and the Purchaser hereby agrees to purchase from the Seller, all of the right, title, estate and interest of the Seller (whether absolute or contingent, legal or beneficial), if any, in and to the Purchased Assets, as vested in the Seller and as they may exist, on an "as is, where is" basis, and such foregoing purchase shall be free and clear of all Encumbrances other than the Permitted Encumbrances.

## ARTICLE 3 PURCHASE PRICE AND RELATED MATTERS

- 3.1 Purchase Price.** Subject to the Adjustments provided for herein, the purchase price for the Purchased Assets with the exception of Inventory, exclusive of all applicable Transfer Taxes and cost of Inventory, shall be the aggregate of \$130,000.00 (the **"Purchase Price Excluding Inventory"**). Upon receipt of the Court Approval, the Purchaser and the Seller shall forthwith conduct a joint physical count of all the Inventory (the **"Inventory Count"**), and upon completion of the Inventory Count, the cost of the Inventory (**"Inventory Purchase Price"**, and together with the Purchase Price Excluding Inventory, the **"Purchase Price"**) will be determined pursuant to the books and records related thereto in the Seller's possession and/or at the Seller's sole discretion, acting reasonably. In the event that each Party's Inventory Count is different, the Parties shall conduct the Inventory Count again, and if there is still a difference in each Party's Inventory Count, the deemed Inventory Count shall be the average of both Inventory Counts.
- 3.2 Allocation of Purchase Price.** No later than five (5) business days prior to Closing, the Purchaser shall, acting reasonably and in good faith, prepare and deliver to the Seller a proposed allocation of the Purchase Price Excluding Inventory. Following delivery of same, the Parties shall use reasonable efforts to agree on such allocation at or prior to Closing. Such allocation shall be binding and the Purchaser and the Seller shall report the purchase and sale of the Purchased Assets and file all filings which are necessary or desirable under the Income Tax Act to give effect to such allocations and shall not take any position or action inconsistent with such allocation. If the Parties are unable to so agree on the allocation, such failure

shall not constitute a default for the purposes hereof by either Party and, subject to the other terms and conditions hereof, the Parties will proceed to Closing. In such case, each Party shall, in filing their respective tax return, be entitled to use an allocation of the Purchase Price Excluding Inventory as determined in its discretion.

**3.3 Payment of Purchase Price.** The Purchaser covenants and agrees to pay the Purchase Price in lawful money of Canada as follows:

- (a) the sum of \$13,000.00 (the "Deposit"), which is an amount equal to, or greater than, ten per cent (10%) of the Purchase Price Excluding Inventory. The Seller acknowledges that the Deposit was paid by the Purchaser to the Seller prior to or on May 31, 2019, and was deposited by the Seller. The Parties agree that the Deposit received by the Seller shall be releasable in accordance with this Agreement.
- (b) If Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit received by the Seller shall be retained by the Seller and credited against the Purchase Price, in partial satisfaction of the Purchaser's obligation to pay the Purchase Price at Closing.
- (c) If Closing does not occur:
  - (i) due to the conditions precedent in favour of the Purchaser set forth in Section 11.3 of this Agreement not having been satisfied or waived in accordance with the terms of this Agreement, the Deposit and any interest received by the Seller shall be returned by the Seller to the Purchaser and, subject to Section 10.2 of this Agreement, this Agreement shall thereupon terminate and each Party shall be released from all obligations and liabilities under or in connection with this Agreement; and
  - (ii) for any reason other than the conditions precedent in favour of the Purchaser as set forth in Section 11.3 of this Agreement not having been satisfied or waived in accordance with the terms of this Agreement, the Seller shall retain the Deposit as liquidated damages and not as a penalty and, subject to Section 10.2 of this Agreement, this Agreement shall thereupon terminate.
- (d) The Purchaser and the Seller hereby acknowledge and agree that, should Closing not occur for any reason provided in Section 3.3(c)(ii), the Seller will suffer and incur damages that cannot be precisely calculated, and will therefore be entitled to retain the Deposit pursuant to Section 3.3(c)(ii) as liquidated damages, and not as a penalty, the Deposit being a genuine pre-estimate of the damages that will be suffered by the Seller as contemplated by this Section 3.3(d). The Purchaser expressly waives any present or future right, at law or in equity, that would prohibit or may prohibit the retention of the Deposit as liquidated damages by the Seller in connection with Closing not occurring after the satisfaction or waiver of the conditions precedent in favour of the Purchaser set forth in Section 11.3 of this Agreement and the Purchaser and the Seller expressly covenant and agree that the Purchaser be and is hereby estopped from making any Claim to challenge the retention of the Deposit by the Seller in the manner contemplated by Section 3.3(c)(ii) of this Agreement;
- (e) The Purchaser shall pay to the Seller at Closing, by electronic wire transfer, the remaining portion of Purchase Price plus any and all applicable taxes and fees payable under Article 3 (collectively referred to as, the "Closing Payment").

**3.4 Adjustments**

- (a) **Costs and Revenues to be Apportioned.** Except as otherwise provided in this Agreement, all costs and expenses relating to the Purchased Assets and all revenues relating to the Purchased Assets shall be apportioned as of the Closing Date between the Seller and the Purchaser on an accrual basis in accordance with generally accepted accounting principles. No adjustments to the Purchase Price will be made for any change in condition, value, quantity or quality of the

Purchased Assets, or with respect to Purchaser's ability to obtain any consents pursuant to Section 8.1.

- (b) **Statement of Adjustments** - A statement of adjustments showing a breakdown of the Adjustments for the Purchased Assets (the "Statement of Adjustments") to which there will be annexed details of the calculations made thereon shall be delivered to the Purchaser by the Seller at least five (5) business days prior to Closing, and shall include without limitation, prepayment, prepaid rent, security deposits, and rents.

- 3.5 **Transfer Taxes.** The Parties agree that the Purchase Price payable by the Purchaser to the Seller pursuant to this Agreement does not include any Transfer Taxes and all Transfer Taxes are the responsibility of and for the account of the Purchaser. The Purchaser and the Seller agree to cooperate to determine the amount of Transfer Taxes payable in connection with the Transaction. If the Seller is required by applicable law or by administration thereof to collect any applicable Transfer Taxes from the Purchaser, the Purchaser shall pay such Transfer Taxes to the Seller on Closing, unless the Purchaser qualifies for an exemption from any such applicable Transfer Taxes or has the right under applicable law to self-assess and remit, as the case may be, in which case the Seller shall not collect any such applicable Transfer Taxes from the Purchaser, provided that the Purchaser, in lieu of payment of such applicable Transfer Taxes to the Seller, delivers to the Seller such certificates, elections, undertakings, indemnities or other documentation required by applicable law or the administration thereof or by the Seller to substantiate and affect the exemption claimed by the Purchaser or its right to self-assess and remit, as the case may be. The Purchaser does hereby indemnify the Seller and the Debtors against any Claims which may arise in connection with such Transfer Taxes, and the Purchaser further agrees to pay all such amounts including interest and penalties, if any, upon written request by the Seller provided in accordance with the provisions of Section 12.3 hereof.

#### ARTICLE 4 STATUS OF THE PURCHASED ASSETS

- 4.1 **"As-is Where-is".** The Purchased Assets, are being sold on an "as is, where is" basis as of the Closing and in their condition as of Closing with "all faults" and, except as expressly set forth in this Agreement:
- (a) neither the Seller, nor its Representatives make, have made or shall be deemed to have made any other representation or warranty, express or implied, at law or in equity, in respect of the Business or any of the Purchased Assets, including with respect to:
- (i) title, encumbrances, description, fitness for purpose, merchantability, condition, assignability, collectability, quantity, outstanding amount, value or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Seller to sell same and without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to any *Sale of Goods Act* or similar legislation in any jurisdiction in Canada shall not apply hereto and shall be deemed to have been waived by the Purchaser;
  - (ii) the operation of the Purchased Assets by the Purchaser after the Closing in any manner; or
  - (iii) the probable success or profitability of the business of the Purchaser relating to the Purchased Assets after the Closing, and
- (b) neither the Seller, nor its Representatives will have or be subject to any liability or indemnification obligation to the Purchaser or to any other person resulting from the distribution to the Purchaser, its Affiliates or Representatives of, or the Purchaser's use of, any information relating to the Business, and any information, documents or material made available to the Purchaser, whether orally or in writing, in certain "data rooms", management presentations, functional "break-out" discussions, responses to questions submitted on behalf of the Purchaser or in any other form in expectation of the transactions. Any such other representation or warranty is hereby expressly disclaimed.



- 4.2 **Waiver.** The provisions of Section 4.1 shall operate as waivers of any claims in tort as well as under the law of contract against the Seller and/or the Debtors.

**ARTICLE 5  
REPRESENTATIONS AND WARRANTIES BY THE SELLER**

The Seller represents and warrants to the Purchaser and acknowledges that the Purchaser is relying upon the following representations and warranties in connection with its purchase of the Purchased Assets:

- 5.1 **Validly Appointed & Due Authorization and Enforceability of Obligations.** The Seller has been validly appointed by the Court as receiver and manager of the Property pursuant to the Receivership Order. Subject to Court Approval being obtained and being entered, the Seller has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of each of this Agreement, the Closing Documents and the consummation of the Transaction has been duly authorized by all necessary corporate action of the Seller. This Agreement has been, and at the Closing Time the Closing Documents will be, duly executed and delivered by the Seller and constitutes a valid and binding obligation of the Seller enforceable against it in accordance with its terms, as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.
- 5.2 **Right to Sell, and Title to, Purchased Assets.** The Debtors are the registered owners of their respective Purchased Assets to which they hold title. At the Closing, the Seller shall convey to the Purchaser all of the Debtors' right, title and interest in and to the Purchased Assets, free and clear of all Encumbrances, other than the Permitted Encumbrances.
- 5.3 **No Other Representations, Warranties or Covenants.** All of the Purchased Assets are being purchased on an "as is where is" basis. Unless and solely to the extent expressly set forth in this Agreement, no representation, warranty or covenant is expressed or implied by the Seller, including any warranties as to title, Encumbrances, description, merchantability or fitness for a particular purpose, environmental compliance, condition, quantity or quality, or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Seller to sell or assign the same. The disclaimer in this Section 5.3 is made notwithstanding the delivery or disclosure to the Purchaser or its Representatives of any documentation or other information.

**ARTICLE 6  
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

The Purchaser represents and warrants to the Seller as follows, and acknowledges that the Seller is relying upon the following representations and warranties in connection with its sale of the Purchased Assets:

- 6.1 **Existence & Due Authorization and Enforceability of Obligations.** The Purchaser is a corporation duly organized and validly existing under the laws of its jurisdiction of organization and is authorized to carry on business in the provinces in which the Purchased Assets are located. The Purchaser has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action of the Purchaser. This Agreement has been duly executed and delivered by the Purchaser and constitutes a valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity. At the Closing Time, the Closing Documents required by this Agreement to be delivered by the Purchaser will be duly executed and delivered by the Purchaser and will constitute a valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.
- 6.2 **Approvals and Consents.** Except for Court Approval or as otherwise expressly set forth herein, no authorization, consent or approval of, or filing with or notice to, any governmental authority or any other

Person is required in connection with the execution, delivery or performance of this Agreement by the Purchaser and each of the Closing Documents to be executed and delivered by the Purchaser hereunder or the purchase of any of the Purchased Assets hereunder. Provided the Court Approval is obtained, this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their terms.

- 6.3 **Tax Registrant.** The Purchaser is a registrant for GST purposes in accordance with the *Excise Tax Act* (Canada) and its registration number for such purposes is 822320206RT0001.
- 6.4 **No Additional Due Diligence.** The Purchaser acknowledges and agrees that: (a) it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets prior to the execution of this Agreement; (b) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets; (c) it is not relying upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied, (by operation of law or otherwise), regarding the Purchased Assets or the completeness of any information provided in connection therewith, except as expressly stated in this Agreement; and (d) the obligations of the Purchaser under this Agreement are not conditional upon any additional due diligence.
- 6.5 **Brokers.** No broker, finder or investment banker is entitled to any brokerage commission, finder's fee or other similar payment in connection with the Transaction based upon arrangement made by or on behalf of the Purchaser.

#### ARTICLE 7 INDEMNITIES FOR REPRESENTATIONS AND WARRANTIES

- 7.1 **Purchaser's Indemnities for Representations and Warranties.** The Purchaser shall be liable to the Seller for and shall, in addition, indemnify the Seller from and against, all Losses suffered, sustained, paid or incurred by the Seller insofar as such Losses are a result of any act, omission, circumstance or other matter arising out of, resulting from, attributable to or connected with a breach of the representations and warranties contained in Article 6.

#### ARTICLE 8 ADDITIONAL AGREEMENTS OF THE PARTIES

8.1 **Approvals and Consents.**

- (a) The Seller and the Purchaser shall:
- (i) as soon as reasonably possible following the date hereof, make all such filings and seek all such consents, approvals, permits and authorizations with any other governmental authorities whose consent is required for consummation of the Transaction, including without limitation, from AGLC, and the Purchaser will request any expedited processing available; and
  - (ii) use commercially reasonable efforts to seek all consents, approvals or authorizations required in connection with the assignment of the Purchased Assets in accordance with this Agreement to the Purchaser.
- (b) The Purchaser shall, at the Seller's request, furnish the Seller with copies of such documents and information with respect to the Purchaser, including financial information, as the Seller may reasonably request in connection with the obtaining of any consents, approvals, permits and authorizations contemplated by Section 8.1(a).
- (c) Both before and after Closing, the Purchaser shall be solely responsible for obtaining any and all approvals required under applicable law and any and all consents of third parties required to permit the Transaction and for use of the Purchased Assets thereafter. The Parties acknowledge that the acquisition of such consents shall not be a condition precedent to Closing. The Purchaser

shall indemnify the Seller for any Losses incurred by the Seller as a result of the Purchaser's failure to obtain any such consent. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all financial assurances, remedial work or other documentation required by governmental authorities to permit the transfer to the Purchaser, and registration of the Purchaser as owner, of any of the Purchased Assets.

- (d) The Purchaser will use its reasonable commercial efforts to assist the Seller in obtaining the consent and will provide reasonably required documentation other evidence to support its ability to provide adequate assurance of future performance of the Lease.

**8.2 Permitted Encumbrances.** The Purchaser agrees to accept title to the Purchased Assets subject to all of the Permitted Encumbrances. The Purchaser covenants and agrees to satisfy itself as to compliance with all of the Permitted Encumbrances and the Seller shall not be required to provide letters or certificates of compliance or any releases or partial releases of same.

**8.3 Compliance with Permitted Encumbrances and applicable laws.** The Purchaser covenants and agrees:

- (a) to assume on Closing and be bound by and to comply with all provisions of the Permitted Encumbrances, at the Purchaser's sole cost and expense, and the Purchaser hereby covenants and agrees with the Seller to discharge, perform and fulfill all terms, covenants, provisos, conditions, stipulations, obligations and liabilities of the Seller and Debtors under the Permitted Encumbrances, whether arising before or after the Closing, in the same manner and to the same extent as if the Purchaser had executed the same in the place and stead of the Seller and/or the Debtors, as applicable. The Purchaser shall indemnify and hold harmless the Seller with respect thereto, whether or not such compliance or non-compliance occurs before, on or after Closing. If required by the provisions of any Permitted Encumbrances, or by any party to any Permitted Encumbrances, the Purchaser shall enter into an agreement directly with the other parties to such Permitted Encumbrances confirming such assumption; and
- (b) to assume on Closing, at the Purchaser's sole cost and expense, complete responsibility for compliance with all applicable laws which apply to the Purchased Assets and the use thereof by the Purchaser. The Purchaser shall indemnify and hold harmless the Seller with respect thereto, whether or not such compliance or non-compliance occurs before, on or after Closing.

**8.4 Post-Closing Date Indemnity.** Provided that Closing has occurred, the Purchaser shall: (a) be solely liable and responsible for any and all Losses which the Seller may suffer, sustain, pay or incur; and (b) indemnify, release and save harmless the Seller and its Representatives from any and all Losses, actions, proceedings and demands, whatsoever which may be brought against or suffered by the Seller or which it may sustain, pay or incur, as a result of any matter or thing resulting from, attributable to or connected with the ownership or operation of the Purchased Assets, to the extent that such Losses related thereto arise or occur after the Closing Date.

**8.5 Covenant Regarding Confidential Information.** On or prior to Closing, the Seller may request any Person, including the Purchaser or its Representatives, that was furnished confidential information of the Seller and/or the Debtors to return or destroy all such information, and such Person shall return or destroy all such information, as applicable.

**8.6 Liability of the Parties.** The Purchaser acknowledges and agrees that in all matters pertaining to this Agreement, including in its execution, the Seller is acting solely in its capacity as a receiver and manager of the Debtors and, as such, its liability under this Agreement, if any, will be in its capacity as a receiver manager, and the Seller and its Representatives shall have no personal or corporate liability of any kind, whether in contract, in tort or otherwise and in no circumstance will the Seller be liable for any consequential damages including loss of profit.

**8.7 Release.** Notwithstanding any other provisions of this Agreement, effective as of the Closing Time, each of the Purchaser and the Seller, on behalf of itself and its Affiliates, does hereby forever release and discharge such other Party and its Affiliates and their respective present and former direct and indirect shareholders,

officers, directors, employees, advisors (including, without limitation, financial advisors and legal counsel) and agents (collectively, the "Released Parties") from any and all demands, claims, liabilities, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, indebtedness, liens of whatever nature (collectively, "Claims") based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Closing Time relating to, arising out of or in connection with, the Purchased Assets, save and except for Claims: (i) under this Agreement or any document ancillary thereto; or (ii) arising out of fraud, bad faith or illegal acts (unless such Party believed in good faith that its conduct was legal) of or by the Released Parties.

- 8.8 Intellectual Property.** The Purchaser hereby covenants and agrees that it does not have the right to and will not use the name "Solo" and the intellectual property of the Seller (including in respect of the Leased Premises, all signage, advertising, logos, branding or otherwise). The Purchaser acknowledges that the name "Solo" and the intellectual property of the Seller is in the midst of being sold to a third party, and therefore, all signage, advertising, logos, branding or otherwise related to same shall be removed forthwith upon Closing.

#### ARTICLE 9 COURT APPROVAL

**9.1 Approval and Vesting Order.**

- (a) The Seller shall file a motion with the Court for the Court Approval. Such motion shall be scheduled for a date that is on or before **June 17, 2019**.
- (b) The Purchaser shall cooperate with the Seller acting reasonably, as may be necessary, in obtaining the Court Approval.

#### ARTICLE 10 TERMINATION

**10.1 Termination.** This Agreement may be terminated at any time prior to Closing as follows:

- (a) subject to any approvals required from the Court or otherwise pursuant to the Receivership Proceedings, by mutual written consent of the Seller and the Purchaser;
- (b) by either Party, upon written notice to the other, if a governmental authority issues an order prohibiting the Transaction contemplated hereby, which order shall have become final and non-appealable; and
- (c) by either Party, upon written notice to the other Party, if there has been a material violation or breach by the other Party of any covenant, representation or warranty which would prevent the satisfaction of any condition set forth in Sections 11.2 and/or 11.3 or 11.4, as applicable, on the Closing Date and such violation or breach has not been waived by the Party or cured within five (5) days after written notice thereof from the Party, unless that Party is in material breach of its obligations under this Agreement.

**10.2 Effect of Termination.** In the event of termination of this Agreement pursuant to Section 10.1, this Agreement shall forthwith become null and void, and nothing herein shall relieve any Party from liability for any breach of this Agreement, or to impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement.

#### ARTICLE 11 CLOSING

**11.1 Location and Time of Closing.** The Closing shall take place at 10:00 a.m. on the Closing Date at the offices of the Seller's legal counsel, Torys LLP, in Calgary, Alberta or at such other time on the Closing Date or such other place as may be agreed orally or in writing by the Seller and the Purchaser.

**11.2 Mutual Conditions.** The respective obligations of the Purchaser and of the Seller to consummate the Transaction are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the following conditions:

- (a) the Court Approval shall have been entered by the Court and shall not have been stayed, vacated or appealed and no order shall have been issued which restrains or prohibits the completion of the Transaction; and
- (b) there shall be no order issued by any governmental authority delaying, restricting or preventing, and no pending or threatened Claim, judicial or administrative proceeding, or investigation against any Party by any Person, for the purpose of enjoining, delaying, restricting or preventing the consummation of this Transaction, or otherwise claiming that this Agreement or the consummation of the Transaction is improper or would give rise to proceedings under any applicable law.

The foregoing conditions are for the benefit of all Parties and non-satisfaction or non-performance of any such condition may only be waived by no less than all of them, in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which they each may have. Any such waiver is only binding on a Party if it is made in writing; however, no Party shall be able to delay or prevent Closing due to non-satisfaction of these mutual conditions due to a breach of this Agreement by that Party.

**11.3 Purchaser's Conditions.** The obligation of the Purchaser to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver by the Purchaser of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Purchaser):

- (a) the representations and warranties of the Seller in Article 5 shall be true and correct at the Closing;
- (b) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Seller on or before the Closing Date shall have been complied with or performed in all material respects;
- (c) the Purchaser shall have received a Statement of Adjustments, if applicable, at least five (5) business days prior to Closing;
- (d) the Purchaser shall have received a written confirmation of the amount of the Inventory Purchase Price it is obligated to pay hereunder;
- (e) the Purchaser, jointly with the Seller, shall have completed the Inventory Count;
- (f) the Seller shall deliver, or cause to be delivered, at Closing the following:
  - (i) all keys and pass codes to the Leased Premises in the Seller's actual possession;
  - (ii) a certified true copy of the Court Approval, as issued by the Court;
  - (iii) the Receiver's Certificate (as defined in the Approval and Vesting Order) executed by the Seller;
  - (iv) the General Conveyance in the form attached as Schedule 2, duly executed by the Seller;
  - (v) a receipt for the Closing Payment, as adjusted herein;
  - (vi) assignment and assumption of the Lease; and
  - (vii) any other documents reasonably requested by the Purchaser in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement; and

- (g) the Purchased Assets shall be assigned and transferred to the Purchaser free and clear of all Encumbrances, other than Permitted Encumbrances, in accordance with the Court Approval.

**11.4 Seller's Conditions.** The obligation of the Seller to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver where applicable, by the Seller of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Seller):

- (a) the representations and warranties of the Purchaser in Article 6 shall be true and correct at the Closing;
- (b) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser on or before the Closing Date shall have been complied with or performed in all material respects;
- (c) the Seller, jointly with the Purchaser, shall have completed the Inventory Count;
- (d) the Purchaser shall deliver, or cause to be delivered, at Closing the following:
  - (i) a proposed allocation of the Purchase Price Excluding Inventory at least five (5) business days prior to Closing;
  - (ii) the Purchaser shall have paid to the Seller all amounts required to be paid by it under this Agreement in the form stipulated in this Agreement, including the Closing Payment as adjusted herein plus applicable Transfer Taxes, and the cost of inventory;
  - (iii) the General Conveyance in the form attached as Schedule 2, duly executed by the Purchaser;
  - (iv) if required by the provision of any Permitted Encumbrances or by any party to any Permitted Encumbrances, an individual assumption agreement in a form required by such Permitted Encumbrances; and
  - (v) any other documents reasonably requested by the Seller in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement, including without limitation:

**11.5 Transfer of Purchased Assets.** Provided that Closing occurs, and subject to all other provisions of this Agreement, possession, risk and beneficial ownership of the Seller's interest in and to the Purchased Assets shall transfer from the Seller to the Purchaser on the Closing Date, in accordance with the Court Approval.

## ARTICLE 12 GENERAL MATTERS

**12.1 Survival.** The representations and warranties of the Seller in this Agreement or in any agreement, document or certificate delivered pursuant to or in connection with this Agreement or the Transaction are set forth solely for the purpose of Section 11.3 and none of them shall survive Closing. The Seller shall have no liability, whether before or after the Closing, for any breach of the Seller's representations, and the Purchaser acknowledges that its exclusive remedy for any such breach shall be termination of this Agreement prior to the Closing (but only if permitted by Section 10.1).

**12.2 Assignment.** Neither this Agreement nor any of the rights or obligations under this Agreement, are assignable or transferable by a Party without the prior written consent of the other Party.

**12.3 Notices.** All notices and communication hereunder shall be in writing and shall be deemed given: (a) when delivered personally or by commercial messenger or courier services; (b) three business days following the mailing thereof by registered certified mail (return receipt requested); or (c) when transmitted by facsimile

or e-mail, in each case, to a Party at the contact information as shown below the signature of such Party on the signature page of this Agreement (or at such other address for a Party as shall be specified by like notice or, if specifically provided for elsewhere in this Agreement).

- 12.4 Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto relating to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether verbal or written, of the parties.
- 12.5 No Merger.** The covenants, agreements, acknowledgements, representations, warranties and indemnities of the Seller contained in this Agreement shall be deemed to apply to, and shall not merge in, any documents delivered in furtherance of the provisions hereof notwithstanding the terms of such documents or any rule of law, equity or statute to the contrary, all such rules being waived.
- 12.6 Further Assurances.** The parties hereto and each of them do hereby covenant and agree to do such things and execute such further documents, agreements and assurances as may be necessary or advisable from time to time in order to carry out the terms and conditions of this Agreement in accordance with their true intent.
- 12.7 Consequential Damages.** Neither party shall be liable to the other party for any punitive or exemplary damages, loss of profits, loss of production, loss of business or mineral rights or business interruptions which may be suffered by either party, as the case may be, and which arise out of or in connection with this Agreement.
- 12.8 Confidentiality.** Each Party shall treat confidentially and not disclose, and shall cause each of its Representatives to treat confidentially and not disclose, other than as expressly contemplated by this Agreement, any confidential information of the other Party. Either Party may disclose confidential information only to those of its Representatives who need to know such confidential information for the purpose of implementing the Transaction. Neither Party shall use, nor permit its Representatives to use, confidential information for any other purpose nor in any way that is, directly or indirectly, detrimental to the other Party.
- 12.9 Amendments and Waiver.** All amendments to this Agreement, and all waivers of any provision, or the breach of any provision, of this Agreement, shall be made in a written instrument signed by both of the parties. A waiver shall affect only the matter specifically identified in the instrument granting the waiver and shall not extend to any other matter, provision or breach.
- 12.10 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the parties hereto hereby submit to the exclusive jurisdiction of the courts in the Province of Alberta.
- 12.11 Counterparts; Electronic Signatures.** This Agreement may be signed in counterparts and electronically and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument.

*[Remainder of page intentionally blank]*

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

**1586638 Alberta Ltd and/or Nominee**

**FTI Consulting Canada Inc., solely in its capacity as the Court-appointed receiver and manager of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd., and not in its personal capacity or corporate capacity**

By: Gurmukh Gahunian

Name: Gurmukh Gahunian  
Title: Director

Address: 224 Macewan Park View NW,  
Calgary Alberta T3K 4K2

Attention: Gurmukh Gahunian  
Facsimile: \_\_\_\_\_  
Email: canadahappy@yahoo.com

By: [Signature]

Name: Dustin Olver  
Title: Managing Director

Address: \_\_\_\_\_

Attention: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
Email: \_\_\_\_\_



**SCHEDULE 1**

**FORM OF APPROVAL AND VESTING ORDER**

(See attached)

COURT FILE NUMBER	1901-06027	Clerk's Stamp
COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	CALGARY	
PLAINTIFF	<b>ATB FINANCIAL</b>	
DEFENDANTS	<b>SOLO LIQUOR STORES LTD., SOLO LIQUOR HOLDINGS LTD., GENCO HOLDINGS LTD., PALI BEDI, JASBIR SINGH HANS and TARLOK SINGH TATLA</b>	
DOCUMENT	<b>APPROVAL AND VESTING ORDER</b>	

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
 Torys LLP  
 Suite 4600, 525 - 8<sup>th</sup> Avenue SW  
 Calgary, AB T2P 1G1

Attention: Kyle Kashuba  
 Telephone: +1 403 776 3744  
 Facsimile: +1 403 776 3800  
 Email: [kkashuba@torys.com](mailto:kkashuba@torys.com)  
 File Number: 39586-2004

(a)  
**DATE ON WHICH ORDER WAS PRONOUNCED:** \_\_\_\_\_  
**LOCATION WHERE ORDER WAS PRONOUNCED:** \_\_\_\_\_  
**NAME OF JUSTICE WHO MADE THIS ORDER:** \_\_\_\_\_

**UPON THE APPLICATION** by FTI Consulting Canada Inc. in its capacity as the Court-appointed receiver and manager (the "Receiver") of the undertakings, property and assets of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd. (together, the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and [Name of Purchaser] (the "Purchaser") dated [Date] and appended to the \_\_\_\_ Report of the Receiver dated [Date] (the "Report"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets");

**AND UPON HAVING READ** the Receivership Order dated [Date] (the "Receivership Order"), the Report and the Affidavit of Service of [■]; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser and other interested parties [appearing, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed];

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.<sup>1</sup>

**APPROVAL OF TRANSACTION**

2. The Transaction is hereby approved<sup>2</sup> and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser.

**VESTING OF PROPERTY**

3. Upon delivery of a Receiver's certificate to the Purchaser substantially in the form set out in Schedule "A" hereto (the "Receiver's Closing Certificate"), all of the Debtor's right, title and interest in, to and under the Purchased Assets shall vest absolutely in the name of the Purchaser, free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "Claims")<sup>3</sup> including, without limiting the generality of the foregoing:
  - a. any encumbrances or charges created by the Receivership Order;

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<sup>1</sup> Ensure that the application and supporting materials are served on all affected parties including those whose interests will be vested off.

<sup>2</sup> In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding. If supported by evidence, the following sentence could be added at the beginning of paragraph 2: "The Transaction and Sale Agreement are commercially reasonable and in the best interest of the Debtor and its stakeholders."

<sup>3</sup> The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims may, in some cases, continue as against the net proceeds from sale of the claimed assets. In other cases, the ownership claimant may object to its ownership interest being vested out of the claimed assets. For example, it not clear that vesting orders can vest out overriding royalties or restrictive covenants which are interests in land. (In *Third Eye Capital Corp. v Dianor Resources Inc.*, 2018 ONCA 253 at paragraphs 108-130 the Ont. C.A. requested further argument regarding whether an overriding royalty which is an interest in land may nevertheless be vested out.) Similarly, other claimed rights, titles or interests may potentially be vested out if the Court is advised what rights are being affected and the affected persons are served. The Committee agrees with the view of the Ontario Committee that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

- b. any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
- c. any liens or claims of lien under the *Builders' Lien Act* (Alberta); and
- d. those Claims listed in Schedule "B" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the Permitted Encumbrances (when used herein, such term shall have the same meaning as defined in the Sale Agreement)

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

4. With respect to the Purchased Assets that is a Lease (as defined in the Sale Agreement and hereinafter the "Lease"), upon delivery of the Receiver's Closing Certificate, the Purchaser shall be entitled to all of the rights and benefits of the Lease as if it were the original tenant and there were no previous defaults and shall be subject to all of the obligations as tenant pursuant to the terms of the Lease for the period commencing from and after the delivery of such Receiver's Closing Certificate and may enter into and upon and hold and have quiet enjoyment of such premises contemplated by the Lease and, if applicable, any renewals thereof, for its own use and benefit, all in accordance with the terms of the Lease, without any interruption from the Vendor, the landlord under the Lease or any person whatsoever claiming through or under any of the Vendor or the landlord under the Lease.
5. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "Governmental Authorities") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing the Registrar of the Alberta Personal Property Registry (the "PPR Registrar") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
6. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.

7. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
8. For the purposes of determining the nature and priority of Claims, net proceeds<sup>4</sup> from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.
9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta Employment Standards Code, the Purchaser shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.<sup>5</sup>
10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser.
11. The Purchaser shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.

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<sup>4</sup> The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".

<sup>5</sup> Successor employer liability is governed by section 5 of the *Employment Standards Code*, RSA 2000 c. E-9 as amended. Inclusion of the words "or by statute" in paragraph 9 ensures that paragraph 9 does not purport to abrogate statutory successor employee liability.

12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.<sup>6</sup>
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser.
14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act (Canada)* and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtor is entitled.

#### MISCELLANEOUS MATTERS

15. Notwithstanding:
  - a. the pendency of these proceedings and any declaration of insolvency made herein;
  - b. the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "BIA"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
  - c. any assignment in bankruptcy made in respect of the Debtor; and
  - d. the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. The Receiver, the Purchaser and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign

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<sup>6</sup> The terms of the Permitted Encumbrance and Sale Agreement should be reviewed to determine whether an encumbrance also constitutes a charge against other assets not being sold (in addition to the Purchased Assets.) In that circumstance, absent agreement of the encumbrancer to the contrary, the Debtor may not be fully discharged so the encumbrancer does not lose its charge over the other assets it holds as security. Do not add the words "or the Debtor" to the end of paragraph 12 if an encumbrancer's claim against the Debtor should be reserved.

jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, 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 order and to provide such assistance to the Receiver, as an officer of the 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.

18. Service of this Order shall be deemed good and sufficient by:

- a) Serving the same on:
  - i. the persons listed on the service list created in these proceedings;
  - ii. any other person served with notice of the application for this Order;
  - iii. any other parties attending or represented at the application for this Order;
  - iv. the Purchaser or the Purchaser's solicitors; and
- b) Posting a copy of this Order on the Receiver's website at: \*

and service on any other person is hereby dispensed with.

19. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

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Justice of the Court of Queen's Bench of Alberta

**Schedule "A"**

**Form of Receiver's Certificate**

COURT FILE NUMBER

Clerk's Stamp

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

PLAINTIFF

DEFENDANT

DOCUMENT

**RECEIVER'S CERTIFICATE**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT

**RECITALS**

- A. Pursuant to an Order of the Honourable Justice [Name] of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Court") dated [Date of Order], FTI Consulting Canada Inc. was appointed as the receiver and manager (the "Receiver") of the undertakings, property and assets of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd. (together, the "Debtor").
- B. Pursuant to an Order of the Court dated [Date], the Court approved the agreement of purchase and sale made as of [Date of Agreement] (the "Sale Agreement") between the Receiver and [Name of Purchaser] (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in [Article 11] of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in [Article 11] of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.



4. This Certificate was delivered by the Receiver at [Time] on [Date].

**FTI Consulting Canada Inc., in its capacity as Receiver of the undertakings, property and assets of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd., and not in its personal capacity.**

**Per; \_\_\_\_\_**

**Name:**

**Title:**

**Schedule "B"**

**Claims**

**SCHEDULE 2  
GENERAL CONVEYANCE**

THIS GENERAL CONVEYANCE made as of this 22 day of May, 2019.

**BETWEEN:**

**FTI Consulting Canada Inc.**, solely in its capacity as the Court-appointed receiver and manager of Solo Liquor Stores Ltd. ("SLS"), a corporation organized pursuant to the laws of the Province of Alberta, Canada and Solo Liquor Holdings Ltd. (together with SLS, the "**Debtors**"), a corporation organized pursuant to the laws of the Province of Alberta, Canada, and not in its personal or corporate capacity (the "**Seller**")

- and -

[Insert name of Purchaser]., [limited partnership formed under the laws of the Province of Alberta/ a corporation incorporated under the laws of the Province of Alberta] (the "**Purchaser**")

**WHEREAS** pursuant to an order of C.M. Jones of the Court of Queen's Bench of Alberta (the "**Court**") dated and filed May 1, 2019 (the "**Receivership Order**"), the Seller was appointed receiver and manager of all of the Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof;

**AND WHEREAS** the Seller has agreed to sell and convey the Seller's entire right, title, estate and interests in the Purchased Assets (as defined in the Purchase Agreement) to the Purchaser, and the Purchaser has agreed to purchase and accept all of the Seller's right, title, estate and interest in and to the Purchased Assets, subject to and in accordance with the terms and conditions contained in the Purchase Agreement (as defined herein);

**NOW THEREFORE** for the consideration provided in the Purchase Agreement and in consideration of the premises hereto and the covenants and agreements hereinafter set forth and contained, the Parties covenant and agree as follows:

**1. Definitions**

In this General Conveyance, including the recitals hereto, the definitions set forth in the Purchase Agreement are adopted herein by reference and, in addition:

"**Purchase Agreement**" means that Purchase and Sale Agreement between the Seller and the Purchaser dated \_\_\_\_\_, 2019.

**2. Conveyance**

Pursuant to and for the consideration provided for in the Purchase Agreement, the Seller hereby sells, assigns, transfers, conveys and sets over to the Purchaser the entire right, title, estate and interest of the Seller in and to the Purchased Assets, to have and to hold the same absolutely, together with all benefit and advantage to be derived therefrom.

**3. Subordinate Document**

This General Conveyance is executed and delivered by the Parties pursuant to the Purchase Agreement and the provisions of the Purchase Agreement shall prevail in the event of a conflict between the provisions of the Purchase Agreement and the provisions of this General Conveyance.

**4. No Merger**

The covenants, representations, warranties and indemnities contained in the Purchase Agreement are incorporated herein as fully and effectively as if they were set out herein and there shall be no merger of any covenant, representation, warranty or indemnity contained in the Purchase Agreement by virtue of the execution and delivery hereof, any rule of law, equity or statute to the contrary notwithstanding.

**5. Governing Law**

This General Conveyance shall be subject to and interpreted, construed and enforced in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Agreement.

**6. Enurement**

This General Conveyance shall be binding upon and shall enure to the benefit of each of the Parties and their respective administrators, trustees, receivers, successors and assigns.

**7. Further Assurances**

Each Party will, from time to time and at all times hereafter, at the request of the other Party but without further consideration, do all such further acts and execute and deliver all such further documents as shall be reasonably required in order to fully perform and carry out the terms hereof.

**8. Counterpart Execution**

This Agreement may be executed in counterpart and by facsimile or other electronic means and all such executed counterparts together shall constitute one and the same agreement.

*[Signature Page to Follow.]*

IN WITNESS WHEREOF the Parties have executed this General Conveyance on the date first above written.

**FTI Consulting Canada Inc.**, solely in its capacity as the Court-appointed receiver and manager of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd., and not in its personal capacity or corporate capacity

[1586638 Alberta Ltd and/or Nominee]

Per: \_\_\_\_\_  
Name:  
Title:



Per: Gurmukh Gahunian  
Name:  
Title: Director



# Appendix C

## BSW APA

## ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of the 31 day of May, 2019

### BETWEEN:

**FTI Consulting Canada Inc.**, solely in its capacity as the Court-appointed receiver and manager of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd. (collectively, the "Debtors" and individually, a "Debtor"), and not in its personal or corporate capacity (the "Seller")

- and -

**BSW Liquor LTD.**, a corporation incorporated under the laws of the Province of Alberta (the "Purchaser")

### RECITALS:

- A. Pursuant to an order of C.M. Jones of the Court of Queen's Bench of Alberta (the "Court") dated and filed May 1, 2019, the Seller was appointed receiver and manager of the Debtors (as such order may be amended or restated from time to time, the "Receivership Order", bearing Court File No. 1901-06027, and such proceedings, the "Receivership Proceedings").
- B. The Seller wishes to sell, and the Purchaser wishes to purchase, the Purchased Assets, and the Purchaser further wishes to assume certain liabilities in connection therewith, subject to the terms and conditions of this Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement, the Parties agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions. In this Agreement, unless the context otherwise requires:

- (a) "Adjustments" means the adjustments to the Purchase Price provided for and determined pursuant to Section 3.4;
- (b) "Affiliate" means, with respect to any Person, a Person directly or indirectly controlling, controlled by or under common control with such Person. For these purposes, "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise;
- (c) "AGLC" means the Alberta Gaming, Liquor and Cannabis agency, which is the agency responsible for administering the *Gaming and Liquor Act*, and the regulations and policies related thereto;
- (d) "Agreement" means this Asset Purchase Agreement and all attached Schedules, in each case as the same may be supplemented, amended, restated or replaced from time to time;
- (e) "Approval and Vesting Order" means an order to be granted by the Court, substantially in the form of Approval and Vesting Order as attached in Schedule 1, with any amendments thereto to be acceptable to each of the Seller and the Purchaser, each acting reasonably, which authorizes, approves and confirms this Agreement and the sale of the Purchased Assets by the Seller to the Purchaser in accordance with the terms and conditions contained herein, and vests beneficial title to the Purchased Assets in the Purchaser free and clear of all Encumbrances, other than any Permitted Encumbrances;
- (f) "Business" means the "Solo Liquor" retail liquor store business carried on by the Debtors at the Leased Premises prior to the Closing Date;



- (g) "Closing" means the completion of the Transaction at the Closing Time;
- (h) "Closing Date" means the day that the Court Approval is obtained, or such later date as the Parties may agree, acting reasonably;
- (i) "Closing Documents" means all contracts, agreements and instruments required by this Agreement to be delivered at or before the Closing Time;
- (j) "Closing Time" means 10:00 a.m. (Mountain Standard Time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place;
- (k) "Court Approval" means the issuance of the Approval and Vesting Order by the Court;
- (l) "Encumbrance" means any security interest, lien, prior Claim, charge, hypothec, hypothecation, reservation of ownership, pledge, encumbrance, mortgage or adverse Claim of any nature or kind;
- (m) "Excluded Assets" means, without limitation, all property and assets of the Debtors or the Seller that are not exclusively used in relation to the Business and/or the Purchased Assets, and/or exclusively located at the Leased Premises, including without limitation, the following Property which is excluded from the Transaction and does not form part of the Purchased Assets:
  - (i) any real property interest of the Seller or the Debtors other than the Seller's rights and interest in the Leased Premises;
  - (ii) all of the Seller's and/or the Debtor's cash and cash equivalents including cash on hand or in banks or other similar depository;
  - (iii) the accounts receivable and all other trade debts due or accruing to the Seller in connection with the Business that originated prior to the Closing Date and the full benefit of all security therefor;
  - (iv) all intellectual property and associated rights of the Seller;
  - (v) the name "Solo Liquor" (or any variation thereof, any trademarks, trade names, logos or symbols related thereto);
  - (vi) point of sale (POS) system in the Leased Premises;
  - (vii) any refundable taxes previously paid by the Seller and any Claim or right of the Seller to any refund of taxes paid by the Seller;
  - (viii) computer hardware, software or associated instructions books or manuals;
  - (ix) employment contracts or contracts with consultants or contractors related to the Purchased Assets; and
  - (x) the Seller's rights under this Agreement;
- (n) "General Conveyance" means the form of general conveyance attached hereto as Schedule 2;
- (o) "GST" means the goods and services tax or harmonized sales tax payable pursuant to the *Excise Tax Act* (Canada) or any other statute in any other jurisdiction of Canada, as such statutes may be amended, modified or replaced from time to time, including any successor statute;
- (p) "Income Tax Act" means, collectively, the *Income Tax Act* (Canada) and the *Income Tax Regulations* (Canada), in each case as amended to the date hereof;

- (q) **"Inventory"** means the inventory located at the Leased Premises;
- (r) **"Lease"** means the lease agreements:
  - (i) dated March 4, 2011 between a Debtor, as tenant, and Kootenay Holdings LTD., as landlord;
  - (ii) dated May 16, 2015 between a Debtor, as tenant, and C&H Properties INC., as landlord;
- (s) **"Leased Premises"** means the premises leased pursuant to the Lease;
- (t) **"Liabilities"** means any and all debts, liabilities and obligations of the Debtors, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any applicable law, Claim or governmental order, and those arising under any contract, agreement, arrangement, commitment or undertaking;
- (u) **"Loss"** means any and all loss, liability, damage, cost, charge, fine, penalty or assessment, including the costs and expenses of any legal proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith;
- (v) **"Permitted Encumbrances"** means:
  - (i) inchoate or statutory liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of the construction, maintenance, repair or operation of the Purchased Assets (or any of them), provided that such liens are related to obligations not due or delinquent as of the date hereof or, if then due or delinquent, are being contested in good faith by the Seller or the Debtors;
  - (ii) the right reserved to or vested in any municipality, governmental authority or other public authority to control or regulate any of the Purchased Assets in any manner, including any directives or notices received from any municipality, governmental authority or other public authority pertaining to the Purchased Assets;
  - (iii) the terms and conditions of the Lease;
  - (iv) liens granted in the ordinary course of business to a public utility, municipality or governmental authority with respect to operations pertaining to any of the Purchased Assets; and
  - (v) any other Encumbrances set out as "Permitted Encumbrances" in the Court Approval;
- (w) **"Person"** means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, governmental authority or other entity however designated or constituted;
- (x) **"Property"** means all of the Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof;
- (y) **"Purchased Assets"** means all of the right, title and interest of the Debtors and the Seller in the following Property located at the Leased Premises:
  - (i) Tangible Personal Property;
  - (ii) Inventory; and

(iii) Lease;

provided that "Purchased Assets" do not include any Excluded Assets;

- (z) "Receiver's Certificates" has the meaning given to such term in Paragraph 22 of the Receivership Order;
- (aa) "Representative" means, with respect to any Party, its Affiliates, and its and their respective directors, officers, servants, agents, advisors, employees and consultants;
- (bb) "Tangible Personal Property" means all machinery and equipment presently located at the Leased Premises, owned by the Seller and used in or relating to the Business including, without limitation, all racks, shelving, millwork, lighting, security systems and associated access codes, safe and combination and keys, coolers, compressors, shelving, furniture, security shutter and bars used or held by the Seller for use in, or relating to, the Business;
- (cc) "Transaction" means, collectively, the sale and purchase of the Purchased Assets pursuant to this Agreement and all other transactions contemplated by this Agreement that are to occur contemporaneously with the sale and purchase of the Purchased Assets; and
- (dd) "Transfer Taxes" means all present and future transfer taxes, sales taxes, harmonized sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a governmental authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets to the Purchaser, or payable upon completion of the Transaction, including GST, but excluding any taxes imposed or payable under the *Income Tax Act* and any other similar income tax legislation, including any interest, penalties and fines associated therewith.

## ARTICLE 2 PURCHASE AND SALE

- 2.1 **Agreement to Purchase and Sell Purchased Assets.** On the Closing Date and subject to the terms and conditions of this Agreement (which conditions, for greater certainty, include the Court Approval), the Seller, exercising the powers of sale granted pursuant to the Receivership Order, hereby agrees to sell, assign, transfer, convey and set over to the Purchaser, and the Purchaser hereby agrees to purchase from the Seller, all of the right, title, estate and interest of the Seller (whether absolute or contingent, legal or beneficial), if any, in and to the Purchased Assets, as vested in the Seller and as they may exist, on an "as is, where is" basis, and such foregoing purchase shall be free and clear of all Encumbrances other than the Permitted Encumbrances.

## ARTICLE 3 PURCHASE PRICE AND RELATED MATTERS

- 3.1 **Purchase Price.** Subject to the Adjustments provided for herein, the purchase price for the Purchased Assets with the exception of Inventory, exclusive of all applicable Transfer Taxes and cost of Inventory, shall be the aggregate of \$375,000 (the "Purchase Price Excluding Inventory"). Upon receipt of the Court Approval, the Purchaser and the Seller shall forthwith conduct a joint physical count of all the Inventory (the "Inventory Count"), and upon completion of the Inventory Count, the cost of the Inventory ("Inventory Purchase Price", and together with the Purchase Price Excluding Inventory, the "Purchase Price") will be determined pursuant to the books and records related thereto in the Seller's possession and/or at the Seller's sole discretion, acting reasonably. In the event that each Party's Inventory Count is different, the Parties shall conduct the Inventory Count again, and if there is still a difference in each Party's Inventory Count, the deemed Inventory Count shall be the average of both Inventory Counts.
- 3.2 **Allocation of Purchase Price.** No later than five (5) business days prior to Closing, the Purchaser shall, acting reasonably and in good faith, prepare and deliver to the Seller a proposed allocation of the Purchase Price Excluding Inventory. Following delivery of same, the Parties shall use reasonable efforts to agree on

such allocation at or prior to Closing. Such allocation shall be binding and the Purchaser and the Seller shall report the purchase and sale of the Purchased Assets and file all filings which are necessary or desirable under the Income Tax Act to give effect to such allocations and shall not take any position or action inconsistent with such allocation. If the Parties are unable to so agree on the allocation, such failure shall not constitute a default for the purposes hereof by either Party and, subject to the other terms and conditions hereof, the Parties will proceed to Closing. In such case, each Party shall, in filing their respective tax return, be entitled to use an allocation of the Purchase Price Excluding Inventory as determined in its discretion.

**3.3 Payment of Purchase Price.** The Purchaser covenants and agrees to pay the Purchase Price in lawful money of Canada as follows:

- (a) the sum of \$75,000 (the “**Deposit**”), which is an amount equal to, or greater than, twenty per cent (20%) of the Purchase Price Excluding Inventory. The Seller acknowledges that the Deposit was paid by the Purchaser to the Seller prior to May 31, 2019, and was deposited by the Seller. The Parties agree that the Deposit received by the Seller shall be releasable in accordance with this Agreement.
- (b) If Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit received by the Seller shall be retained by the Seller and credited against the Purchase Price, in partial satisfaction of the Purchaser’s obligation to pay the Purchase Price at Closing.
- (c) If Closing does not occur:
  - (i) due to the conditions precedent in favour of the Purchaser set forth in Section 11.3 of this Agreement not having been satisfied or waived in accordance with the terms of this Agreement, the Deposit and any interest received by the Seller shall be returned by the Seller to the Purchaser and, subject to Section 10.2 of this Agreement, this Agreement shall thereupon terminate and each Party shall be released from all obligations and liabilities under or in connection with this Agreement; and
  - (ii) for any reason other than the conditions precedent in favour of the Purchaser as set forth in Section 11.3 of this Agreement not having been satisfied or waived in accordance with the terms of this Agreement, the Seller shall retain the Deposit as liquidated damages and not as a penalty and, subject to Section 10.2 of this Agreement, this Agreement shall thereupon terminate.
- (d) The Purchaser and the Seller hereby acknowledge and agree that, should Closing not occur for any reason provided in Section 3.3(c)(ii), the Seller will suffer and incur damages that cannot be precisely calculated, and will therefore be entitled to retain the Deposit pursuant to Section 3.3(c)(ii) as liquidated damages, and not as a penalty, the Deposit being a genuine pre-estimate of the damages that will be suffered by the Seller as contemplated by this Section 3.3(d). The Purchaser expressly waives any present or future right, at law or in equity, that would prohibit or may prohibit the retention of the Deposit as liquidated damages by the Seller in connection with Closing not occurring after the satisfaction or waiver of the conditions precedent in favour of the Purchaser set forth in Section 11.3 of this Agreement and the Purchaser and the Seller expressly covenant and agree that the Purchaser be and is hereby estopped from making any Claim to challenge the retention of the Deposit by the Seller in the manner contemplated by Section 3.3(c)(ii) of this Agreement;
- (e) The Purchaser shall pay to the Seller at Closing, by electronic wire transfer, the remaining portion of Purchase Price plus any and all applicable taxes and fees payable under Article 3 (collectively referred to as, the “**Closing Payment**”).

**3.4 Adjustments**

- (a) **Costs and Revenues to be Apportioned.** Except as otherwise provided in this Agreement, all costs and expenses relating to the Purchased Assets and all revenues relating to the Purchased Assets shall be apportioned as of the Closing Date between the Seller and the Purchaser on an accrual basis in accordance with generally accepted accounting principles. No adjustments to the Purchase Price will be made for any change in condition, value, quantity or quality of the Purchased Assets, or with respect to Purchaser's ability to obtain any consents pursuant to Section 8.1.
- (b) **Statement of Adjustments** - A statement of adjustments showing a breakdown of the Adjustments for the Purchased Assets (the "Statement of Adjustments") to which there will be annexed details of the calculations made thereon shall be delivered to the Purchaser by the Seller at least five (5) business days prior to Closing, and shall include without limitation, prepayment, prepaid rent, security deposits, and rents.

**3.5 Transfer Taxes.** The Parties agree that the Purchase Price payable by the Purchaser to the Seller pursuant to this Agreement does not include any Transfer Taxes and all Transfer Taxes are the responsibility of and for the account of the Purchaser. The Purchaser and the Seller agree to cooperate to determine the amount of Transfer Taxes payable in connection with the Transaction. If the Seller is required by applicable law or by administration thereof to collect any applicable Transfer Taxes from the Purchaser, the Purchaser shall pay such Transfer Taxes to the Seller on Closing, unless the Purchaser qualifies for an exemption from any such applicable Transfer Taxes or has the right under applicable law to self-assess and remit, as the case may be, in which case the Seller shall not collect any such applicable Transfer Taxes from the Purchaser, provided that the Purchaser, in lieu of payment of such applicable Transfer Taxes to the Seller, delivers to the Seller such certificates, elections, undertakings, indemnities or other documentation required by applicable law or the administration thereof or by the Seller to substantiate and affect the exemption claimed by the Purchaser or its right to self-assess and remit, as the case may be. The Purchaser does hereby indemnify the Seller and the Debtors against any Claims which may arise in connection with such Transfer Taxes, and the Purchaser further agrees to pay all such amounts including interest and penalties, if any, upon written request by the Seller provided in accordance with the provisions of Section 12.3 hereof.

#### ARTICLE 4 STATUS OF THE PURCHASED ASSETS

- 4.1 "As-is Where-is".** The Purchased Assets, are being sold on an "as is, where is" basis as of the Closing and in their condition as of Closing with "all faults" and, except as expressly set forth in this Agreement:
- (a) neither the Seller, nor its Representatives make, have made or shall be deemed to have made any other representation or warranty, express or implied, at law or in equity, in respect of the Business or any of the Purchased Assets, including with respect to:
    - (i) title, encumbrances, description, fitness for purpose, merchantability, condition, assignability, collectability, quantity, outstanding amount, value or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Seller to sell same and without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to any *Sale of Goods Act* or similar legislation in any jurisdiction in Canada shall not apply hereto and shall be deemed to have been waived by the Purchaser;
    - (ii) the operation of the Purchased Assets by the Purchaser after the Closing in any manner; or
    - (iii) the probable success or profitability of the business of the Purchaser relating to the Purchased Assets after the Closing, and
  - (b) neither the Seller, nor its Representatives will have or be subject to any liability or indemnification obligation to the Purchaser or to any other person resulting from the distribution to the Purchaser, its Affiliates or Representatives of, or the Purchaser's use of, any information relating to the

Business, and any information, documents or material made available to the Purchaser, whether orally or in writing, in certain "data rooms", management presentations, functional "break-out" discussions, responses to questions submitted on behalf of the Purchaser or in any other form in expectation of the transactions. Any such other representation or warranty is hereby expressly disclaimed.

- 4.2 **Waiver.** The provisions of Section 4.1 shall operate as waivers of any claims in tort as well as under the law of contract against the Seller and/or the Debtors.

#### **ARTICLE 5 REPRESENTATIONS AND WARRANTIES BY THE SELLER**

The Seller represents and warrants to the Purchaser and acknowledges that the Purchaser is relying upon the following representations and warranties in connection with its purchase of the Purchased Assets:

- 5.1 **Validly Appointed & Due Authorization and Enforceability of Obligations.** The Seller has been validly appointed by the Court as receiver and manager of the Property pursuant to the Receivership Order. Subject to Court Approval being obtained and being entered, the Seller has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of each of this Agreement, the Closing Documents and the consummation of the Transaction has been duly authorized by all necessary corporate action of the Seller. This Agreement has been, and at the Closing Time the Closing Documents will be, duly executed and delivered by the Seller and constitutes a valid and binding obligation of the Seller enforceable against it in accordance with its terms, as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.
- 5.2 **Right to Sell, and Title to, Purchased Assets.** The Debtors are the registered owners of their respective Purchased Assets to which they hold title. At the Closing, the Seller shall convey to the Purchaser all of the Debtors' right, title and interest in and to the Purchased Assets, free and clear of all Encumbrances, other than the Permitted Encumbrances.
- 5.3 **No Other Representations, Warranties or Covenants.** All of the Purchased Assets are being purchased on an "as is where is" basis. Unless and solely to the extent expressly set forth in this Agreement, no representation, warranty or covenant is expressed or implied by the Seller, including any warranties as to title, Encumbrances, description, merchantability or fitness for a particular purpose, environmental compliance, condition, quantity or quality, or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Seller to sell or assign the same. The disclaimer in this Section 5.3 is made notwithstanding the delivery or disclosure to the Purchaser or its Representatives of any documentation or other information.

#### **ARTICLE 6 REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

The Purchaser represents and warrants to the Seller as follows, and acknowledges that the Seller is relying upon the following representations and warranties in connection with its sale of the Purchased Assets:

- 6.1 **Existence & Due Authorization and Enforceability of Obligations.** The Purchaser is a corporation duly organized and validly existing under the laws of its jurisdiction of organization and is authorized to carry on business in the provinces in which the Purchased Assets are located. The Purchaser has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action of the Purchaser. This Agreement has been duly executed and delivered by the Purchaser and constitutes a valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity. At the Closing Time, the Closing Documents required by this Agreement to be delivered by the Purchaser will be duly executed and delivered by the Purchaser and will constitute a valid

and binding obligation of the Purchaser enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.

- 6.2 Approvals and Consents.** Except for Court Approval or as otherwise expressly set forth herein, no authorization, consent or approval of, or filing with or notice to, any governmental authority or any other Person is required in connection with the execution, delivery or performance of this Agreement by the Purchaser and each of the Closing Documents to be executed and delivered by the Purchaser hereunder or the purchase of any of the Purchased Assets hereunder. Provided the Court Approval is obtained, this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their terms.
- 6.3 Tax Registrant.** The Purchaser is a registrant for GST purposes in accordance with the *Excise Tax Act* (Canada) and its registration number for such purposes is 79201 8871 RT001.
- 6.4 No Additional Due Diligence.** The Purchaser acknowledges and agrees that: (a) it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets prior to the execution of this Agreement; (b) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets; (c) it is not relying upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied, (by operation of law or otherwise), regarding the Purchased Assets or the completeness of any information provided in connection therewith, except as expressly stated in this Agreement; and (d) the obligations of the Purchaser under this Agreement are not conditional upon any additional due diligence.
- 6.5 Brokers.** No broker, finder or investment banker is entitled to any brokerage commission, finder's fee or other similar payment in connection with the Transaction based upon arrangement made by or on behalf of the Purchaser.

#### ARTICLE 7

#### INDEMNITIES FOR REPRESENTATIONS AND WARRANTIES

- 7.1 Purchaser's Indemnities for Representations and Warranties.** The Purchaser shall be liable to the Seller for and shall, in addition, indemnify the Seller from and against, all Losses suffered, sustained, paid or incurred by the Seller insofar as such Losses are a result of any act, omission, circumstance or other matter arising out of, resulting from, attributable to or connected with a breach of the representations and warranties contained in Article 6.

#### ARTICLE 8

#### ADDITIONAL AGREEMENTS OF THE PARTIES

- 8.1 Approvals and Consents.**
- (a) The Seller and the Purchaser shall:
- (i) as soon as reasonably possible following the date hereof, make all such filings and seek all such consents, approvals, permits and authorizations with any other governmental authorities whose consent is required for consummation of the Transaction, including without limitation, from AGLC, and the Purchaser will request any expedited processing available; and
  - (ii) use commercially reasonable efforts to seek all consents, approvals or authorizations required in connection with the assignment of the Purchased Assets in accordance with this Agreement to the Purchaser.
- (b) The Purchaser shall, at the Seller's request, furnish the Seller with copies of such documents and information with respect to the Purchaser, including financial information, as the Seller may

reasonably request in connection with the obtaining of any consents, approvals, permits and authorizations contemplated by Section 8.1(a).

- (c) Both before and after Closing, the Purchaser shall be solely responsible for obtaining any and all approvals required under applicable law and any and all consents of third parties required to permit the Transaction and for use of the Purchased Assets thereafter. The Parties acknowledge that the acquisition of such consents shall not be a condition precedent to Closing. The Purchaser shall indemnify the Seller for any Losses incurred by the Seller as a result of the Purchaser's failure to obtain any such consent. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all financial assurances, remedial work or other documentation required by governmental authorities to permit the transfer to the Purchaser, and registration of the Purchaser as owner, of any of the Purchased Assets.
- (d) The Purchaser will use its reasonable commercial efforts to assist the Seller in obtaining the consent and will provide reasonably required documentation other evidence to support its ability to provide adequate assurance of future performance of the Lease.

**8.2 Permitted Encumbrances.** The Purchaser agrees to accept title to the Purchased Assets subject to all of the Permitted Encumbrances. The Purchaser covenants and agrees to satisfy itself as to compliance with all of the Permitted Encumbrances and the Seller shall not be required to provide letters or certificates of compliance or any releases or partial releases of same.

**8.3 Compliance with Permitted Encumbrances and applicable laws.** The Purchaser covenants and agrees:

- (a) to assume on Closing and be bound by and to comply with all provisions of the Permitted Encumbrances, at the Purchaser's sole cost and expense, and the Purchaser hereby covenants and agrees with the Seller to discharge, perform and fulfill all terms, covenants, provisos, conditions, stipulations, obligations and liabilities of the Seller and Debtors under the Permitted Encumbrances, whether arising before or after the Closing, in the same manner and to the same extent as if the Purchaser had executed the same in the place and stead of the Seller and/or the Debtors, as applicable. The Purchaser shall indemnify and hold harmless the Seller with respect thereto, whether or not such compliance or non-compliance occurs before, on or after Closing. If required by the provisions of any Permitted Encumbrances, or by any party to any Permitted Encumbrances, the Purchaser shall enter into an agreement directly with the other parties to such Permitted Encumbrances confirming such assumption; and
- (b) to assume on Closing, at the Purchaser's sole cost and expense, complete responsibility for compliance with all applicable laws which apply to the Purchased Assets and the use thereof by the Purchaser. The Purchaser shall indemnify and hold harmless the Seller with respect thereto, whether or not such compliance or non-compliance occurs before, on or after Closing.

**8.4 Post-Closing Date Indemnity.** Provided that Closing has occurred, the Purchaser shall: (a) be solely liable and responsible for any and all Losses which the Seller may suffer, sustain, pay or incur; and (b) indemnify, release and save harmless the Seller and its Representatives from any and all Losses, actions, proceedings and demands, whatsoever which may be brought against or suffered by the Seller or which it may sustain, pay or incur, as a result of any matter or thing resulting from, attributable to or connected with the ownership or operation of the Purchased Assets, to the extent that such Losses related thereto arise or occur after the Closing Date.

**8.5 Covenant Regarding Confidential Information.** On or prior to Closing, the Seller may request any Person, including the Purchaser or its Representatives, that was furnished confidential information of the Seller and/or the Debtors to return or destroy all such information, and such Person shall return or destroy all such information, as applicable.

**8.6 Liability of the Parties.** The Purchaser acknowledges and agrees that in all matters pertaining to this Agreement, including in its execution, the Seller is acting solely in its capacity as a receiver and manager of the Debtors and, as such, its liability under this Agreement, if any, will be in its capacity as a receiver



manager, and the Seller and its Representatives shall have no personal or corporate liability of any kind, whether in contract, in tort or otherwise and in no circumstance will the Seller be liable for any consequential damages including loss of profit.

- 8.7 **Release.** Notwithstanding any other provisions of this Agreement, effective as of the Closing Time, each of the Purchaser and the Seller, on behalf of itself and its Affiliates, does hereby forever release and discharge such other Party and its Affiliates and their respective present and former direct and indirect shareholders, officers, directors, employees, advisors (including, without limitation, financial advisors and legal counsel) and agents (collectively, the "Released Parties") from any and all demands, claims, liabilities, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, indebtedness, liens of whatever nature (collectively, "Claims") based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Closing Time relating to, arising out of or in connection with, the Purchased Assets, save and except for Claims: (i) under this Agreement or any document ancillary thereto; or (ii) arising out of fraud, bad faith or illegal acts (unless such Party believed in good faith that its conduct was legal) of or by the Released Parties.
- 8.8 **Intellectual Property.** The Purchaser hereby covenants and agrees that it does not have the right to and will not use the name "Solo" and the intellectual property of the Seller (including in respect of the Leased Premises, all signage, advertising, logos, branding or otherwise). The Purchaser acknowledges that the name "Solo" and the intellectual property of the Seller is in the midst of being sold to a third party, and therefore, all signage, advertising, logos, branding or otherwise related to same shall be removed forthwith upon Closing.

#### ARTICLE 9 COURT APPROVAL

9.1 **Approval and Vesting Order.**

- (a) The Seller shall file a motion with the Court for the Court Approval. Such motion shall be scheduled for a date that is on or before June 17, 2019.
- (b) The Purchaser shall cooperate with the Seller acting reasonably, as may be necessary, in obtaining the Court Approval.

#### ARTICLE 10 TERMINATION

10.1 **Termination.** This Agreement may be terminated at any time prior to Closing as follows:

- (a) subject to any approvals required from the Court or otherwise pursuant to the Receivership Proceedings, by mutual written consent of the Seller and the Purchaser;
  - (b) by either Party, upon written notice to the other, if a governmental authority issues an order prohibiting the Transaction contemplated hereby, which order shall have become final and non-appealable; and
  - (c) by either Party, upon written notice to the other Party, if there has been a material violation or breach by the other Party of any covenant, representation or warranty which would prevent the satisfaction of any condition set forth in Sections 11.2 and/or 11.3 or 11.4, as applicable, on the Closing Date and such violation or breach has not been waived by the Party or cured within five (5) days after written notice thereof from the Party, unless that Party is in material breach of its obligations under this Agreement.
- 10.2 **Effect of Termination.** In the event of termination of this Agreement pursuant to Section 10.1, this Agreement shall forthwith become null and void, and nothing herein shall relieve any Party from liability for any breach of this Agreement, or to impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement.

- 11 -  
**ARTICLE 11**  
**CLOSING**

**11.1 Location and Time of Closing.** The Closing shall take place at 10:00 a.m. on the Closing Date at the offices of the Seller's legal counsel, Torys LLP, in Calgary, Alberta or at such other time on the Closing Date or such other place as may be agreed orally or in writing by the Seller and the Purchaser.

**11.2 Mutual Conditions.** The respective obligations of the Purchaser and of the Seller to consummate the Transaction are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the following conditions:

- (a) the Court Approval shall have been entered by the Court and shall not have been stayed, vacated or appealed and no order shall have been issued which restrains or prohibits the completion of the Transaction; and
- (b) there shall be no order issued by any governmental authority delaying, restricting or preventing, and no pending or threatened Claim, judicial or administrative proceeding, or investigation against any Party by any Person, for the purpose of enjoining, delaying, restricting or preventing the consummation of this Transaction, or otherwise claiming that this Agreement or the consummation of the Transaction is improper or would give rise to proceedings under any applicable law.

The foregoing conditions are for the benefit of all Parties and non-satisfaction or non-performance of any such condition may only be waived by no less than all of them, in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which they each may have. Any such waiver is only binding on a Party if it is made in writing; however, no Party shall be able to delay or prevent Closing due to non-satisfaction of these mutual conditions due to a breach of this Agreement by that Party.

**11.3 Purchaser's Conditions.** The obligation of the Purchaser to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver by the Purchaser of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Purchaser):

- (a) the representations and warranties of the Seller in Article 5 shall be true and correct at the Closing;
- (b) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Seller on or before the Closing Date shall have been complied with or performed in all material respects;
- (c) the Purchaser shall have received a Statement of Adjustments, if applicable, at least five (5) business days prior to Closing;
- (d) the Purchaser shall have received a written confirmation of the amount of the Inventory Purchase Price it is obligated to pay hereunder;
- (e) the Purchaser, jointly with the Seller, shall have completed the Inventory Count;
- (f) the Seller shall deliver, or cause to be delivered, at Closing the following:
  - (i) all keys and pass codes to the Leased Premises in the Seller's actual possession;
  - (ii) a certified true copy of the Court Approval, as issued by the Court;
  - (iii) the Receiver's Certificate (as defined in the Approval and Vesting Order) executed by the Seller;
  - (iv) the General Conveyance in the form attached as Schedule 2, duly executed by the Seller;

- (v) a receipt for the Closing Payment, as adjusted herein;
- (vi) assignment and assumption of the Lease; and
- (vii) any other documents reasonably requested by the Purchaser in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement; and
- (g) the Purchased Assets shall be assigned and transferred to the Purchaser free and clear of all Encumbrances, other than Permitted Encumbrances, in accordance with the Court Approval.

**11.4 Seller's Conditions.** The obligation of the Seller to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver where applicable, by the Seller of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Seller):

- (a) the representations and warranties of the Purchaser in Article 6 shall be true and correct at the Closing;
- (b) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser on or before the Closing Date shall have been complied with or performed in all material respects;
- (c) the Seller, jointly with the Purchaser, shall have completed the Inventory Count;
- (d) the Purchaser shall deliver, or cause to be delivered, at Closing the following:
  - (i) a proposed allocation of the Purchase Price Excluding Inventory at least five (5) business days prior to Closing;
  - (ii) the Purchaser shall have paid to the Seller all amounts required to be paid by it under this Agreement in the form stipulated in this Agreement, including the Closing Payment as adjusted herein plus applicable Transfer Taxes, and the cost of inventory;
  - (iii) the General Conveyance in the form attached as Schedule 2, duly executed by the Purchaser;
  - (iv) if required by the provision of any Permitted Encumbrances or by any party to any Permitted Encumbrances, an individual assumption agreement in a form required by such Permitted Encumbrances; and
  - (v) any other documents reasonably requested by the Seller in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement, including without limitation:

**11.5 Transfer of Purchased Assets.** Provided that Closing occurs, and subject to all other provisions of this Agreement, possession, risk and beneficial ownership of the Seller's interest in and to the Purchased Assets shall transfer from the Seller to the Purchaser on the Closing Date, in accordance with the Court Approval.

## ARTICLE 12 GENERAL MATTERS

**12.1 Survival.** The representations and warranties of the Seller in this Agreement or in any agreement, document or certificate delivered pursuant to or in connection with this Agreement or the Transaction are set forth solely for the purpose of Section 11.3 and none of them shall survive Closing. The Seller shall have no liability, whether before or after the Closing, for any breach of the Seller's representations, and the

Purchaser acknowledges that its exclusive remedy for any such breach shall be termination of this Agreement prior to the Closing (but only if permitted by Section 10.1).

- 12.2 Assignment.** Neither this Agreement nor any of the rights or obligations under this Agreement, are assignable or transferable by a Party without the prior written consent of the other Party.
- 12.3 Notices.** All notices and communication hereunder shall be in writing and shall be deemed given: (a) when delivered personally or by commercial messenger or courier services; (b) three business days following the mailing thereof by registered certified mail (return receipt requested); or (c) when transmitted by facsimile or e-mail, in each case, to a Party at the contact information as shown below the signature of such Party on the signature page of this Agreement (or at such other address for a Party as shall be specified by like notice or, if specifically provided for elsewhere in this Agreement).
- 12.4 Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto relating to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether verbal or written, of the parties.
- 12.5 No Merger.** The covenants, agreements, acknowledgements, representations, warranties and indemnities of the Seller contained in this Agreement shall be deemed to apply to, and shall not merge in, any documents delivered in furtherance of the provisions hereof notwithstanding the terms of such documents or any rule of law, equity or statute to the contrary, all such rules being waived.
- 12.6 Further Assurances.** The parties hereto and each of them do hereby covenant and agree to do such things and execute such further documents, agreements and assurances as may be necessary or advisable from time to time in order to carry out the terms and conditions of this Agreement in accordance with their true intent.
- 12.7 Consequential Damages.** Neither party shall be liable to the other party for any punitive or exemplary damages, loss of profits, loss of production, loss of business or mineral rights or business interruptions which may be suffered by either party, as the case may be, and which arise out of or in connection with this Agreement.
- 12.8 Confidentiality.** Each Party shall treat confidentially and not disclose, and shall cause each of its Representatives to treat confidentially and not disclose, other than as expressly contemplated by this Agreement, any confidential information of the other Party. Either Party may disclose confidential information only to those of its Representatives who need to know such confidential information for the purpose of implementing the Transaction. Neither Party shall use, nor permit its Representatives to use, confidential information for any other purpose nor in any way that is, directly or indirectly, detrimental to the other Party.
- 12.9 Amendments and Waiver.** All amendments to this Agreement, and all waivers of any provision, or the breach of any provision, of this Agreement, shall be made in a written instrument signed by both of the parties. A waiver shall affect only the matter specifically identified in the instrument granting the waiver and shall not extend to any other matter, provision or breach.
- 12.10 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the parties hereto hereby submit to the exclusive jurisdiction of the courts in the Province of Alberta.
- 12.11 Counterparts; Electronic Signatures.** This Agreement may be signed in counterparts and electronically and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument.

*[Remainder of page intentionally blank]*

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

**BSW LIQUOR LTD.**

**FTI Consulting Canada Inc.**, solely in its capacity as the Court-appointed receiver and manager of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd., and not in its personal capacity or corporate capacity


By:



Name: Balpreet Tatla  
Title: Director

Address: 193 Aspenmere Circle,  
Chestermere, Alberta T1X 0T5  
Attention: Balpreet Tatla  
Phone: 403-918-3740  
Email: balpreet@icloud.com

By:



Name: Dustin Olver  
Title: Managing Director

Address: \_\_\_\_\_

Attention: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Email: \_\_\_\_\_

**SCHEDULE 1**

**FORM OF APPROVAL AND VESTING ORDER**

(See attached)

COURT FILE NUMBER 1901-06027  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
PLAINTIFF **ATB FINANCIAL**  
DEFENDANTS **SOLO LIQUOR STORES LTD., SOLO LIQUOR HOLDINGS LTD., GENCO HOLDINGS LTD., PALI BEDI, JASBIR SINGH HANS and TARLOK SINGH TATLA**  
DOCUMENT **APPROVAL AND VESTING ORDER**

Clerk's Stamp

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
Torys LLP  
Suite 4600, 525 - 8<sup>th</sup> Avenue SW  
Calgary, AB T2P 1G1

Attention: Kyle Kashuba  
Telephone: +1 403 776 3744  
Facsimile: +1 403 776 3800  
Email: [kkashuba@torys.com](mailto:kkashuba@torys.com)  
File Number: 39586-2004

(a)  
DATE ON WHICH ORDER WAS PRONOUNCED: \_\_\_\_\_

LOCATION WHERE ORDER WAS PRONOUNCED: \_\_\_\_\_

NAME OF JUSTICE WHO MADE THIS ORDER: \_\_\_\_\_

**UPON THE APPLICATION** by FTI Consulting Canada Inc. in its capacity as the Court-appointed receiver and manager (the "Receiver") of the undertakings, property and assets of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd. (together, the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and **BSW Liquor LTD.** (the "Purchaser") dated May \_\_\_, 2019 and appended to the \_\_\_ Report of the Receiver dated [Date] (the "Report"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets");

**AND UPON HAVING READ** the Receivership Order dated May 1, 2019 (the "Receivership Order"), the Report and the Affidavit of Service of [■]; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser and other interested parties [appearing, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed];

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.<sup>1</sup>

**APPROVAL OF TRANSACTION**

2. The Transaction is hereby approved<sup>2</sup> and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser.

**VESTING OF PROPERTY**

3. Upon delivery of a Receiver's certificate to the Purchaser substantially in the form set out in Schedule "A" hereto (the "Receiver's Closing Certificate"), all of the Debtor's right, title and interest in, to and under the Purchased Assets shall vest absolutely in the name of the Purchaser, free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "Claims")<sup>3</sup> including, without limiting the generality of the foregoing:
  - a. any encumbrances or charges created by the Receivership Order;
  - b. any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
  - c. any liens or claims of lien under the *Builders' Lien Act* (Alberta); and

<sup>1</sup> Ensure that the application and supporting materials are served on all affected parties including those whose interests will be vested off.

<sup>2</sup> In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding. If supported by evidence, the following sentence could be added at the beginning of paragraph 2: "The Transaction and Sale Agreement are commercially reasonable and in the best interest of the Debtor and its stakeholders."

<sup>3</sup> The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims may, in some cases, continue as against the net proceeds from sale of the claimed assets. In other cases, the ownership claimant may object to its ownership interest being vested out of the claimed assets. For example, it not clear that vesting orders can vest out overriding royalties or restrictive covenants which are interests in land. (In *Third Eye Capital Corp. v Dianor Resources Inc.*, 2018 ONCA 253 at paragraphs 108-130 the Ont. C.A. requested further argument regarding whether an overriding royalty which is an interest in land may nevertheless be vested out.) Similarly, other claimed rights, titles or interests may potentially be vested out if the Court is advised what rights are being affected and the affected persons are served. The Committee agrees with the view of the Ontario Committee that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.



- d. those Claims listed in Schedule "B" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the Permitted Encumbrances (when used herein, such term shall have the same meaning as defined in the Sale Agreement)

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

4. With respect to the Purchased Assets that is a Lease (as defined in the Sale Agreement and hereinafter the "Lease"), upon delivery of the Receiver's Closing Certificate, the Purchaser shall be entitled to all of the rights and benefits of the Lease as if it were the original tenant and there were no previous defaults and shall be subject to all of the obligations as tenant pursuant to the terms of the Lease for the period commencing from and after the delivery of such Receiver's Closing Certificate and may enter into and upon and hold and have quiet enjoyment of such premises contemplated by the Lease and, if applicable, any renewals thereof, for its own use and benefit, all in accordance with the terms of the Lease, without any interruption from the Vendor, the landlord under the Lease or any person whatsoever claiming through or under any of the Vendor or the landlord under the Lease.
5. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "Governmental Authorities") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing the Registrar of the Alberta Personal Property Registry (the "PPR Registrar") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
6. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
7. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.

8. For the purposes of determining the nature and priority of Claims, net proceeds<sup>4</sup> from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.
9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta Employment Standards Code, the Purchaser shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.<sup>5</sup>
10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser.
11. The Purchaser shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.<sup>6</sup>
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser.

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<sup>4</sup> The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".

<sup>5</sup> Successor employer liability is governed by section 5 of the *Employment Standards Code*, RSA 2000 c. E-9 as amended. Inclusion of the words "or by statute" in paragraph 9 ensures that paragraph 9 does not purport to abrogate statutory successor employee liability.

<sup>6</sup> The terms of the Permitted Encumbrance and Sale Agreement should be reviewed to determine whether an encumbrance also constitutes a charge against other assets not being sold (in addition to the Purchased Assets.) In that circumstance, absent agreement of the encumbrancer to the contrary, the Debtor may not be fully discharged so the encumbrancer does not lose its charge over the other assets it holds as security. Do not add the words "or the Debtor" to the end of paragraph 12 if an encumbrancer's claim against the Debtor should be reserved.

14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtor is entitled.

#### MISCELLANEOUS MATTERS

15. Notwithstanding:

- a. the pendency of these proceedings and any declaration of insolvency made herein;
- b. the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "BIA"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
- c. any assignment in bankruptcy made in respect of the Debtor; and
- d. the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. The Receiver, the Purchaser and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, 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 order and to provide such assistance to the Receiver, as an officer of the 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.
18. Service of this Order shall be deemed good and sufficient by:
- a) Serving the same on:
    - i. the persons listed on the service list created in these proceedings;
    - ii. any other person served with notice of the application for this Order;
    - iii. any other parties attending or represented at the application for this Order;
    - iv. the Purchaser or the Purchaser's solicitors; and

b) Posting a copy of this Order on the Receiver's website at: \*

and service on any other person is hereby dispensed with.

19. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

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Justice of the Court of Queen's Bench of Alberta

**Schedule "A"**

**Form of Receiver's Certificate**

COURT FILE NUMBER

Clerk's Stamp

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

PLAINTIFF

DEFENDANT

DOCUMENT

**RECEIVER'S CERTIFICATE**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT

**RECITALS**

- A. Pursuant to an Order of the Honourable Justice [Name] of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Court") dated [Date of Order], FTI Consulting Canada Inc. was appointed as the receiver and manager (the "Receiver") of the undertakings, property and assets of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd. (together, the "Debtor").
- B. Pursuant to an Order of the Court dated [Date], the Court approved the agreement of purchase and sale made as of [Date of Agreement] (the "Sale Agreement") between the Receiver and BSW Liquor Ltd. (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in [Article 11] of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in [Article 11] of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.

4. This Certificate was delivered by the Receiver at [Time] on [Date].

**FTI Consulting Canada Inc., in its capacity as Receiver of the undertakings, property and assets of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd., and not in its personal capacity.**

**Per;** \_\_\_\_\_

**Name:**

**Title:**

**Schedule "B"**

**Claims**

**SCHEDULE 2**  
**GENERAL CONVEYANCE**

**THIS GENERAL CONVEYANCE** made as of this \_\_\_\_ day of \_\_\_\_\_, 2019.

**BETWEEN:**

**FTI Consulting Canada Inc.**, solely in its capacity as the Court-appointed receiver and manager of Solo Liquor Stores Ltd. ("SLS"), a corporation organized pursuant to the laws of the Province of Alberta, Canada and Solo Liquor Holdings Ltd. (together with SLS, the "Debtors"), a corporation organized pursuant to the laws of the Province of Alberta, Canada, and not in its personal or corporate capacity (the "Seller")

- and -

**BSW Liquor LTD.**, a corporation incorporated under the laws of the Province of Alberta (the "Purchaser")

**WHEREAS** pursuant to an order of C.M. Jones of the Court of Queen's Bench of Alberta (the "Court") dated and filed May 1, 2019 (the "Receivership Order"), the Seller was appointed receiver and manager of all of the Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof;

**AND WHEREAS** the Seller has agreed to sell and convey the Seller's entire right, title, estate and interests in the Purchased Assets (as defined in the Purchase Agreement) to the Purchaser, and the Purchaser has agreed to purchase and accept all of the Seller's right, title, estate and interest in and to the Purchased Assets, subject to and in accordance with the terms and conditions contained in the Purchase Agreement (as defined herein);

**NOW THEREFORE** for the consideration provided in the Purchase Agreement and in consideration of the premises hereto and the covenants and agreements hereinafter set forth and contained, the Parties covenant and agree as follows:

**1. Definitions**

In this General Conveyance, including the recitals hereto, the definitions set forth in the Purchase Agreement are adopted herein by reference and, in addition:

"Purchase Agreement" means that Purchase and Sale Agreement between the Seller and the Purchaser dated \_\_\_\_\_, 2019.

**2. Conveyance**

Pursuant to and for the consideration provided for in the Purchase Agreement, the Seller hereby sells, assigns, transfers, conveys and sets over to the Purchaser the entire right, title, estate and interest of the Seller in and to the Purchased Assets, to have and to hold the same absolutely, together with all benefit and advantage to be derived therefrom.

**3. Subordinate Document**

This General Conveyance is executed and delivered by the Parties pursuant to the Purchase Agreement and the provisions of the Purchase Agreement shall prevail in the event of a conflict between the provisions of the Purchase Agreement and the provisions of this General Conveyance.

**4. No Merger**



The covenants, representations, warranties and indemnities contained in the Purchase Agreement are incorporated herein as fully and effectively as if they were set out herein and there shall be no merger of any covenant, representation, warranty or indemnity contained in the Purchase Agreement by virtue of the execution and delivery hereof, any rule of law, equity or statute to the contrary notwithstanding.

**5. Governing Law**

This General Conveyance shall be subject to and interpreted, construed and enforced in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Agreement.

**6. Enurement**

This General Conveyance shall be binding upon and shall enure to the benefit of each of the Parties and their respective administrators, trustees, receivers, successors and assigns.

**7. Further Assurances**

Each Party will, from time to time and at all times hereafter, at the request of the other Party but without further consideration, do all such further acts and execute and deliver all such further documents as shall be reasonably required in order to fully perform and carry out the terms hereof.

**8. Counterpart Execution**

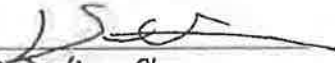
This Agreement may be executed in counterpart and by facsimile or other electronic means and all such executed counterparts together shall constitute one and the same agreement.

*[Signature Page to Follow.]*

**IN WITNESS WHEREOF** the Parties have executed this General Conveyance on the date first above written.

**FTI Consulting Canada Inc.**, solely in its capacity as the Court-appointed receiver and manager of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd., and not in its personal capacity or corporate capacity

**BSW Liquor Ltd.**

Per:   
Name: *Dustin Olver*  
Title: *Managing Director*

Per: \_\_\_\_\_  
Name: Balpreet Tatla  
Title: Director

# Appendix D

## Liberty Group APA

## ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of the 28 day of May, 2019

**B E T W E E N:**

**FTI Consulting Canada Inc.**, solely in its capacity as the Court-appointed receiver and manager of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd. (collectively, the “**Debtors**” and individually, a “**Debtor**”), and not in its personal or corporate capacity (the “**Seller**”)

- and -

**The Liberty Group Holdings Inc** (the “**Purchaser**”)

### RECITALS:

- A. Pursuant to an order of C.M. Jones of the Court of Queen’s Bench of Alberta (the “**Court**”) dated and filed May 1, 2019, the Seller was appointed receiver and manager of the Debtors (as such order may be amended or restated from time to time, the “**Receivership Order**”, bearing Court File No. 1901-06027, and such proceedings, the “**Receivership Proceedings**”).
- B. The Seller wishes to sell, and the Purchaser wishes to purchase, the Purchased Assets, and the Purchaser further wishes to assume certain liabilities in connection therewith, subject to the terms and conditions of this Agreement.

**NOW THEREFORE** in consideration of the mutual covenants and agreements contained in this Agreement, the Parties agree as follows:

### Article 1 INTERPRETATION

#### 1.1 Definitions. In this Agreement, unless the context otherwise requires:

- (a) “**Adjustments**” means the adjustments to the Purchase Price provided for and determined pursuant to Section 3.4;
- (b) “**Affiliate**” means, with respect to any Person, a Person directly or indirectly controlling, controlled by or under common control with such Person. For these purposes, “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise;
- (c) “**AGLC**” means the Alberta Gaming, Liquor and Cannabis agency, which is the agency responsible for administering the *Gaming and Liquor Act*, and the regulations and policies related thereto;
- (d) “**Agreement**” means this Asset Purchase Agreement and all attached Schedules, in each case as the same may be supplemented, amended, restated or replaced from time to time;
- (e) “**Approval and Vesting Order**” means an order to be granted by the Court, substantially in the form of Approval and Vesting Order as attached in Schedule 1, with any amendments thereto to be acceptable to each of the Seller and the Purchaser, each acting reasonably, which authorizes, approves and confirms this Agreement and the sale of the Purchased Assets by the Seller to the Purchaser in accordance with the terms and conditions contained herein, and vests beneficial title to the Purchased Assets in the Purchaser free and clear of all Encumbrances, other than any Permitted Encumbrances;
- (f) “**Business**” means the “Solo Liquor” retail liquor store business carried on by the Debtors at the Leased Premises prior to the Closing Date;

- (g) “**Closing**” means the completion of the Transaction at the Closing Time;
- (h) “**Closing Date**” means **the day that the Court Approval is obtained**, or such later date as the Parties may agree, acting reasonably;
- (i) “**Closing Documents**” means all contracts, agreements and instruments required by this Agreement to be delivered at or before the Closing Time;
- (j) “**Closing Time**” means 10:00 a.m. (Mountain Standard Time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place;
- (k) “**Court Approval**” means the issuance of the Approval and Vesting Order by the Court;
- (l) “**Encumbrance**” means any security interest, lien, prior Claim, charge, hypothec, hypothecation, reservation of ownership, pledge, encumbrance, mortgage or adverse Claim of any nature or kind;
- (m) “**Excluded Assets**” means, without limitation, all property and assets of the Debtors or the Vendor that are not exclusively used in relation to the Business and/or the Purchased Assets, and/or exclusively located at the Leased Premises, including without limitation, the following Property which is excluded from the Transaction and does not form part of the Purchased Assets:
  - (i) any real property interest of the Seller or the Debtors other than the Seller's rights and interest in the Leased Premises;
  - (ii) all of the Seller's and/or the Debtor's cash and cash equivalents including cash on hand or in banks or other similar depository;
  - (iii) the accounts receivable and all other trade debts due or accruing to the Seller in connection with the Business that originated prior to the Closing Date and the full benefit of all security therefor;
  - (iv) all intellectual property and associated rights of the Seller;
  - (v) the name “Solo Liquor” (or any variation thereof, any trademarks, trade names, logos or symbols related thereto);
  - (vi) point of sale (POS) system in the Leased Premises;
  - (vii) any refundable taxes previously paid by the Seller and any Claim or right of the Seller to any refund of taxes paid by the Seller;
  - (viii) computer hardware, software or associated instructions books or manuals;
  - (ix) employment contracts or contracts with consultants or contractors related to the Purchased Assets; and
  - (x) the Seller's rights under this Agreement;
- (n) “**General Conveyance**” means the form of general conveyance attached hereto as Schedule 2;
- (o) “**GST**” means the goods and services tax or harmonized sales tax payable pursuant to the *Excise Tax Act* (Canada) or any other statute in any other jurisdiction of Canada, as such statutes may be amended, modified or replaced from time to time, including any successor statute;
- (p) “**Income Tax Act**” means, collectively, the *Income Tax Act* (Canada) and the *Income Tax Regulations* (Canada), in each case as amended to the date hereof;

- (q) **"Inventory"** means the inventory located at the Leased Premises;
- (r) **"Lease"** means the lease agreement dated as per below between a Debtor, as tenant, and as per below, as landlord;

#47 SOLO

(Lease Date May 10 2016) #10&11 98 Long view dr spruce grove AB (Century Road plaza)

#32 SOLO

(Lease Date Dec 10 2014) #100&102 1 Hawthorne Gate, Spruce Grove, AB T7X 0A6 (Hawthorne Gate)

#28 SOLO

(Lease Date Sep 10 2013) 6805 48 Ave Unit 101, Camrose, AB T4V 4W1 (Camrose Location)

#48 SOLO

(Lease Date April 19 2016) 1460-3725 56 Street Wetaskiwin, AB T9A 2V6 (Town Center Properties Inc Wetaskiwin)

- (s) **"Leased Premises"** means the premises leased pursuant to the Lease;
- (t) **"Liabilities"** means any and all debts, liabilities and obligations of the Debtors, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any applicable law, Claim or governmental order, and those arising under any contract, agreement, arrangement, commitment or undertaking;
- (u) **"Loss"** means any and all loss, liability, damage, cost, charge, fine, penalty or assessment, including the costs and expenses of any legal proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith;
- (v) **"Permitted Encumbrances"** means:
  - (i) inchoate or statutory liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of the construction, maintenance, repair or operation of the Purchased Assets (or any of them), provided that such liens are related to obligations not due or delinquent as of the date hereof or, if then due or delinquent, are being contested in good faith by the Seller or the Debtors;
  - (ii) the right reserved to or vested in any municipality, governmental authority or other public authority to control or regulate any of the Purchased Assets in any manner, including any directives or notices received from any municipality, governmental authority or other public authority pertaining to the Purchased Assets;
  - (iii) the terms and conditions of the Lease;
  - (iv) liens granted in the ordinary course of business to a public utility, municipality or governmental authority with respect to operations pertaining to any of the Purchased Assets; and
  - (v) any other Encumbrances set out as "Permitted Encumbrances" in the Court Approval;
- (w) **"Person"** means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital,

unincorporated association, trust, trustee, executor, administrator or other legal personal representative, governmental authority or other entity however designated or constituted;

- (x) **"Property"** means all of the Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof;
- (y) **"Purchased Assets"** means all of the right, title and interest of the Debtors and the Seller in the following Property located at the Leased Premises:
  - (i) Tangible Personal Property;
  - (ii) Inventory; and
  - (iii) Lease;

provided that "Purchased Assets" do not include any Excluded Assets;

- (z) **"Receiver's Certificates"** has the meaning given to such term in Paragraph 22 of the Receivership Order;
- (aa) **"Representative"** means, with respect to any Party, its Affiliates, and its and their respective directors, officers, servants, agents, advisors, employees and consultants;
- (bb) **"Tangible Personal Property"** means all machinery and equipment presently located at the Leased Premises, owned by the Seller and used in or relating to the Business including, without limitation, all racks, shelving, millwork, lighting, security systems and associated access codes, safe and combination and keys, coolers, compressors, shelving, furniture, security shutter and bars used or held by the Seller for use in, or relating to, the Business;
- (cc) **"Transaction"** means, collectively, the sale and purchase of the Purchased Assets pursuant to this Agreement and all other transactions contemplated by this Agreement that are to occur contemporaneously with the sale and purchase of the Purchased Assets; and
- (dd) **"Transfer Taxes"** means all present and future transfer taxes, sales taxes, harmonized sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a governmental authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets to the Purchaser, or payable upon completion of the Transaction, including GST, but excluding any taxes imposed or payable under the *Income Tax Act* and any other similar income tax legislation, including any interest, penalties and fines associated therewith.

## Article 2 PURCHASE AND SALE

- 2.1 Agreement to Purchase and Sell Purchased Assets.** On the Closing Date and subject to the terms and conditions of this Agreement (which conditions, for greater certainty, include the Court Approval), the Seller, exercising the powers of sale granted pursuant to the Receivership Order, hereby agrees to sell, assign, transfer, convey and set over to the Purchaser, and the Purchaser hereby agrees to purchase from the Seller, all of the right, title, estate and interest of the Seller (whether absolute or contingent, legal or beneficial), if any, in and to the Purchased Assets, as vested in the Seller and as they may exist, on an "as is, where is" basis, and such foregoing purchase shall be free and clear of all Encumbrances other than the Permitted Encumbrances.

**Article 3**  
**PURCHASE PRICE AND RELATED MATTERS**

- 3.1 Purchase Price.** Subject to the Adjustments provided for herein, the purchase price for the Purchased Assets with the exception of Inventory, exclusive of all applicable Transfer Taxes, and cost of Inventory, shall be the aggregate of **\$875,000.00** (the "**Purchase Price Excluding Inventory**"). Upon receipt of the Court Approval, the Purchaser will forthwith review and count the Inventory, and the cost of the Inventory ("**Inventory Purchase Price**", and together with the Purchase Price Excluding Inventory, the "**Purchase Price**") will be determined pursuant to the records related thereto in the Vendor's possession and/or at the Vendor's sole discretion, acting reasonably.
- 3.2 Allocation of Purchase Price.** No later than five (5) business days prior to Closing, the Purchaser shall, acting reasonably and in good faith, prepare and deliver to the Seller a proposed allocation of the Purchase Price Excluding Inventory. Following delivery of same, the Parties shall use reasonable efforts to agree on such allocation at or prior to Closing. Such allocation shall be binding and the Purchaser and the Seller shall report the purchase and sale of the Purchased Assets and file all filings which are necessary or desirable under the Income Tax Act to give effect to such allocations and shall not take any position or action inconsistent with such allocation. If the Parties are unable to so agree on the allocation, such failure shall not constitute a default for the purposes hereof by either Party and, subject to the other terms and conditions hereof, the Parties will proceed to Closing. In such case, each Party shall, in filing their respective tax return, be entitled to use an allocation of the Purchase Price Excluding Inventory as determined in its discretion.
- 3.3 Payment of Purchase Price.** The Purchaser covenants and agrees to pay the Purchase Price in lawful money of Canada as follows:
- (a) the sum of **\$218,750.00** (the "**Deposit**"), which is an amount equal to, or greater than, [**twenty five**] per cent (**[25]**%) of the Purchase Price Excluding Inventory. The Seller acknowledges that the Deposit was paid by the Purchaser to the Seller prior to or on **May 28th 2019**, and was deposited by the Seller. The Parties agree that the Deposit received by the Seller shall be releasable in accordance with this Agreement.
  - (b) If Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit received by the Seller shall be retained by the Seller and credited against the Purchase Price, in partial satisfaction of the Purchaser's obligation to pay the Purchase Price at Closing.
  - (c) If Closing does not occur:
    - (i) due to the conditions precedent in favour of the Purchaser set forth in Section 11.3 of this Agreement not having been satisfied or waived in accordance with the terms of this Agreement, the Deposit and any interest received by the Seller shall be returned by the Seller to the Purchaser and, subject to Section 10.2 of this Agreement, this Agreement shall thereupon terminate and each Party shall be released from all obligations and liabilities under or in connection with this Agreement; and
    - (ii) for any reason other than the conditions precedent in favour of the Purchaser as set forth in Section 11.3 of this Agreement not having been satisfied or waived in accordance with the terms of this Agreement, the Seller shall retain the Deposit as liquidated damages and not as a penalty and, subject to Section 10.2 of this Agreement, this Agreement shall thereupon terminate.
  - (d) The Purchaser and the Seller hereby acknowledge and agree that, should Closing not occur for any reason provided in Section 3.3(c)(ii), the Seller will suffer and incur damages that cannot be precisely calculated, and will therefore be entitled to retain the Deposit pursuant to Section 3.3(c)(ii) as liquidated damages, and not as a penalty, the Deposit being a genuine pre-estimate of the damages that will be suffered by the Seller as contemplated by this Section 3.3(d). The Purchaser expressly waives any present or future right, at law or in equity, that would prohibit or



may prohibit the retention of the Deposit as liquidated damages by the Seller in connection with Closing not occurring after the satisfaction or waiver of the conditions precedent in favour of the Purchaser set forth in Section 11.3 of this Agreement and the Purchaser and the Seller expressly covenant and agree that the Purchaser be and is hereby estopped from making any Claim to challenge the retention of the Deposit by the Seller in the manner contemplated by Section 3.3(c)(ii) of this Agreement;

- (e) The Purchaser shall pay to the Seller at Closing, by electronic wire transfer, the remaining portion of Purchase Price plus any and all applicable taxes and fees payable under Article 3 (collectively referred to as, the "**Closing Payment**").

### 3.4 Adjustments

- (a) **Costs and Revenues to be Apportioned.** Except as otherwise provided in this Agreement, all costs and expenses relating to the Purchased Assets and all revenues relating to the Purchased Assets shall be apportioned as of the Closing Date between the Seller and the Purchaser on an accrual basis in accordance with generally accepted accounting principles. No adjustments to the Purchase Price will be made for any change in condition, value, quantity or quality of the Purchased Assets, or with respect to Purchaser's ability to obtain any consents pursuant to Section 8.1.
- (b) **Statement of Adjustments** - A statement of adjustments showing a breakdown of the Adjustments for the Purchased Assets (the "**Statement of Adjustments**") to which there will be annexed details of the calculations made thereon shall be delivered to the Purchaser by the Seller at least five (5) business days prior to Closing, and shall include without limitation, prepayment, prepaid rent, security deposits, and rents.

- 3.5 **Transfer Taxes.** The Parties agree that the Purchase Price payable by the Purchaser to the Seller pursuant to this Agreement does not include any Transfer Taxes and all Transfer Taxes are the responsibility of and for the account of the Purchaser. The Purchaser and the Seller agree to cooperate to determine the amount of Transfer Taxes payable in connection with the Transaction. If the Seller is required by applicable law or by administration thereof to collect any applicable Transfer Taxes from the Purchaser, the Purchaser shall pay such Transfer Taxes to the Seller on Closing, unless the Purchaser qualifies for an exemption from any such applicable Transfer Taxes or has the right under applicable law to self-assess and remit, as the case may be, in which case the Seller shall not collect any such applicable Transfer Taxes from the Purchaser, provided that the Purchaser, in lieu of payment of such applicable Transfer Taxes to the Seller, delivers to the Seller such certificates, elections, undertakings, indemnities or other documentation required by applicable law or the administration thereof or by the Seller to substantiate and affect the exemption claimed by the Purchaser or its right to self-assess and remit, as the case may be. The Purchaser does hereby indemnify the Seller and the Debtors against any Claims which may arise in connection with such Transfer Taxes, and the Purchaser further agrees to pay all such amounts including interest and penalties, if any, upon written request by the Seller provided in accordance with the provisions of Section 12.3 hereof.

## Article 4 STATUS OF THE PURCHASED ASSETS

- 4.1 **"As-is Where-is"**. The Purchased Assets, are being sold on an "as is, where is" basis as of the Closing and in their condition as of Closing with "all faults" and, except as expressly set forth in this Agreement:

- (a) neither the Seller, nor its Representatives make, have made or shall be deemed to have made any other representation or warranty, express or implied, at law or in equity, in respect of the Business or any of the Purchased Assets, including with respect to:
  - (i) title, encumbrances, description, fitness for purpose, merchantability, condition, assignability, collectability, quantity, outstanding amount, value or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Seller to sell same and without limiting the generality of the foregoing, any and all

conditions, warranties or representations expressed or implied pursuant to any *Sale of Goods Act* or similar legislation in any jurisdiction in Canada shall not apply hereto and shall be deemed to have been waived by the Purchaser;

- (ii) the operation of the Purchased Assets by the Purchaser after the Closing in any manner; or
  - (iii) the probable success or profitability of the business of the Purchaser relating to the Purchased Assets after the Closing, and
- (b) neither the Seller, nor its Representatives will have or be subject to any liability or indemnification obligation to the Purchaser or to any other person resulting from the distribution to the Purchaser, its Affiliates or Representatives of, or the Purchaser's use of, any information relating to the Business, and any information, documents or material made available to the Purchaser, whether orally or in writing, in certain "data rooms", management presentations, functional "break-out" discussions, responses to questions submitted on behalf of the Purchaser or in any other form in expectation of the transactions. Any such other representation or warranty is hereby expressly disclaimed.
- 4.2 **Waiver.** The provisions of Section 4.1 shall operate as waivers of any claims in tort as well as under the law of contract against the Seller and/or the Debtors.

#### **Article 5 REPRESENTATIONS AND WARRANTIES BY THE SELLER**

The Seller represents and warrants to the Purchaser and acknowledges that the Purchaser is relying upon the following representations and warranties in connection with its purchase of the Purchased Assets:

- 5.1 **Validly Appointed & Due Authorization and Enforceability of Obligations.** The Seller has been validly appointed by the Court as receiver and manager of the Property pursuant to the Receivership Order. Subject to Court Approval being obtained and being entered, the Seller has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of each of this Agreement, the Closing Documents and the consummation of the Transaction has been duly authorized by all necessary corporate action of the Seller. This Agreement has been, and at the Closing Time the Closing Documents will be, duly executed and delivered by the Seller and constitutes a valid and binding obligation of the Seller enforceable against it in accordance with its terms, as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.
- 5.2 **Right to Sell, and Title to, Purchased Assets.** The Debtors are the registered owners of their respective Purchased Assets to which they hold title. At the Closing, the Seller shall convey to the Purchaser all of the Debtors' right, title and interest in and to the Purchased Assets, free and clear of all Encumbrances, other than the Permitted Encumbrances.
- 5.3 **No Other Representations, Warranties or Covenants.** All of the Purchased Assets are being purchased on an "as is where is" basis. Unless and solely to the extent expressly set forth in this Agreement, no representation, warranty or covenant is expressed or implied by the Seller, including any warranties as to title, Encumbrances, description, merchantability or fitness for a particular purpose, environmental compliance, condition, quantity or quality, or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Seller to sell or assign the same. The disclaimer in this Section 5.3 is made notwithstanding the delivery or disclosure to the Purchaser or its Representatives of any documentation or other information.

#### **Article 6 REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

The Purchaser represents and warrants to the Seller as follows, and acknowledges that the Seller is relying upon the following representations and warranties in connection with its sale of the Purchased Assets:

- 6.1 **Existence & Due Authorization and Enforceability of Obligations.** The Purchaser is a corporation duly organized and validly existing under the laws of its jurisdiction of organization and is authorized to carry on business in the provinces in which the Purchased Assets are located. The Purchaser has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action of the Purchaser. This Agreement has been duly executed and delivered by the Purchaser and constitutes a valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity. At the Closing Time, the Closing Documents required by this Agreement to be delivered by the Purchaser will be duly executed and delivered by the Purchaser and will constitute a valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.
- 6.2 **Approvals and Consents.** Except for Court Approval or as otherwise expressly set forth herein, no authorization, consent or approval of, or filing with or notice to, any governmental authority or any other Person is required in connection with the execution, delivery or performance of this Agreement by the Purchaser and each of the Closing Documents to be executed and delivered by the Purchaser hereunder or the purchase of any of the Purchased Assets hereunder. Provided the Court Approval is obtained, this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their terms.
- 6.3 **Tax Registrant.** The Purchaser is a registrant for GST purposes in accordance with the *Excise Tax Act* (Canada) and its registration number for such purposes **will be provided at closing.**
- 6.4 **No Additional Due Diligence.** The Purchaser acknowledges and agrees that: (a) it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets prior to the execution of this Agreement; (b) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets; (c) it is not relying upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied, (by operation of law or otherwise), regarding the Purchased Assets or the completeness of any information provided in connection therewith, except as expressly stated in this Agreement; and (d) the obligations of the Purchaser under this Agreement are not conditional upon any additional due diligence.
- 6.5 **Brokers.** No broker, finder or investment banker is entitled to any brokerage commission, finder's fee or other similar payment in connection with the Transaction based upon arrangement made by or on behalf of the Purchaser.

#### Article 7

#### INDEMNITIES FOR REPRESENTATIONS AND WARRANTIES

- 7.1 **Purchaser's Indemnities for Representations and Warranties.** The Purchaser shall be liable to the Seller for and shall, in addition, indemnify the Seller from and against, all Losses suffered, sustained, paid or incurred by the Seller insofar as such Losses are a result of any act, omission, circumstance or other matter arising out of, resulting from, attributable to or connected with a breach of the representations and warranties contained in Article 6.

7.2

#### Article 8

#### ADDITIONAL AGREEMENTS OF THE PARTIES

- 8.1 **Approvals and Consents.**

- (a) The Seller and the Purchaser shall:
    - (i) as soon as reasonably possible following the date hereof, make all such filings and seek all such consents, approvals, permits and authorizations with any other governmental authorities whose consent is required for consummation of the Transaction, including without limitation, from AGLC, and the Purchaser will request any expedited processing available; and
    - (ii) use commercially reasonable efforts to seek all consents, approvals or authorizations required in connection with the assignment of the Purchased Assets in accordance with this Agreement to the Purchaser.
  - (b) The Purchaser shall, at the Seller's request, furnish the Seller with copies of such documents and information with respect to the Purchaser, including financial information, as the Seller may reasonably request in connection with the obtaining of any consents, approvals, permits and authorizations contemplated by Section 8.1(a).
  - (c) Both before and after Closing, the Purchaser shall be solely responsible for obtaining any and all approvals required under applicable law and any and all consents of third parties required to permit the Transaction and for use of the Purchased Assets thereafter. The Parties acknowledge that the acquisition of such consents shall not be a condition precedent to Closing. The Purchaser shall indemnify the Seller for any Losses incurred by the Seller as a result of the Purchaser's failure to obtain any such consent. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all financial assurances, remedial work or other documentation required by governmental authorities to permit the transfer to the Purchaser, and registration of the Purchaser as owner, of any of the Purchased Assets.
  - (d) The Purchaser will use its reasonable commercial efforts to assist the Seller in obtaining the consent and will provide reasonably required documentation other evidence to support its ability to provide adequate assurance of future performance of the Lease.
- 8.2 Permitted Encumbrances.** The Purchaser agrees to accept title to the Purchased Assets subject to all of the Permitted Encumbrances. The Purchaser covenants and agrees to satisfy itself as to compliance with all of the Permitted Encumbrances and the Seller shall not be required to provide letters or certificates of compliance or any releases or partial releases of same.
- 8.3 Compliance with Permitted Encumbrances and applicable laws.** The Purchaser covenants and agrees:
- (a) to assume on Closing and be bound by and to comply with all provisions of the Permitted Encumbrances, at the Purchaser's sole cost and expense, and the Purchaser hereby covenants and agrees with the Seller to discharge, perform and fulfill all terms, covenants, provisos, conditions, stipulations, obligations and liabilities of the Seller and Debtors under the Permitted Encumbrances, whether arising before or after the Closing, in the same manner and to the same extent as if the Purchaser had executed the same in the place and stead of the Seller and/or the Debtors, as applicable. The Purchaser shall indemnify and hold harmless the Seller with respect thereto, whether or not such compliance or non-compliance occurs before, on or after Closing. If required by the provisions of any Permitted Encumbrances, or by any party to any Permitted Encumbrances, the Purchaser shall enter into an agreement directly with the other parties to such Permitted Encumbrances confirming such assumption; and
  - (b) to assume on Closing, at the Purchaser's sole cost and expense, complete responsibility for compliance with all applicable laws which apply to the Purchased Assets and the use thereof by the Purchaser. The Purchaser shall indemnify and hold harmless the Seller with respect thereto, whether or not such compliance or non-compliance occurs before, on or after Closing.
- 8.4 Post-Closing Date Indemnity.** Provided that Closing has occurred, the Purchaser shall: (a) be solely liable and responsible for any and all Losses which the Seller may suffer, sustain, pay or incur; and (b) indemnify,

release and save harmless the Seller and its Representatives from any and all Losses, actions, proceedings and demands, whatsoever which may be brought against or suffered by the Seller or which it may sustain, pay or incur, as a result of any matter or thing resulting from, attributable to or connected with the ownership or operation of the Purchased Assets, to the extent that such Losses related thereto arise or occur after the Closing Date.

- 8.5 Covenant Regarding Confidential Information.** On or prior to Closing, the Seller may request any Person, including the Purchaser or its Representatives, that was furnished confidential information of the Seller and/or the Debtors to return or destroy all such information, and such Person shall return or destroy all such information, as applicable.
- 8.6 Liability of the Parties.** The Purchaser acknowledges and agrees that in all matters pertaining to this Agreement, including in its execution, the Seller is acting solely in its capacity as a receiver and manager of the Debtors and, as such, its liability under this Agreement, if any, will be in its capacity as a receiver manager, and the Seller and its Representatives shall have no personal or corporate liability of any kind, whether in contract, in tort or otherwise and in no circumstance will the Seller be liable for any consequential damages including loss of profit.
- 8.7 Release.** Notwithstanding any other provisions of this Agreement, effective as of the Closing Time, each of the Purchaser and the Seller, on behalf of itself and its Affiliates, does hereby forever release and discharge such other Party and its Affiliates and their respective present and former direct and indirect shareholders, officers, directors, employees, advisors (including, without limitation, financial advisors and legal counsel) and agents (collectively, the "Released Parties") from any and all demands, claims, liabilities, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, indebtedness, liens of whatever nature (collectively, "Claims") based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Closing Time relating to, arising out of or in connection with, the Purchased Assets, save and except for Claims: (i) under this Agreement or any document ancillary thereto; or (ii) arising out of fraud, bad faith or illegal acts (unless such Party believed in good faith that its conduct was legal) of or by the Released Parties.

#### **Article 9 COURT APPROVAL**

**9.1 Approval and Vesting Order.**

- (a) The Seller shall file a motion with the Court for the Court Approval. Such motion shall be scheduled for a date that is on or before **June 17, 2019**.
- (b) The Purchaser shall cooperate with the Seller acting reasonably, as may be necessary, in obtaining the Court Approval.

#### **Article 10 TERMINATION**

**10.1 Termination.** This Agreement may be terminated at any time prior to Closing as follows:

- (a) subject to any approvals required from the Court or otherwise pursuant to the Receivership Proceedings, by mutual written consent of the Seller and the Purchaser;
- (b) by either Party, upon written notice to the other, if a governmental authority issues an order prohibiting the Transaction contemplated hereby, which order shall have become final and non-appealable; and
- (c) by either Party, upon written notice to the other Party, if there has been a material violation or breach by the other Party of any covenant, representation or warranty which would prevent the satisfaction of any condition set forth in Sections 11.2 and/or 11.3 or 11.4, as applicable, on the Closing Date and such violation or breach has not been waived by the Party or cured within five

(5) days after written notice thereof from the Party, unless that Party is in material breach of its obligations under this Agreement.

- 10.2 Effect of Termination.** In the event of termination of this Agreement pursuant to Section 10.1, this Agreement shall forthwith become null and void, and nothing herein shall relieve any Party from liability for any breach of this Agreement, or to impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement.

#### **Article 11 CLOSING**

- 11.1 Location and Time of Closing.** The Closing shall take place at 10:00 a.m. on the Closing Date at the offices of the Seller's legal counsel, Torys LLP, in Calgary, Alberta or at such other time on the Closing Date or such other place as may be agreed orally or in writing by the Seller and the Purchaser.

- 11.2 Mutual Conditions.** The respective obligations of the Purchaser and of the Seller to consummate the Transaction are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the following conditions:

- (a) the Court Approval shall have been entered by the Court and shall not have been stayed, vacated or appealed and no order shall have been issued which restrains or prohibits the completion of the Transaction; and
- (b) there shall be no order issued by any governmental authority delaying, restricting or preventing, and no pending or threatened Claim, judicial or administrative proceeding, or investigation against any Party by any Person, for the purpose of enjoining, delaying, restricting or preventing the consummation of this Transaction, or otherwise claiming that this Agreement or the consummation of the Transaction is improper or would give rise to proceedings under any applicable law.

The foregoing conditions are for the benefit of all Parties and non-satisfaction or non-performance of any such condition may only be waived by no less than all of them, in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which they each may have. Any such waiver is only binding on a Party if it is made in writing; however, no Party shall be able to delay or prevent Closing due to non-satisfaction of these mutual conditions due to a breach of this Agreement by that Party.

- 11.3 Purchaser's Conditions.** The obligation of the Purchaser to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver by the Purchaser of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Purchaser):

- (a) the representations and warranties of the Seller in Article 5 shall be true and correct at the Closing;
- (b) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Seller on or before the Closing Date shall have been complied with or performed in all material respects;
- (c) the Purchaser shall have received a Statement of Adjustments, if applicable, at least five (5) business days prior to Closing;
- (d) the Purchaser shall have reviewed and counted the Inventory located at the Leased Premises;
- (e) the Seller shall deliver, or cause to be delivered, at Closing the following:
  - (i) all keys and pass codes to the Leased Premises in the Seller's actual possession;
  - (ii) a certified true copy of the Court Approval, as issued by the Court;

- (iii) the Receiver's Certificate (as defined in the Approval and Vesting Order) executed by the Seller;
  - (iv) the General Conveyance in the form attached as Schedule 2, duly executed by the Seller;
  - (v) a receipt for the Closing Payment, as adjusted herein;
  - (vi) assignment and assumption of the Lease; and
  - (vii) any other documents reasonably requested by the Purchaser in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement; and
- (f) the Purchased Assets shall be assigned and transferred to the Purchaser free and clear of all Encumbrances, other than Permitted Encumbrances, in accordance with the Court Approval.

**11.4 Seller's Conditions.** The obligation of the Seller to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver where applicable, by the Seller of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Seller):

- (a) the representations and warranties of the Purchaser in Article 6 shall be true and correct at the Closing;
- (b) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser on or before the Closing Date shall have been complied with or performed in all material respects;
- (c) the Purchaser shall deliver, or cause to be delivered, at Closing the following:
  - (i) a proposed allocation of the Purchase Price Excluding Inventory at least five (5) business days prior to Closing;
  - (ii) the Purchaser shall have paid to the Seller all amounts required to be paid by it under this Agreement in the form stipulated in this Agreement, including the Closing Payment as adjusted herein plus applicable Transfer Taxes, and the cost of inventory;
  - (iii) the General Conveyance in the form attached as Schedule 2, duly executed by the Purchaser;
  - (iv) if required by the provision of any Permitted Encumbrances or by any party to any Permitted Encumbrances, an individual assumption agreement in a form required by such Permitted Encumbrances; and
  - (v) any other documents reasonably requested by the Seller in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement, including without limitation:

**11.5 Transfer of Purchased Assets.** Provided that Closing occurs, and subject to all other provisions of this Agreement, possession, risk and beneficial ownership of the Seller's interest in and to the Purchased Assets shall transfer from the Seller to the Purchaser on the Closing Date, in accordance with the Court Approval.

## Article 12 GENERAL MATTERS

- 12.1 Survival.** The representations and warranties of the Seller in this Agreement or in any agreement, document or certificate delivered pursuant to or in connection with this Agreement or the Transaction are set forth solely for the purpose of Section 11.3 and none of them shall survive Closing. The Seller shall have no liability, whether before or after the Closing, for any breach of the Seller's representations, and the Purchaser acknowledges that its exclusive remedy for any such breach shall be termination of this Agreement prior to the Closing (but only if permitted by Section 10.1).
- 12.2 Assignment.** Neither this Agreement nor any of the rights or obligations under this Agreement, are assignable or transferable by a Party without the prior written consent of the other Party.
- 12.3 Notices.** All notices and communication hereunder shall be in writing and shall be deemed given: (a) when delivered personally or by commercial messenger or courier services; (b) three business days following the mailing thereof by registered certified mail (return receipt requested); or (c) when transmitted by facsimile or e-mail, in each case, to a Party at the contact information as shown below the signature of such Party on the signature page of this Agreement (or at such other address for a Party as shall be specified by like notice or, if specifically provided for elsewhere in this Agreement).
- 12.4 Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto relating to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether verbal or written, of the parties.
- 12.5 No Merger.** The covenants, agreements, acknowledgements, representations, warranties and indemnities of the Seller contained in this Agreement shall be deemed to apply to, and shall not merge in, any documents delivered in furtherance of the provisions hereof notwithstanding the terms of such documents or any rule of law, equity or statute to the contrary, all such rules being waived.
- 12.6 Further Assurances.** The parties hereto and each of them do hereby covenant and agree to do such things and execute such further documents, agreements and assurances as may be necessary or advisable from time to time in order to carry out the terms and conditions of this Agreement in accordance with their true intent.
- 12.7 Consequential Damages.** Neither party shall be liable to the other party for any punitive or exemplary damages, loss of profits, loss of production, loss of business or mineral rights or business interruptions which may be suffered by either party, as the case may be, and which arise out of or in connection with this Agreement.
- 12.8 Confidentiality.** Each Party shall treat confidentially and not disclose, and shall cause each of its Representatives to treat confidentially and not disclose, other than as expressly contemplated by this Agreement, any confidential information of the other Party. Either Party may disclose confidential information only to those of its Representatives who need to know such confidential information for the purpose of implementing the Transaction. Neither Party shall use, nor permit its Representatives to use, confidential information for any other purpose nor in any way that is, directly or indirectly, detrimental to the other Party.
- 12.9 Amendments and Waiver.** All amendments to this Agreement, and all waivers of any provision, or the breach of any provision, of this Agreement, shall be made in a written instrument signed by both of the parties. A waiver shall affect only the matter specifically identified in the instrument granting the waiver and shall not extend to any other matter, provision or breach.
- 12.10 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the parties hereto hereby submit to the exclusive jurisdiction of the courts in the Province of Alberta.
- 12.11 Counterparts; Electronic Signatures.** This Agreement may be signed in counterparts and electronically and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument.

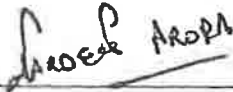


*[Remainder of page intentionally blank]*

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

**The Liberty Group Holdings Inc**

By:

  
\_\_\_\_\_

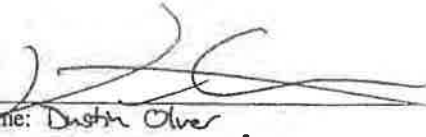
Name: Pardeep Arora  
Title: Director

Address: 2609 21a ave Edmonton, Alberta  
T6T0Y Canada

Attention: Pardeep Arora  
Facsimile: \_\_\_\_\_  
Email: jass@drjgroupamerica.com

**FTI Consulting Canada Inc.**, solely in its capacity as the Court-appointed receiver and manager of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd., and not in its personal capacity or corporate capacity

By:

  
\_\_\_\_\_

Name: Dustin Oliver  
Title: Managing Director

Address: Suite 1610 - 520 - 5<sup>th</sup> Ave S.W.  
Calgary, AB  
T2P 3R7

Attention: Dustin Oliver  
Facsimile: 403-232-6116  
Email: dustin.oliver@fticonsulting.com

**Schedule 1**

**FORM OF APPROVAL AND VESTING ORDER**

(See attached)

COURT FILE NUMBER 1901-06027 Clerk's Stamp  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
PLAINTIFF ATB FINANCIAL  
DEFENDANTS SOLO LIQUOR STORES LTD., SOLO LIQUOR HOLDINGS LTD., GENCO HOLDINGS LTD., PALI BEDI, JASBIR SINGH HANS and TARLOK SINGH TATLA  
DOCUMENT APPROVAL AND VESTING ORDER

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
Torys LLP  
Suite 4600, 525 - 8<sup>th</sup> Avenue SW  
Calgary, AB T2P 1G1

Attention: Kyle Kashuba  
Telephone: +1 403 776 3744  
Facsimile: +1 403 776 3800  
Email: k Kashuba@torys.com  
File Number: 39586-2004

(a)  
DATE ON WHICH ORDER WAS PRONOUNCED: \_\_\_\_\_

LOCATION WHERE ORDER WAS PRONOUNCED: \_\_\_\_\_

NAME OF JUSTICE WHO MADE THIS ORDER: \_\_\_\_\_

UPON THE APPLICATION by FTI Consulting Canada Inc. in its capacity as the Court-appointed receiver and manager (the "Receiver") of the undertakings, property and assets of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd. (together, the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agree

ment") between the Receiver and [Name of Purchaser] (the "Purchaser") dated [Date] and appended to the \_\_\_ Report of the Receiver dated [Date] (the "Report"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets");

AND UPON HAVING READ the Receivership Order dated [Date] (the "Receivership Order"), the Report and the Affidavit of Service of [■]; AND UPON HEARING the submissions of counsel for the Receiver, the Purchaser and other interested parties [appearing, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed];

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.<sup>1</sup>

**APPROVAL OF TRANSACTION**

2. The Transaction is hereby approved<sup>2</sup> and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser.

**VESTING OF PROPERTY**

3. Upon delivery of a Receiver's certificate to the Purchaser substantially in the form set out in **Schedule "A"** hereto (the "Receiver's Closing Certificate"), all of the Debtor's right, title and interest in, to and under the Purchased Assets shall vest absolutely in the name of the Purchaser, free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "Claims")<sup>3</sup> including, without limiting the generality of the foregoing:
  - a. any encumbrances or charges created by the Receivership Order;
  - b. any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
  - c. any liens or claims of lien under the *Builders' Lien Act* (Alberta); and

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<sup>1</sup> Ensure that the application and supporting materials are served on all affected parties including those whose interests will be vested off.

<sup>2</sup> In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding. If supported by evidence, the following sentence could be added at the beginning of paragraph 2: "The Transaction and Sale Agreement are commercially reasonable and in the best interest of the Debtor and its stakeholders."

<sup>3</sup> The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims may, in some cases, continue as against the net proceeds from sale of the claimed assets. In other cases, the ownership claimant may object to its ownership interest being vested out of the claimed assets. For example, it not clear that vesting orders can vest out overriding royalties or restrictive covenants which are interests in land. (In *Third Eye Capital Corp. v Dianor Resources Inc.*, 2018 ONCA 253 at paragraphs 108-130 the Ont. C.A. requested further argument regarding whether an overriding royalty which is an interest in land may nevertheless be vested out.) Similarly, other claimed rights, titles or interests may potentially be vested out if the Court is advised what rights are being affected and the affected persons are served. The Committee agrees with the view of the Ontario Committee that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

- d. those Claims listed in Schedule "B" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the Permitted Encumbrances (when used herein, such term shall have the same meaning as defined in the Sale Agreement))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

4. With respect to the Purchased Assets that is a Lease (as defined in the Sale Agreement and hereinafter the "Lease"), upon delivery of the Receiver's Closing Certificate, the Purchaser shall be entitled to all of the rights and benefits of the Lease as if it were the original tenant and there were no previous defaults and shall be subject to all of the obligations as tenant pursuant to the terms of the Lease for the period commencing from and after the delivery of such Receiver's Closing Certificate and may enter into and upon and hold and have quiet enjoyment of such premises contemplated by the Lease and, if applicable, any renewals thereof, for its own use and benefit, all in accordance with the terms of the Lease, without any interruption from the Vendor, the landlord under the Lease or any person whatsoever claiming through or under any of the Vendor or the landlord under the Lease.
5. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "Governmental Authorities") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing the Registrar of the Alberta Personal Property Registry (the "PPR Registrar") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
6. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
7. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.

8. For the purposes of determining the nature and priority of Claims, net proceeds<sup>4</sup> from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.
9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta Employment Standards Code, the Purchaser shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.<sup>5</sup>
10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser.
11. The Purchaser shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.<sup>6</sup>
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser.

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<sup>4</sup> The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".

<sup>5</sup> Successor employer liability is governed by section 5 of the *Employment Standards Code*, RSA 2000 c. E-9 as amended. Inclusion of the words "or by statute" in paragraph 9 ensures that paragraph 9 does not purport to abrogate statutory successor employee liability.

<sup>6</sup> The terms of the Permitted Encumbrance and Sale Agreement should be reviewed to determine whether an encumbrance also constitutes a charge against other assets not being sold (in addition to the Purchased Assets.) In that circumstance, absent agreement of the encumbrancer to the contrary, the Debtor may not be fully discharged so the encumbrancer does not lose its charge over the other assets it holds as security. Do not add the words "or the Debtor" to the end of paragraph 12 if an encumbrancer's claim against the Debtor should be reserved.

14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtor's were entitled.

#### MISCELLANEOUS MATTERS

15. Notwithstanding:

- a. the pendency of these proceedings and any declaration of insolvency made herein;
- b. the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "BIA"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
- c. any assignment in bankruptcy made in respect of the Debtor; and
- d. the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. The Receiver, the Purchaser and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, 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 order and to provide such assistance to the Receiver, as an officer of the 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.
18. Service of this Order shall be deemed good and sufficient by:
- a) Serving the same on:
    - i. the persons listed on the service list created in these proceedings;
    - ii. any other person served with notice of the application for this Order;
    - iii. any other parties attending or represented at the application for this Order;
    - iv. the Purchaser or the Purchaser's solicitors; and
  - b) Posting a copy of this Order on the Receiver's website at: \*



and service on any other person is hereby dispensed with.

19. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

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Justice of the Court of Queen's Bench of Alberta

**Schedule "A"**

**Form of Receiver's Certificate**

COURT FILE NUMBER

Clerk's Stamp

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

PLAINTIFF

DEFENDANT

DOCUMENT

**RECEIVER'S CERTIFICATE**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**RECITALS**

- A. Pursuant to an Order of the Honourable Justice [Name] of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Court") dated [Date of Order], FTI Consulting Canada Inc. was appointed as the receiver and manager (the "Receiver") of the undertakings, property and assets of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd. (together, the "Debtor").
- B. Pursuant to an Order of the Court dated [Date], the Court approved the agreement of purchase and sale made as of [Date of Agreement] (the "Sale Agreement") between the Receiver and [Name of Purchaser] (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in [Article 11] of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

- 1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
- 2. The conditions to Closing as set out in [Article 11] of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
- 3. The Transaction has been completed to the satisfaction of the Receiver.

4. This Certificate was delivered by the Receiver at [Time] on [Date].

**FTI Consulting Canada Inc., in its  
capacity as Receiver of the undertakings,  
property and assets of Solo Liquor Stores  
Ltd. and Solo Liquor Holdings Ltd., and  
not in its personal capacity.**

**Per; \_\_\_\_\_**

**Name:**

**Title:**

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**Schedule "B"**

**Claims**

**Schedule 2**  
**GENERAL CONVEYANCE**

**THIS GENERAL CONVEYANCE** made as of this \_\_\_\_ day of \_\_\_\_\_, 2019.

**BETWEEN:**

**FTI Consulting Canada Inc.**, solely in its capacity as the Court-appointed receiver and manager of Solo Liquor Stores Ltd. ("SLS"), a corporation organized pursuant to the laws of the Province of Alberta, Canada and Solo Liquor Holdings Ltd. (together with SLS, the "Debtors"), a corporation organized pursuant to the laws of the Province of Alberta, Canada, and not in its personal or corporate capacity (the "Seller")

- and -

**The Liberty Group Holdings Inc**

**WHEREAS** pursuant to an order of C.M. Jones of the Court of Queen's Bench of Alberta (the "Court") dated and filed May 1, 2019 (the "Receivership Order"), the Seller was appointed receiver and manager of all of the Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof;

**AND WHEREAS** the Seller has agreed to sell and convey the Seller's entire right, title, estate and interests in the Purchased Assets (as defined in the Purchase Agreement) to the Purchaser, and the Purchaser has agreed to purchase and accept all of the Seller's right, title, estate and interest in and to the Purchased Assets, subject to and in accordance with the terms and conditions contained in the Purchase Agreement (as defined herein);

**NOW THEREFORE** for the consideration provided in the Purchase Agreement and in consideration of the premises hereto and the covenants and agreements hereinafter set forth and contained, the Parties covenant and agree as follows:

**1. Definitions**

In this General Conveyance, including the recitals hereto, the definitions set forth in the Purchase Agreement are adopted herein by reference and, in addition:

"Purchase Agreement" means that Purchase and Sale Agreement between the Seller and the Purchaser dated May 27, 2019.

**2. Conveyance**

Pursuant to and for the consideration provided for in the Purchase Agreement, the Seller hereby sells, assigns, transfers, conveys and sets over to the Purchaser the entire right, title, estate and interest of the Seller in and to the Purchased Assets, to have and to hold the same absolutely, together with all benefit and advantage to be derived therefrom.

**3. Subordinate Document**

This General Conveyance is executed and delivered by the Parties pursuant to the Purchase Agreement and the provisions of the Purchase Agreement shall prevail in the event of a conflict between the provisions of the Purchase Agreement and the provisions of this General Conveyance.

**4. No Merger**

The covenants, representations, warranties and indemnities contained in the Purchase Agreement are incorporated herein as fully and effectively as if they were set out herein and there shall be no merger of any

covenant, representation, warranty or indemnity contained in the Purchase Agreement by virtue of the execution and delivery hereof, any rule of law, equity or statute to the contrary notwithstanding.

**5. Governing Law**

This General Conveyance shall be subject to and interpreted, construed and enforced in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Agreement.

**6. Enurement**

This General Conveyance shall be binding upon and shall enure to the benefit of each of the Parties and their respective administrators, trustees, receivers, successors and assigns.

**7. Further Assurances**

Each Party will, from time to time and at all times hereafter, at the request of the other Party but without further consideration, do all such further acts and execute and deliver all such further documents as shall be reasonably required in order to fully perform and carry out the terms hereof.

**8. Counterpart Execution**

This Agreement may be executed in counterpart and by facsimile or other electronic means and all such executed counterparts together shall constitute one and the same agreement.

*[Signature Page to Follow.]*

IN WITNESS WHEREOF the Parties have executed this General Conveyance on the date first above written.

**FTI Consulting Canada Inc.**, solely in its capacity as the Court-appointed receiver and manager of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd., and not in its personal capacity or corporate capacity

**The Liberty Group Holdings Inc**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name: Pardeep Arora  
Title: Director

# Appendix E

## Crowfoot APA



## ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of the \_\_22\_\_ day of \_May\_, 2019

### B E T W E E N:

FTI Consulting Canada Inc., solely in its capacity as the Court-appointed receiver and manager of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd. (collectively, the “Debtors” and individually, a “Debtor”), and not in its personal or corporate capacity (the “Seller”)

- and -

Jiang Cui O/A Nominee (the “Purchaser”)

### RECITALS:

- A. Pursuant to an order of C.M. Jones of the Court of Queen’s Bench of Alberta (the “Court”) dated and filed May 1, 2019, the Seller was appointed receiver and manager of the Debtors (as such order may be amended or restated from time to time, the “Receivership Order”, bearing Court File No. 1901-06027, and such proceedings, the “Receivership Proceedings”).
- B. The Seller wishes to sell, and the Purchaser wishes to purchase, the Purchased Assets, and the Purchaser further wishes to assume certain liabilities in connection therewith, subject to the terms and conditions of this Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement, the Parties agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions. In this Agreement, unless the context otherwise requires:

- (a) “Adjustments” means the adjustments to the Purchase Price provided for and determined pursuant to Section 3.4;
- (b) “Affiliate” means, with respect to any Person, a Person directly or indirectly controlling, controlled by or under common control with such Person. For these purposes, “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, as trustee or executor, by contract or otherwise;
- (c) “AGLC” means the Alberta Gaming, Liquor and Cannabis agency, which is the agency responsible for administering the *Gaming and Liquor Act*, and the regulations and policies related thereto;
- (d) “Agreement” means this Asset Purchase Agreement and all attached Schedules, in each case as the same may be supplemented, amended, restated or replaced from time to time;
- (e) “Approval and Vesting Order” means an order to be granted by the Court, substantially in the form of Approval and Vesting Order as attached in Schedule 1, with any amendments thereto to be acceptable to each of the Seller and the Purchaser, each acting reasonably, which authorizes, approves and confirms this Agreement and the sale of the Purchased Assets by the Seller to the Purchaser in accordance with the terms and conditions contained herein, and vests beneficial title to the Purchased Assets in the Purchaser free and clear of all Encumbrances, other than any Permitted Encumbrances;
- (f) “Business” means the “Solo Liquor” retail liquor store business carried on by the Debtors at the Leased Premises prior to the Closing Date;
- (g) “Closing” means the completion of the Transaction at the Closing Time;

- (h) "Closing Date" means the day that the Court Approval is obtained, or such later date as the Parties may agree, acting reasonably;
- (i) "Closing Documents" means all contracts, agreements and instruments required by this Agreement to be delivered at or before the Closing Time;
- (j) "Closing Time" means 10:00 a.m. (Mountain Standard Time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place;
- (k) "Court Approval" means the issuance of the Approval and Vesting Order by the Court;
- (l) "Encumbrance" means any security interest, lien, prior Claim, charge, hypothec, hypothecation, reservation of ownership, pledge, encumbrance, mortgage or adverse Claim of any nature or kind;
- (m) "Excluded Assets" means, without limitation, all property and assets of the Debtors or the Seller that are not exclusively used in relation to the Business and/or the Purchased Assets, and/or exclusively located at the Leased Premises, including without limitation, the following Property which is excluded from the Transaction and does not form part of the Purchased Assets:
  - (i) any real property interest of the Seller or the Debtors other than the Seller's rights and interest in the Leased Premises;
  - (ii) all of the Seller's and/or the Debtor's cash and cash equivalents including cash on hand or in banks or other similar depository;
  - (iii) the accounts receivable and all other trade debts due or accruing to the Seller in connection with the Business that originated prior to the Closing Date and the full benefit of all security therefor;
  - (iv) all intellectual property and associated rights of the Seller;
  - (v) the name "Solo Liquor" (or any variation thereof, any trademarks, trade names, logos or symbols related thereto);
  - (vi) point of sale (POS) system in the Leased Premises;
  - (vii) Remaining Inventory;
  - (viii) any refundable taxes previously paid by the Seller and any Claim or right of the Seller to any refund of taxes paid by the Seller;
  - (ix) employment contracts or contracts with consultants or contractors related to the Purchased Assets; and
  - (x) the Seller's rights under this Agreement;
- (n) "General Conveyance" means the form of general conveyance attached hereto as Schedule 2;
- (o) "GST" means the goods and services tax or harmonized sales tax payable pursuant to the *Excise Tax Act* (Canada) or any other statute in any other jurisdiction of Canada, as such statutes may be amended, modified or replaced from time to time, including any successor statute;
- (p) "Income Tax Act" means, collectively, the *Income Tax Act* (Canada) and the *Income Tax Regulations* (Canada), in each case as amended to the date hereof;
- (q) "Inventory" means the inventory located at the Leased Premises;

- (r) **"Lease"** means the lease agreement dated June 5, 2014 between a Debtor, as tenant, and 1240725 Alberta Ltd., as landlord. Address: 818 & 812 Crowfoot Crescent NW, Calgary (Solo Liquor Store (Crowfoot) Ltd).
- (s) **"Leased Premises"** means the premises leased pursuant to the Lease;
- (t) **"Liabilities"** means any and all debts, liabilities and obligations of the Debtors, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any applicable law, Claim or governmental order, and those arising under any contract, agreement, arrangement, commitment or undertaking;
- (u) **"Loss"** means any and all loss, liability, damage, cost, charge, fine, penalty or assessment, including the costs and expenses of any legal proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith;
- (v) **"Permitted Encumbrances"** means:
  - (i) inchoate or statutory liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of the construction, maintenance, repair or operation of the Purchased Assets (or any of them), provided that such liens are related to obligations not due or delinquent as of the date hereof or, if then due or delinquent, are being contested in good faith by the Seller or the Debtors;
  - (ii) the right reserved to or vested in any municipality, governmental authority or other public authority to control or regulate any of the Purchased Assets in any manner, including any directives or notices received from any municipality, governmental authority or other public authority pertaining to the Purchased Assets;
  - (iii) the terms and conditions of the Lease;
  - (iv) liens granted in the ordinary course of business to a public utility, municipality or governmental authority with respect to operations pertaining to any of the Purchased Assets; and
  - (v) any other Encumbrances set out as "Permitted Encumbrances" in the Court Approval;
- (w) **"Person"** means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, governmental authority or other entity however designated or constituted;
- (x) **"Property"** means all of the Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof;
- (y) **"Purchased Assets"** means all of the right, title and interest of the Debtors and the Seller in the following Property located at the Leased Premises:
  - (i) Tangible Personal Property;
  - (ii) Inventory selected by the Purchaser that is worth no more than the aggregate cost of \$100,000 according to the books and records related thereto in the Seller's possession and/or at the Seller's sole discretion, acting reasonably (the **"Purchased Inventory"**);
  - (iii) Lease, including benefit of the security deposit to the landlord;

(iv) The POS system hardware list in Schedule 3, to the extent legally allowed to be transferred to Purchaser by the Seller; and

(v) Business Fixtures list in Schedule 4,

provided that "Purchased Assets" do not include any Excluded Assets and notwithstanding the foregoing, "Purchased Assets" does not include property that is not owned by the Debtors and/or is not transferable by the Seller;

(z) "Receiver's Certificates" has the meaning given to such term in Paragraph 22 of the Receivership Order;

(aa) "Remaining Inventory" means any Inventory that is not the Purchased Inventory. For certainty, once the Purchaser has selected, for purchase, the Inventory that is equivalent to no more than an aggregate cost of \$100,000 according to the books and records in the Seller's possession, and/or at the sole discretion of the Seller, acting reasonably, the Inventory remaining is the Remaining Inventory;

(bb) "Representative" means, with respect to any Party, its Affiliates, and its and their respective directors, officers, servants, agents, advisors, employees and consultants;

(cc) "Tangible Personal Property" means all machinery and equipment presently located at the Leased Premises, owned by the Seller and used in or relating to the Business including, without limitation, all racks, shelving, millwork, lighting, security systems and associated access codes, safe and combination and keys, coolers, compressors, shelving, furniture, security shutter and bars used or held by the Seller for use in, or relating to, the Business;

(dd) "Transaction" means, collectively, the sale and purchase of the Purchased Assets pursuant to this Agreement and all other transactions contemplated by this Agreement that are to occur contemporaneously with the sale and purchase of the Purchased Assets; and

(ee) "Transfer Taxes" means all present and future transfer taxes, sales taxes, harmonized sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a governmental authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets to the Purchaser, or payable upon completion of the Transaction, including GST, but excluding any taxes imposed or payable under the *Income Tax Act* and any other similar income tax legislation, including any interest, penalties and fines associated therewith.

## ARTICLE 2 PURCHASE AND SALE

2.1 **Agreement to Purchase and Sell Purchased Assets.** On the Closing Date and subject to the terms and conditions of this Agreement (which conditions, for greater certainty, include the Court Approval), the Seller, exercising the powers of sale granted pursuant to the Receivership Order, hereby agrees to sell, assign, transfer, convey and set over to the Purchaser, and the Purchaser hereby agrees to purchase from the Seller, all of the right, title, estate and interest of the Seller (whether absolute or contingent, legal or beneficial), if any, in and to the Purchased Assets, as vested in the Seller and as they may exist, on an "as is, where is" basis, and such foregoing purchase shall be free and clear of all Encumbrances other than the Permitted Encumbrances.

## ARTICLE 3 PURCHASE PRICE AND RELATED MATTERS

3.1 **Purchase Price.** Subject to the Adjustments provided for herein, the purchase price for the Purchased Assets with the exception of the Purchased Inventory, exclusive of all applicable Transfer Taxes and cost of the Purchased Inventory, shall be the aggregate of \$200,000 (the "Purchase Price Excluding Inventory"). Upon

receipt of the Court Approval, the Purchaser and the Seller shall forthwith conduct a joint physical count of all the Inventory (the "Inventory Count"), and upon completion of the Inventory Count, the cost of the Inventory ("Inventory Cost") will be determined pursuant to the books and records related thereto in the Seller's possession and/or at the Seller's sole discretion, acting reasonably. In the event that each Party's Inventory Count is different, the Parties shall conduct the Inventory Count again, and if there is still a difference in each Party's Inventory Count, the deemed Inventory Count shall be the average of both Inventory Counts. The Purchaser shall select and purchase Purchased Inventory worth no more than an aggregate cost of \$100,000 according to the books and records in the Seller's possession and/or at the Seller's sole discretion, acting reasonably ("Inventory Purchase Price", and together with the Purchase Price Excluding Inventory, the "Purchase Price"). For certainty, the Purchaser shall not be entitled to purchase any additional Inventory other than the Purchased Inventory it selected, worth the Inventory Purchase Price. The Seller shall be entitled to retain, remove, and/or sell the Remaining Inventory at its sole cost and discretion.

**3.2 Allocation of Purchase Price.** No later than five (5) business days prior to Closing, the Purchaser shall, acting reasonably and in good faith, prepare and deliver to the Seller a proposed allocation of the Purchase Price Excluding Inventory. Following delivery of same, the Parties shall use reasonable efforts to agree on such allocation at or prior to Closing. Such allocation shall be binding and the Purchaser and the Seller shall report the purchase and sale of the Purchased Assets and file all filings which are necessary or desirable under the Income Tax Act to give effect to such allocations and shall not take any position or action inconsistent with such allocation. If the Parties are unable to so agree on the allocation, such failure shall not constitute a default for the purposes hereof by either Party and, subject to the other terms and conditions hereof, the Parties will proceed to Closing. In such case, each Party shall, in filing their respective tax return, be entitled to use an allocation of the Purchase Price Excluding Inventory as determined in its discretion.

**3.3 Payment of Purchase Price.** The Purchaser covenants and agrees to pay the Purchase Price in lawful money of Canada as follows:

- (a) the sum of \$20,000 (the "Deposit"), which is an amount equal to, or greater than, ten per cent (10%) of the Purchase Price Excluding Inventory. The Seller acknowledges that the Deposit was paid by the Purchaser to the Seller prior to or on May 31<sup>st</sup> 2019, and was deposited by the Seller. The Parties agree that the Deposit received by the Seller shall be releasable in accordance with this Agreement.
- (b) If Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit received by the Seller shall be retained by the Seller and credited against the Purchase Price, in partial satisfaction of the Purchaser's obligation to pay the Purchase Price at Closing.
- (c) If Closing does not occur:
  - (i) due to the conditions precedent in favour of the Purchaser set forth in Section 11.3 of this Agreement not having been satisfied or waived in accordance with the terms of this Agreement, the Deposit and any interest received by the Seller shall be returned by the Seller to the Purchaser and, subject to Section 10.2 of this Agreement, this Agreement shall thereupon terminate and each Party shall be released from all obligations and liabilities under or in connection with this Agreement; and
  - (ii) for any reason other than the conditions precedent in favour of the Purchaser as set forth in Section 11.3 of this Agreement not having been satisfied or waived in accordance with the terms of this Agreement, the Seller shall retain the Deposit as liquidated damages and not as a penalty and, subject to Section 10.2 of this Agreement, this Agreement shall thereupon terminate.
- (d) The Purchaser and the Seller hereby acknowledge and agree that, should Closing not occur for any reason provided in Section 3.3(c)(ii), the Seller will suffer and incur damages that cannot be precisely calculated, and will therefore be entitled to retain the Deposit pursuant to Section 3.3(c)(ii) as liquidated damages, and not as a penalty, the Deposit being a genuine pre-estimate of the damages that will be suffered by the Seller as contemplated by this Section 3.3(d). The Purchaser expressly

waives any present or future right, at law or in equity, that would prohibit or may prohibit the retention of the Deposit as liquidated damages by the Seller in connection with Closing not occurring after the satisfaction or waiver of the conditions precedent in favour of the Purchaser set forth in Section 11.3 of this Agreement and the Purchaser and the Seller expressly covenant and agree that the Purchaser be and is hereby estopped from making any Claim to challenge the retention of the Deposit by the Seller in the manner contemplated by Section 3.3(c)(ii) of this Agreement;

- (e) The Purchaser shall pay to the Seller at Closing, by electronic wire transfer, the remaining portion of Purchase Price plus any and all applicable taxes and fees payable under Article 3 (collectively referred to as, the "Closing Payment").

### 3.4 Adjustments

- (a) **Costs and Revenues to be Apportioned.** Except as otherwise provided in this Agreement, all costs and expenses relating to the Purchased Assets and all revenues relating to the Purchased Assets shall be apportioned as of the Closing Date between the Seller and the Purchaser on an accrual basis in accordance with generally accepted accounting principles. No adjustments to the Purchase Price will be made for any change in condition, value, quantity or quality of the Purchased Assets, or with respect to Purchaser's ability to obtain any consents pursuant to Section 8.1.
- (b) **Statement of Adjustments** - A statement of adjustments showing a breakdown of the Adjustments for the Purchased Assets (the "Statement of Adjustments") to which there will be annexed details of the calculations made thereon shall be delivered to the Purchaser by the Seller at least five (5) business days prior to Closing, and shall include without limitation, prepayment, prepaid rent, security deposits, and rents.

- 3.5 **Transfer Taxes.** The Parties agree that the Purchase Price payable by the Purchaser to the Seller pursuant to this Agreement does not include any Transfer Taxes and all Transfer Taxes are the responsibility of and for the account of the Purchaser. The Purchaser and the Seller agree to cooperate to determine the amount of Transfer Taxes payable in connection with the Transaction. If the Seller is required by applicable law or by administration thereof to collect any applicable Transfer Taxes from the Purchaser, the Purchaser shall pay such Transfer Taxes to the Seller on Closing, unless the Purchaser qualifies for an exemption from any such applicable Transfer Taxes or has the right under applicable law to self-assess and remit, as the case may be, in which case the Seller shall not collect any such applicable Transfer Taxes from the Purchaser, provided that the Purchaser, in lieu of payment of such applicable Transfer Taxes to the Seller, delivers to the Seller such certificates, elections, undertakings, indemnities or other documentation required by applicable law or the administration thereof or by the Seller to substantiate and affect the exemption claimed by the Purchaser or its right to self-assess and remit, as the case may be. The Purchaser does hereby indemnify the Seller and the Debtors against any Claims which may arise in connection with such Transfer Taxes, and the Purchaser further agrees to pay all such amounts including interest and penalties, if any, upon written request by the Seller provided in accordance with the provisions of Section 12.3 hereof.

## ARTICLE 4 STATUS OF THE PURCHASED ASSETS

- 4.1 **"As-is Where-is"**. The Purchased Assets, are being sold on an "as is, where is" basis as of the Closing and in their condition as of Closing with "all faults" and, except as expressly set forth in this Agreement:

- (a) neither the Seller, nor its Representatives make, have made or shall be deemed to have made any other representation or warranty, express or implied, at law or in equity, in respect of the Business or any of the Purchased Assets, including with respect to:
  - (i) title, encumbrances, description, fitness for purpose, merchantability, condition, assignability, collectability, quantity, outstanding amount, value or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Seller to sell same and without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to any *Sale of*

*Goods Act* or similar legislation in any jurisdiction in Canada shall not apply hereto and shall be deemed to have been waived by the Purchaser;

- (ii) the operation of the Purchased Assets by the Purchaser after the Closing in any manner; or
  - (iii) the probable success or profitability of the business of the Purchaser relating to the Purchased Assets after the Closing, and
- (b) neither the Seller, nor its Representatives will have or be subject to any liability or indemnification obligation to the Purchaser or to any other person resulting from the distribution to the Purchaser, its Affiliates or Representatives of, or the Purchaser's use of, any information relating to the Business, and any information, documents or material made available to the Purchaser, whether orally or in writing, in certain "data rooms", management presentations, functional "break-out" discussions, responses to questions submitted on behalf of the Purchaser or in any other form in expectation of the transactions. Any such other representation or warranty is hereby expressly disclaimed.
- 4.2 **Waiver.** The provisions of Section 4.1 shall operate as waivers of any claims in tort as well as under the law of contract against the Seller and/or the Debtors.

#### ARTICLE 5 REPRESENTATIONS AND WARRANTIES BY THE SELLER

The Seller represents and warrants to the Purchaser and acknowledges that the Purchaser is relying upon the following representations and warranties in connection with its purchase of the Purchased Assets:

- 5.1 **Validly Appointed & Due Authorization and Enforceability of Obligations.** The Seller has been validly appointed by the Court as receiver and manager of the Property pursuant to the Receivership Order. Subject to Court Approval being obtained and being entered, the Seller has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of each of this Agreement, the Closing Documents and the consummation of the Transaction has been duly authorized by all necessary corporate action of the Seller. This Agreement has been, and at the Closing Time the Closing Documents will be, duly executed and delivered by the Seller and constitutes a valid and binding obligation of the Seller enforceable against it in accordance with its terms, as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.
- 5.2 **Right to Sell, and Title to, Purchased Assets.** The Debtors are the registered owners of their respective Purchased Assets to which they hold title. At the Closing, the Seller shall convey to the Purchaser all of the Debtors' right, title and interest in and to the Purchased Assets, free and clear of all Encumbrances, other than the Permitted Encumbrances.
- 5.3 **No Other Representations, Warranties or Covenants.** All of the Purchased Assets are being purchased on an "as is where is" basis. Unless and solely to the extent expressly set forth in this Agreement, no representation, warranty or covenant is expressed or implied by the Seller, including any warranties as to title, Encumbrances, description, merchantability or fitness for a particular purpose, environmental compliance, condition, quantity or quality, or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Seller to sell or assign the same. The disclaimer in this Section 5.3 is made notwithstanding the delivery or disclosure to the Purchaser or its Representatives of any documentation or other information.

#### ARTICLE 6 REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Seller as follows, and acknowledges that the Seller is relying upon the following representations and warranties in connection with its sale of the Purchased Assets:

- 6.1 Existence & Due Authorization and Enforceability of Obligations.** The Purchaser is a corporation duly organized and validly existing under the laws of its jurisdiction of organization and is authorized to carry on business in the provinces in which the Purchased Assets are located. The Purchaser has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action of the Purchaser. This Agreement has been duly executed and delivered by the Purchaser and constitutes a valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity. At the Closing Time, the Closing Documents required by this Agreement to be delivered by the Purchaser will be duly executed and delivered by the Purchaser and will constitute a valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.
- 6.2 Approvals and Consents.** Except for Court Approval or as otherwise expressly set forth herein, no authorization, consent or approval of, or filing with or notice to, any governmental authority or any other Person is required in connection with the execution, delivery or performance of this Agreement by the Purchaser and each of the Closing Documents to be executed and delivered by the Purchaser hereunder or the purchase of any of the Purchased Assets hereunder. Provided the Court Approval is obtained, this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with their terms.
- 6.3 Tax Registrant.** The Purchaser is a registrant for GST purposes in accordance with the *Excise Tax Act* (Canada) and its registration number for such purposes is to be provided prior to Closing.
- 6.4 No Additional Due Diligence.** The Purchaser acknowledges and agrees that: (a) it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets prior to the execution of this Agreement; (b) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets; (c) it is not relying upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied, (by operation of law or otherwise), regarding the Purchased Assets or the completeness of any information provided in connection therewith, except as expressly stated in this Agreement; and (d) the obligations of the Purchaser under this Agreement are not conditional upon any additional due diligence.
- 6.5 Brokers.** No broker, finder or investment banker is entitled to any brokerage commission, finder's fee or other similar payment in connection with the Transaction based upon arrangement made by or on behalf of the Purchaser.

#### ARTICLE 7

#### INDEMNITIES FOR REPRESENTATIONS AND WARRANTIES

- 7.1 Purchaser's Indemnities for Representations and Warranties.** The Purchaser shall be liable to the Seller for and shall, in addition, indemnify the Seller from and against, all Losses suffered, sustained, paid or incurred by the Seller insofar as such Losses are a result of any act, omission, circumstance or other matter arising out of, resulting from, attributable to or connected with a breach of the representations and warranties contained in Article 6.

#### ARTICLE 8

#### ADDITIONAL AGREEMENTS OF THE PARTIES

- 8.1 Approvals and Consents.**
- (a) The Seller and the Purchaser shall:
- (i) as soon as reasonably possible following the date hereof, make all such filings and seek all such consents, approvals, permits and authorizations with any other governmental



authorities whose consent is required for consummation of the Transaction, including without limitation, from AGLC, and the Purchaser will request any expedited processing available; and

- (ii) use commercially reasonable efforts to seek all consents, approvals or authorizations required in connection with the assignment of the Purchased Assets in accordance with this Agreement to the Purchaser.
  - (b) The Purchaser shall, at the Seller's request, furnish the Seller with copies of such documents and information with respect to the Purchaser, including financial information, as the Seller may reasonably request in connection with the obtaining of any consents, approvals, permits and authorizations contemplated by Section 8.1(a).
  - (c) Both before and after Closing, the Purchaser shall be solely responsible for obtaining any and all approvals required under applicable law and any and all consents of third parties required to permit the Transaction and for use of the Purchased Assets thereafter. The Parties acknowledge that the acquisition of such consents shall not be a condition precedent to Closing. The Purchaser shall indemnify the Seller for any Losses incurred by the Seller as a result of the Purchaser's failure to obtain any such consent. It shall be the sole obligation of the Purchaser, at the Purchaser's sole cost and expense, to provide any and all financial assurances, remedial work or other documentation required by governmental authorities to permit the transfer to the Purchaser, and registration of the Purchaser as owner, of any of the Purchased Assets.
  - (d) The Purchaser will use its reasonable commercial efforts to assist the Seller in obtaining the consent and will provide reasonably required documentation other evidence to support its ability to provide adequate assurance of future performance of the Lease.
- 8.2 Permitted Encumbrances.** The Purchaser agrees to accept title to the Purchased Assets subject to all of the Permitted Encumbrances. The Purchaser covenants and agrees to satisfy itself as to compliance with all of the Permitted Encumbrances and the Seller shall not be required to provide letters or certificates of compliance or any releases or partial releases of same.
- 8.3 Compliance with Permitted Encumbrances and applicable laws.** The Purchaser covenants and agrees:
- (a) to assume on Closing and be bound by and to comply with all provisions of the Permitted Encumbrances, at the Purchaser's sole cost and expense, and the Purchaser hereby covenants and agrees with the Seller to discharge, perform and fulfill all terms, covenants, provisos, conditions, stipulations, obligations and liabilities of the Seller and Debtors under the Permitted Encumbrances, whether arising before or after the Closing, in the same manner and to the same extent as if the Purchaser had executed the same in the place and stead of the Seller and/or the Debtors, as applicable. The Purchaser shall indemnify and hold harmless the Seller with respect thereto, whether or not such compliance or non-compliance occurs before, on or after Closing. If required by the provisions of any Permitted Encumbrances, or by any party to any Permitted Encumbrances, the Purchaser shall enter into an agreement directly with the other parties to such Permitted Encumbrances confirming such assumption; and
  - (b) to assume on Closing, at the Purchaser's sole cost and expense, complete responsibility for compliance with all applicable laws which apply to the Purchased Assets and the use thereof by the Purchaser. The Purchaser shall indemnify and hold harmless the Seller with respect thereto, whether or not such compliance or non-compliance occurs before, on or after Closing.
- 8.4 Post-Closing Date Indemnity.** Provided that Closing has occurred, the Purchaser shall: (a) be solely liable and responsible for any and all Losses which the Seller may suffer, sustain, pay or incur; and (b) indemnify, release and save harmless the Seller and its Representatives from any and all Losses, actions, proceedings and demands, whatsoever which may be brought against or suffered by the Seller or which it may sustain, pay or incur, as a result of any matter or thing resulting from, attributable to or connected with the ownership

or operation of the Purchased Assets, to the extent that such Losses related thereto arise or occur after the Closing Date.

- 8.5 Covenant Regarding Confidential Information.** On or prior to Closing, the Seller may request any Person, including the Purchaser or its Representatives, that was furnished confidential information of the Seller and/or the Debtors to return or destroy all such information, and such Person shall return or destroy all such information, as applicable.
- 8.6 Liability of the Parties.** The Purchaser acknowledges and agrees that in all matters pertaining to this Agreement, including in its execution, the Seller is acting solely in its capacity as a receiver and manager of the Debtors and, as such, its liability under this Agreement, if any, will be in its capacity as a receiver manager, and the Seller and its Representatives shall have no personal or corporate liability of any kind, whether in contract, in tort or otherwise and in no circumstance will the Seller be liable for any consequential damages including loss of profit.
- 8.7 Release.** Notwithstanding any other provisions of this Agreement, effective as of the Closing Time, each of the Purchaser and the Seller, on behalf of itself and its Affiliates, does hereby forever release and discharge such other Party and its Affiliates and their respective present and former direct and indirect shareholders, officers, directors, employees, advisors (including, without limitation, financial advisors and legal counsel) and agents (collectively, the "Released Parties") from any and all demands, claims, liabilities, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, indebtedness, liens of whatever nature (collectively, "Claims") based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Closing Time relating to, arising out of or in connection with, the Purchased Assets, save and except for Claims: (i) under this Agreement or any document ancillary thereto; or (ii) arising out of fraud, bad faith or illegal acts (unless such Party believed in good faith that its conduct was legal) of or by the Released Parties.
- 8.8 Intellectual Property.** The Purchaser hereby covenants and agrees that it does not have the right to and will not use the name "Solo" and the intellectual property of the Seller (including in respect of the Leased Premises, all signage, advertising, logos, branding or otherwise). The Purchaser acknowledges that the name "Solo" and the intellectual property of the Seller is in the midst of being sold to a third party, and therefore, all signage, advertising, logos, branding or otherwise related to same shall be removed forthwith upon Closing.

#### ARTICLE 9 COURT APPROVAL

- 9.1 Approval and Vesting Order.**
- (a) The Seller shall file a motion with the Court for the Court Approval. Such motion shall be scheduled for a date that is on or before June 17, 2019.
  - (b) The Purchaser shall cooperate with the Seller acting reasonably, as may be necessary, in obtaining the Court Approval.

#### ARTICLE 10 TERMINATION

- 10.1 Termination.** This Agreement may be terminated at any time prior to Closing as follows:
- (a) subject to any approvals required from the Court or otherwise pursuant to the Receivership Proceedings, by mutual written consent of the Seller and the Purchaser;
  - (b) by either Party, upon written notice to the other, if a governmental authority issues an order prohibiting the Transaction contemplated hereby, which order shall have become final and non-appealable; and

- (c) by either Party, upon written notice to the other Party, if there has been a material violation or breach by the other Party of any covenant, representation or warranty which would prevent the satisfaction of any condition set forth in Sections 11.2 and/or 11.3 or 11.4, as applicable, on the Closing Date and such violation or breach has not been waived by the Party or cured within five (5) days after written notice thereof from the Party, unless that Party is in material breach of its obligations under this Agreement.

**10.2 Effect of Termination.** In the event of termination of this Agreement pursuant to Section 10.1, this Agreement shall forthwith become null and void, and nothing herein shall relieve any Party from liability for any breach of this Agreement, or to impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement.

## ARTICLE 11 CLOSING

**11.1 Location and Time of Closing.** The Closing shall take place at 10:00 a.m. on the Closing Date at the offices of the Seller's legal counsel, Torys LLP, in Calgary, Alberta or at such other time on the Closing Date or such other place as may be agreed orally or in writing by the Seller and the Purchaser.

**11.2 Mutual Conditions.** The respective obligations of the Purchaser and of the Seller to consummate the Transaction are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the following conditions:

- (a) the Court Approval shall have been entered by the Court and shall not have been stayed, vacated or appealed and no order shall have been issued which restrains or prohibits the completion of the Transaction; and
- (b) there shall be no order issued by any governmental authority delaying, restricting or preventing, and no pending or threatened Claim, judicial or administrative proceeding, or investigation against any Party by any Person, for the purpose of enjoining, delaying, restricting or preventing the consummation of this Transaction, or otherwise claiming that this Agreement or the consummation of the Transaction is improper or would give rise to proceedings under any applicable law.

The foregoing conditions are for the benefit of all Parties and non-satisfaction or non-performance of any such condition may only be waived by no less than all of them, in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which they each may have. Any such waiver is only binding on a Party if it is made in writing; however, no Party shall be able to delay or prevent Closing due to non-satisfaction of these mutual conditions due to a breach of this Agreement by that Party.

**11.3 Purchaser's Conditions.** The obligation of the Purchaser to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver by the Purchaser of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Purchaser):

- (a) the representations and warranties of the Seller in Article 5 shall be true and correct at the Closing;
- (b) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Seller on or before the Closing Date shall have been complied with or performed in all material respects;
- (c) the Purchaser shall have received a Statement of Adjustments, if applicable, at least five (5) business days prior to Closing;
- (d) the Purchaser, jointly with the Seller, shall have completed the Inventory Count;
- (e) the Purchaser shall have received a written confirmation of the amount of the Inventory Purchase Price it is obligated to pay hereunder;

- (f) the Seller shall deliver, or cause to be delivered, at Closing the following:
  - (i) all keys and pass codes to the Leased Premises in the Seller's actual possession;
  - (ii) a certified true copy of the Court Approval, as issued by the Court;
  - (iii) the Receiver's Certificate (as defined in the Approval and Vesting Order) executed by the Seller;
  - (iv) the General Conveyance in the form attached as Schedule 2, duly executed by the Seller;
  - (v) a receipt for the Closing Payment, as adjusted herein;
  - (vi) assignment and assumption of the Lease; and
  - (vii) any other documents reasonably requested by the Purchaser in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement; and
- (g) the Purchased Assets shall be assigned and transferred to the Purchaser free and clear of all Encumbrances, other than Permitted Encumbrances, in accordance with the Court Approval.

**11.4 Seller's Conditions.** The obligation of the Seller to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver where applicable, by the Seller of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Seller):

- (a) the representations and warranties of the Purchaser in Article 6 shall be true and correct at the Closing;
- (b) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser on or before the Closing Date shall have been complied with or performed in all material respects;
- (c) the Seller, jointly with the Purchaser, shall have completed the Inventory Count;
- (d) the Purchaser shall deliver, or cause to be delivered, at Closing the following:
  - (i) a proposed allocation of the Purchase Price Excluding Inventory at least five (5) business days prior to Closing;
  - (ii) the Purchaser shall have paid to the Seller all amounts required to be paid by it under this Agreement in the form stipulated in this Agreement, including the Closing Payment as adjusted herein plus applicable Transfer Taxes, and the cost of inventory;
  - (iii) the General Conveyance in the form attached as Schedule 2, duly executed by the Purchaser;
  - (iv) if required by the provision of any Permitted Encumbrances or by any party to any Permitted Encumbrances, an individual assumption agreement in a form required by such Permitted Encumbrances; and
  - (v) any other documents reasonably requested by the Seller in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement, including without limitation:

**11.5 Transfer of Purchased Assets.** Provided that Closing occurs, and subject to all other provisions of this Agreement, possession, risk and beneficial ownership of the Seller's interest in and to the Purchased Assets shall transfer from the Seller to the Purchaser on the Closing Date, in accordance with the Court Approval.

- 13 -  
**ARTICLE 12**  
**GENERAL MATTERS**

- 12.1 Survival.** The representations and warranties of the Seller in this Agreement or in any agreement, document or certificate delivered pursuant to or in connection with this Agreement or the Transaction are set forth solely for the purpose of Section 11.3 and none of them shall survive Closing. The Seller shall have no liability, whether before or after the Closing, for any breach of the Seller's representations, and the Purchaser acknowledges that its exclusive remedy for any such breach shall be termination of this Agreement prior to the Closing (but only if permitted by Section 10.1).
- 12.2 Assignment.** Neither this Agreement nor any of the rights or obligations under this Agreement, are assignable or transferable by a Party without the prior written consent of the other Party.
- 12.3 Notices.** All notices and communication hereunder shall be in writing and shall be deemed given: (a) when delivered personally or by commercial messenger or courier services; (b) three business days following the mailing thereof by registered certified mail (return receipt requested); or (c) when transmitted by facsimile or e-mail, in each case, to a Party at the contact information as shown below the signature of such Party on the signature page of this Agreement (or at such other address for a Party as shall be specified by like notice or, if specifically provided for elsewhere in this Agreement).
- 12.4 Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto relating to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether verbal or written, of the parties.
- 12.5 No Merger.** The covenants, agreements, acknowledgements, representations, warranties and indemnities of the Seller contained in this Agreement shall be deemed to apply to, and shall not merge in, any documents delivered in furtherance of the provisions hereof notwithstanding the terms of such documents or any rule of law, equity or statute to the contrary, all such rules being waived.
- 12.6 Further Assurances.** The parties hereto and each of them do hereby covenant and agree to do such things and execute such further documents, agreements and assurances as may be necessary or advisable from time to time in order to carry out the terms and conditions of this Agreement in accordance with their true intent.
- 12.7 Consequential Damages.** Neither party shall be liable to the other party for any punitive or exemplary damages, loss of profits, loss of production, loss of business or mineral rights or business interruptions which may be suffered by either party, as the case may be, and which arise out of or in connection with this Agreement.
- 12.8 Confidentiality.** Each Party shall treat confidentially and not disclose, and shall cause each of its Representatives to treat confidentially and not disclose, other than as expressly contemplated by this Agreement, any confidential information of the other Party. Either Party may disclose confidential information only to those of its Representatives who need to know such confidential information for the purpose of implementing the Transaction. Neither Party shall use, nor permit its Representatives to use, confidential information for any other purpose nor in any way that is, directly or indirectly, detrimental to the other Party.
- 12.9 Amendments and Waiver.** All amendments to this Agreement, and all waivers of any provision, or the breach of any provision, of this Agreement, shall be made in a written instrument signed by both of the parties. A waiver shall affect only the matter specifically identified in the instrument granting the waiver and shall not extend to any other matter, provision or breach.
- 12.10 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the parties hereto hereby submit to the exclusive jurisdiction of the courts in the Province of Alberta.

**12.11 Counterparts; Electronic Signatures.** This Agreement may be signed in counterparts and electronically and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument.

*[Remainder of page intentionally blank]*

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

**Jiang Cui**

**FTI Consulting Canada Inc.**, solely in its capacity as the Court-appointed receiver and manager of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd., and not in its personal capacity or corporate capacity

By:



Name: Jiang Cui

Address: \_\_\_\_\_

Attention: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Email: \_\_\_\_\_

By:



Name: Dustin Olver  
Title: Managing Director

Address: \_\_\_\_\_

Attention: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Email: \_\_\_\_\_

**SCHEDULE 1**

**FORM OF APPROVAL AND VESTING ORDER**

(See attached)



COURT FILE NUMBER 1901-06027  
COURT COURT OF QUEEN'S BENCH OF ALBERTA  
JUDICIAL CENTRE CALGARY  
PLAINTIFF ATB FINANCIAL  
DEFENDANTS SOLO LIQUOR STORES LTD., SOLO LIQUOR HOLDINGS LTD., GENCO HOLDINGS LTD., PALI BEDI, JASBIR SINGH HANS and TARLOK SINGH TATLA  
DOCUMENT APPROVAL AND VESTING ORDER



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
Torys LLP  
Suite 4600, 525 - 8<sup>th</sup> Avenue SW  
Calgary, AB T2P 1G1

Attention: Kyle Kashuba  
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File Number: 39586-2004

(a)  
DATE ON WHICH ORDER WAS PRONOUNCED: \_\_\_\_\_  
LOCATION WHERE ORDER WAS PRONOUNCED: \_\_\_\_\_  
NAME OF JUSTICE WHO MADE THIS ORDER: \_\_\_\_\_

UPON THE APPLICATION by FTI Consulting Canada Inc. in its capacity as the Court-appointed receiver and manager (the "Receiver") of the undertakings, property and assets of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd. (together, the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Sale Agreement") between the Receiver and [Name of Purchaser] (the "Purchaser") dated [Date] and appended to the \_\_\_ Report of the Receiver dated [Date] (the "Report"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Sale Agreement (the "Purchased Assets");

AND UPON HAVING READ the Receivership Order dated [Date] (the "Receivership Order"), the Report and the Affidavit of Service of [■]; AND UPON HEARING the submissions of counsel for the Receiver, the Purchaser and other interested parties [appearing, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service, filed];

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.<sup>1</sup>

**APPROVAL OF TRANSACTION**

2. The Transaction is hereby approved<sup>2</sup> and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser.

**VESTING OF PROPERTY**

3. Upon delivery of a Receiver's certificate to the Purchaser substantially in the form set out in Schedule "A" hereto (the "Receiver's Closing Certificate"), all of the Debtor's right, title and interest in, to and under the Purchased Assets shall vest absolutely in the name of the Purchaser, free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "Claims")<sup>3</sup> including, without limiting the generality of the foregoing:
  - a. any encumbrances or charges created by the Receivership Order;
  - b. any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
  - c. any liens or claims of lien under the *Builders' Lien Act* (Alberta); and

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<sup>1</sup> Ensure that the application and supporting materials are served on all affected parties including those whose interests will be vested off.

<sup>2</sup> In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding. If supported by evidence, the following sentence could be added at the beginning of paragraph 2: "The Transaction and Sale Agreement are commercially reasonable and in the best interest of the Debtor and its stakeholders."

<sup>3</sup> The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims may, in some cases, continue as against the net proceeds from sale of the claimed assets. In other cases, the ownership claimant may object to its ownership interest being vested out of the claimed assets. For example, it not clear that vesting orders can vest out overriding royalties or restrictive covenants which are interests in land. (In *Third Eye Capital Corp. v Dianor Resources Inc.*, 2018 ONCA 253 at paragraphs 108-130 the Ont. C.A. requested further argument regarding whether an overriding royalty which is an interest in land may nevertheless be vested out.) Similarly, other claimed rights, titles or interests may potentially be vested out if the Court is advised what rights are being affected and the affected persons are served. The Committee agrees with the view of the Ontario Committee that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

- d. those Claims listed in Schedule "B" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the Permitted Encumbrances (when used herein, such term shall have the same meaning as defined in the Sale Agreement))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets

4. With respect to the Purchased Assets that is a Lease (as defined in the Sale Agreement and hereinafter the "Lease"), upon delivery of the Receiver's Closing Certificate, the Purchaser shall be entitled to all of the rights and benefits of the Lease as if it were the original tenant and there were no previous defaults and shall be subject to all of the obligations as tenant pursuant to the terms of the Lease for the period commencing from and after the delivery of such Receiver's Closing Certificate and may enter into and upon and hold and have quiet enjoyment of such premises contemplated by the Lease and, if applicable, any renewals thereof, for its own use and benefit, all in accordance with the terms of the Lease, without any interruption from the Vendor, the landlord under the Lease or any person whatsoever claiming through or under any of the Vendor or the landlord under the Lease.
5. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "Governmental Authorities") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing the Registrar of the Alberta Personal Property Registry (the "PPR Registrar") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
6. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
7. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.

8. For the purposes of determining the nature and priority of Claims, net proceeds<sup>4</sup> from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.
9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta Employment Standards Code, the Purchaser shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.<sup>5</sup>
10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser.
11. The Purchaser shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.<sup>6</sup>
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser.

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<sup>4</sup> The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".

<sup>5</sup> Successor employer liability is governed by section 5 of the *Employment Standards Code*, RSA 2000 c. E-9 as amended. Inclusion of the words "or by statute" in paragraph 9 ensures that paragraph 9 does not purport to abrogate statutory successor employee liability.

<sup>6</sup> The terms of the Permitted Encumbrance and Sale Agreement should be reviewed to determine whether an encumbrance also constitutes a charge against other assets not being sold (in addition to the Purchased Assets.) In that circumstance, absent agreement of the encumbrancer to the contrary, the Debtor may not be fully discharged so the encumbrancer does not lose its charge over the other assets it holds as security. Do not add the words "or the Debtor" to the end of paragraph 12 if an encumbrancer's claim against the Debtor should be reserved.

14. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Debtor is entitled.

#### MISCELLANEOUS MATTERS

15. Notwithstanding:

- a. the pendency of these proceedings and any declaration of insolvency made herein;
- b. the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the "BIA"), in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
- c. any assignment in bankruptcy made in respect of the Debtor; and
- d. the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

16. The Receiver, the Purchaser and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
17. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, 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 order and to provide such assistance to the Receiver, as an officer of the 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.
18. Service of this Order shall be deemed good and sufficient by:
- a) Serving the same on:
    - i. the persons listed on the service list created in these proceedings;
    - ii. any other person served with notice of the application for this Order;
    - iii. any other parties attending or represented at the application for this Order;
    - iv. the Purchaser or the Purchaser's solicitors; and

b) Posting a copy of this Order on the Receiver's website at: \*

and service on any other person is hereby dispensed with.

19. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

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Justice of the Court of Queen's Bench of Alberta

**Schedule "A"**

**Form of Receiver's Certificate**

COURT FILE NUMBER

COURT

JUDICIAL CENTRE

PLAINTIFF

DEFENDANT

DOCUMENT

COURT OF QUEEN'S BENCH OF ALBERTA

**RECEIVER'S CERTIFICATE**

Clerk's Stamp

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS DOCUMENT

**RECITALS**

- A. Pursuant to an Order of the Honourable Justice [Name] of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "Court") dated [Date of Order], FTI Consulting Canada Inc. was appointed as the receiver and manager (the "Receiver") of the undertakings, property and assets of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd. (together, the "Debtor").
- B. Pursuant to an Order of the Court dated [Date], the Court approved the agreement of purchase and sale made as of [Date of Agreement] (the "Sale Agreement") between the Receiver and [Name of Purchaser] (the "Purchaser") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in [Article 11] of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

- 1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
- 2. The conditions to Closing as set out in [Article 11] of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
- 3. The Transaction has been completed to the satisfaction of the Receiver.

4. This Certificate was delivered by the Receiver at [Time] on [Date].

**FTI Consulting Canada Inc., in its capacity as Receiver of the undertakings, property and assets of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd., and not in its personal capacity.**

Per: \_\_\_\_\_

**Name:**

**Title:**



**Schedule "B"**

**Claims**

**SCHEDULE 2**  
**GENERAL CONVEYANCE**

**THIS GENERAL CONVEYANCE** made as of this \_\_\_\_ day of \_\_\_\_\_, 2019.

**BETWEEN:**

**FTI Consulting Canada Inc.**, solely in its capacity as the Court-appointed receiver and manager of Solo Liquor Stores Ltd. (“**SLS**”), a corporation organized pursuant to the laws of the Province of Alberta, Canada and Solo Liquor Holdings Ltd. (together with SLS, the “**Debtors**”), a corporation organized pursuant to the laws of the Province of Alberta, Canada, and not in its personal or corporate capacity (the “**Seller**”)

- and -

[Insert name of Purchaser], [limited partnership formed under the laws of the Province of Alberta/ a corporation incorporated under the laws of the Province of Alberta] (the “**Purchaser**”)

**WHEREAS** pursuant to an order of C.M. Jones of the Court of Queen’s Bench of Alberta (the “**Court**”) dated and filed May 1, 2019 (the “**Receivership Order**”), the Seller was appointed receiver and manager of all of the Debtors’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof;

**AND WHEREAS** the Seller has agreed to sell and convey the Seller’s entire right, title, estate and interests in the Purchased Assets (as defined in the Purchase Agreement) to the Purchaser, and the Purchaser has agreed to purchase and accept all of the Seller’s right, title, estate and interest in and to the Purchased Assets, subject to and in accordance with the terms and conditions contained in the Purchase Agreement (as defined herein);

**NOW THEREFORE** for the consideration provided in the Purchase Agreement and in consideration of the premises hereto and the covenants and agreements hereinafter set forth and contained, the Parties covenant and agree as follows:

**1. Definitions**

In this General Conveyance, including the recitals hereto, the definitions set forth in the Purchase Agreement are adopted herein by reference and, in addition:

“**Purchase Agreement**” means that Purchase and Sale Agreement between the Seller and the Purchaser dated \_\_\_\_\_, 2019.

**2. Conveyance**

Pursuant to and for the consideration provided for in the Purchase Agreement, the Seller hereby sells, assigns, transfers, conveys and sets over to the Purchaser the entire right, title, estate and interest of the Seller in and to the Purchased Assets, to have and to hold the same absolutely, together with all benefit and advantage to be derived therefrom.

**3. Subordinate Document**

This General Conveyance is executed and delivered by the Parties pursuant to the Purchase Agreement and the provisions of the Purchase Agreement shall prevail in the event of a conflict between the provisions of the Purchase Agreement and the provisions of this General Conveyance.

**4. No Merger**

The covenants, representations, warranties and indemnities contained in the Purchase Agreement are incorporated herein as fully and effectively as if they were set out herein and there shall be no merger of any covenant, representation, warranty or indemnity contained in the Purchase Agreement by virtue of the execution and delivery hereof, any rule of law, equity or statute to the contrary notwithstanding.

**5. Governing Law**

This General Conveyance shall be subject to and interpreted, construed and enforced in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall, in every regard, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of this Agreement.

**6. Enurement**

This General Conveyance shall be binding upon and shall enure to the benefit of each of the Parties and their respective administrators, trustees, receivers, successors and assigns.

**7. Further Assurances**

Each Party will, from time to time and at all times hereafter, at the request of the other Party but without further consideration, do all such further acts and execute and deliver all such further documents as shall be reasonably required in order to fully perform and carry out the terms hereof.

**8. Counterpart Execution**

This Agreement may be executed in counterpart and by facsimile or other electronic means and all such executed counterparts together shall constitute one and the same agreement.

*[Signature Page to Follow.]*

IN WITNESS WHEREOF the Parties have executed this General Conveyance on the date first above written.

**FTI Consulting Canada Inc.**, solely in its capacity as the Court-appointed receiver and manager of Solo Liquor Stores Ltd. and Solo Liquor Holdings Ltd., and not in its personal capacity or corporate capacity

**[Insert name of Purchaser]**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE "3"**

	Location	RS	WG System	OS	Cash Drawer	Barcode Scanner	Receipt Printer	Firewall	Inv. Scanner	Printer
29.	Montross	RS01	AS7700	RS 7 Pro	APG Cash Drawer S1000	Metrolagic RS7120	TN 788V	Sonicwall TZ 300	Unitech SP2650	Brother 284B
32.	Crowfoot	RS01	AS7700	RS 7 Pro	APG Cash Drawer S1000	Metrolagic RS7120	TN 788V	Sonicwall TZ 300	Unitech SP2650	Brother HL2240
33.	Crowfoot	RS02	AS7700	RS 7 Pro	APG Cash Drawer S1000	Metrolagic RS7120	TN 788V			
48.	Fish Creek	RS01	AS7700	RS 10 Pro	APG Cash Drawer S1000	Metrolagic RS7120	TN 788V	Sonicwall TZ 300	Unitech SP2650	Canon MP210

**SCHEDULE "4"**

**Store Name: Crowfoot**

Existing Shelving:	Total Numbers of Items
1. Cooler Shelves	
I. Four Feet Shelves:	0
II. Six Feet Shelves:	0
III. Eight Feet Shelves:	14
2. Retail Shelves (Four Feet's)	47
3. Stock Room Shelves	2 (8 feet)
Counter:	12 Feet
Lighting Works:	Yes
I. Cooler Number of Panels:	12
II. Retail Number of Panels:	22
III. Stock Number of Panels:	4
Security System Works:	Yes
IV. Number of DVRs:	2
V. Number of TV Screens	3
VI. Number of Cameras:	14
VII. Password Protected:	Yes
VIII. Alarms Works	Yes
IX. Safe	Yes
Pallet Jack	1
Shutters	Yes
Bars at Windows	No
Bar at Doors	Yes

Compressors	Yes
Number of Shopping Carts	5
Number of Shopping Buckets	5
Number of Delivery Carts	2
Microwave	1
Radio System	Yes
Ladders	2
Step Stool	1
Mop Buckets	1
Broom	1
Glass Cleaner	1
Calculators	1
Staplers	1
Cutters	2
Paper Cutter	1

