

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

RECEIVER

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VOLUME 2 OF 2

Appendix F

Fish Creek 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 May 31, 2015 between a Debtor, as tenant, and Glenmac Corporation Ltd., as landlord. Address of: 3111 & 3115, 380 Canyon Meadows Drive S.E., Calgary AB T2J 7C3 (Solo Liquor Store (Fishcreek) 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"**); and
 - (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 \$130,000 (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 \$13,000 (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 31st 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.

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

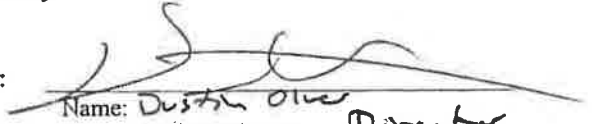
Address: _____

Attention: _____

Facsimile: _____

Email: _____

By:



Name: Dustin Oliver
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 - 8th Avenue SW
Calgary, AB T2P 1G1

Attention: Kyle Kashuba
Telephone: +1 403 776 3744
Facsimile: +1 403 776 3800
Email: 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.¹

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved² 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")³ 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

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

² 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."

³ 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 proceeds⁴ 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.⁵
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.⁶
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.

⁴ 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".

⁵ 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.

⁶ 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.

Justice of the Court of Queen's Bench of Alberta

Schedule "A"

Form of Receiver's Certificate

COURT FILE NUMBER

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

PLAINTIFF

DEFENDANT

DOCUMENT

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	PS	MX System	OC	Cash Drawer	Barcode Scanner	Receipt Printer	Firewall	Inv Scanner	Printer
29	Montross	VS01	KS7700	KS 7 Pro	APG Cash Drawer S4000	Metrologic 457120	TM 788V	Sonicwall TZ 300	Unitech SR650	Brother 2840
32	Crowfoot	VS01	KS7700	KS 7 Pro	APG Cash Drawer S4000	Metrologic 457120	TM 788V	Sonicwall TZ 300	Unitech SR650	Brother HL3240
32	Crowfoot	VS02	KS7700	KS 7 Pro	APG Cash Drawer S4000	Metrologic 457120	TM 788V			
48	Fish Creek	VS01	KS7700	KS 10 Pro	APG Cash Drawer S4000	Metrologic 457120	TM 788V	Sonicwall TZ 300	Unitech SR650	Canon MF210

SCHEDULE "4"

Store Name: Fish Creek

Existing Shelving:	Total Numbers of Items
1. Cooler Shelves	
I. Four Feet Shelves:	0
II. Six Feet Shelves:	1
III. Eight Feet Shelves:	13
2. Retail Shelves (Four Feet's)	32
3. Stock Room Shelves	0
Counter:	8 Feet
Lighting Works:	Yes
I. Cooler Number of Panels:	10
II. Retail Number of Panels:	16
III. Stock Number of Panels:	1
Security System Works:	Yes
IV. Number of DVRs:	2
V. Number of TV Screens	3
VI. Number of Cameras:	12
VII. Password Protected:	Yes
VIII. Alarms Works	Yes
IX. Safe	No
Pallet Jack	0
Shutters	Yes
Bars at Windows	No
Bar at Doors	Yes

Compressors	Yes
Number of Shopping Carts	2
Number of Shopping Buckets	5
Number of Delivery Carts	2
Microwave	1
Radio System	Yes
Ladders	1
Step Stool	1
Mop Buckets	1
Broom	1
Glass Cleaner	1
Calculators	1
Staplers	1
Cutters	1
Paper Cutter	3

Appendix G

NAP Liquor APA

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of the 31 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 -

Nap Liquor LTD. (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 I, 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 November 20, 2015 between a Debtor, as tenant, and K.A.R Holdings LTD., 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 \$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 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 \$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 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 79279 2475 RT0001.
- 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]

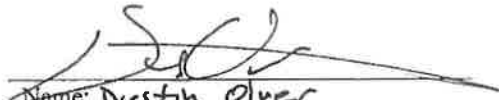
IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first written above.

Nap Liquor LTD.

By: 
Name: Navjit Tatla

Address: 76 DelRay Cres NE
Calgary, Alberta T1Y6Y9
Attention: Navjit Tatla
Facsimile: _____
Email: ntatla@yahoo.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: _____
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 - 8th Avenue SW
Calgary, AB T2P 1G1

Attention: Kyle Kashuba
Telephone: +1 403 776 3744
Facsimile: +1 403 776 3800
Email: 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.¹

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved² 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")³ 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

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

² 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."

³ 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 is 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 proceeds⁴ 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.⁵
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.⁶
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.

⁴ 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".

⁵ 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.

⁶ 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.

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 ____ 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:

Appendix H

Edgemont APA

ASSET PURCHASE AGREEMENT

(Edgemont Solo Liquor, Hampton Terrace, Edmonton, AB)

THIS AGREEMENT is made as of the 29 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 -

2190404 ALBERTA INC. 823 EAGLSON LINK NW, EDMONTON, AB T6M 0V5 (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

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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 June 20th, 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;

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- (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 January 4h, 2018 between a Debtor, as tenant, and HAMPTONS SHOPPING CENTRE LTD, 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:

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- (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 \$150,100.00 (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 \$15,010.00 (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 31st, 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;

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- (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

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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 (NA).
- 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.

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- 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

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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;

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- (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

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- (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.

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- 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.

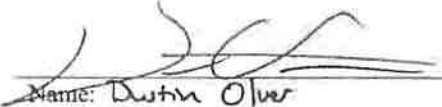
[Remainder of page intentionally blank]

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

2190404 ALBERTA INC.

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: 
DocuSigned by:
Rishi Ghai
Director

By: 
Name: **Dustin Oler**
Title: **Managing Director**

Address: 823 Eagleson Link NW,
Edmonton AB T6M 0V5

Attention: Rishi Ghai
Facsimile: 780 481 1144
Email: rishighai07@gmail.com

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 - 8th Avenue SW
 Calgary, AB T2P 1G1

Attention: Kyle Kashuba
 Telephone: +1 403 776 3744
 Facsimile: +1 403 776 3800
 Email: 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.¹

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved² 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")³ 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

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

² 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."

³ 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 proceeds⁴ 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.⁵
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.⁶
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.

⁴ 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".

⁵ 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.

⁶ 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.

Justice of the Court of Queen's Bench of Alberta

Schedule "A"

Form of Receiver's Certificate

COURT FILE NUMBER

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

PLAINTIFF

DEFENDANT

DOCUMENT

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:

Appendix I

Chestermere APA

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of the 3rd day of June, 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 -

2013341 Alberta Inc. (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 25 Sept 2017 between a Debtor, as tenant, and Truman Development Corporation, as landlord. Address: 302-320 West Creek Drive, Chestermere;
- (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 \$110,000 (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 \$11,000 (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 June 03, 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 confirmed.
- 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.

**ARTICLE 12
GENERAL MATTERS**

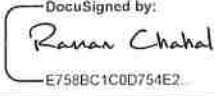
- 12.1 Survival.** The representations and warranties of the Seller in this Agreement or in any agreement, document or certificate delivered pursuant to or in connection with this Agreement or the Transaction are set forth solely for the purpose of Section 11.3 and none of them shall survive Closing. 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.

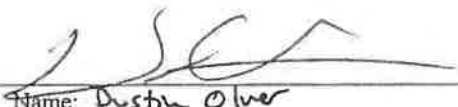
[Remainder of page intentionally blank]

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

2013341 Alberta Inc. (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: 
Name: Raman Chahal
Title: Director
Address: 38 Shannon Terrace SW
Attention: Raman Chahal
Facsimile:
Email: ray.chahal@gmail.com

By: 
Name: Dustin Oliver
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 - 8th Avenue SW
Calgary, AB T2P 1G1

Attention: Kyle Kashuba
Telephone: +1 403 776 3744
Facsimile: +1 403 776 3800
Email: 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.¹

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved² 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")³ 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

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

² 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."

³ 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 is 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 proceeds⁴ 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.⁵
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.⁶
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.

⁴ 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".

⁵ 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.

⁶ 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.

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 ____ 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:

Appendix J

Vermillion APA

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of the 5th day of June, 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 -

Cornerstone Co-operative, a co-operative formed pursuant to 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 June 20, 2019, 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 14, 2015 between a Debtor, as tenant, and Developments 2 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 \$195,000.00 (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 equal to the acquisition cost (less freight-in charges, shipping charges, upcharges, administrative fees, and any taxes) paid by the Debtor to AGLC for the Inventory. 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 \$19,500.00 (the “**Deposit**”), which is an amount equal to ten percent (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 provided to the Seller's broker. 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 co-operative duly formed and existing pursuant to the laws of the Province of Alberta 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 105037121.
- 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 or fully covered from view within twenty (20) days of Closing. The Purchaser shall be entitled to delay removal of all such Signage until the Purchaser's signage is installed to minimize costs, provided that the Purchaser shall cover or otherwise obstruct from view the Signage if such removal is to occur after twenty (20) days from 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.

Cornerstone Co-operative

By: 

Name: **Graham Getz**
General Manager

Address: 5017 – 42nd Street
St. Paul, Alberta
T0A 3A2

Attention: Graham Getz
Facsimile: 780-645-3270
Email: graham.getz@cornerstone.crs

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: _____
Title: _____

Address: _____

Attention: _____
Facsimile: _____
Email: _____

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Cornerstone Co-operative

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: **Graham Getz**
General Manager

Address: 5017 – 42nd Street
St. Paul, Alberta
T0A 3A2

Attention: Graham Getz
Facsimile: 780-645-3270
Email: graham.getz@cornerstone.crs

By:


Name: Dustin Olver
Title: Managing Director

Address: Suite 1610 – 520 – 5th Ave SW
Calgary, AB T2P 3R7

Attention: Dustin Olver
Facsimile: 403-232-6116
Email: dustin.olver@fticonsulting.com

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 - 8th Avenue SW
Calgary, AB T2P 1G1

Attention: Kyle Kashuba
Telephone: +1 403 776 3744
Facsimile: +1 403 776 3800
Email: 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 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.¹

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved² 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")³ including, without limiting the generality of the foregoing:
 - a. any encumbrances or charges created by the Receivership Order;

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

² 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."

³ 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 proceeds⁴ 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.⁵
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.⁶

⁴ 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".

⁵ 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.

⁶ 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

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 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.

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.

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.

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 ____ 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:

Appendix K

North Central APA

ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of the 5th day of June, 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 -

North Central Co-operative Association Limited, a co-operative formed pursuant to 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 **June 20, 2019**, 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, [collectively]:
- (i) the lease agreement dated April 5, 2013 between a Debtor, as tenant, Pali Bedi, as indemnifier, and 1333627 Alberta Ltd., as landlord, for those premises located at 525 St. Albert Trail, St. Albert, Alberta (the "St. Albert Premises"); [and
 - (ii) the offer to lease dated January 31, 2018 between a Debtor, as tenant, Alldritt Land Corporation LP, by its General partner, Alldritt Land Corporation, as landlord, and Pali Bedi, as indemnifier, for those premises located at 20904 62 Avenue NW, Edmonton, Alberta (the "Granville Premises");]
- (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 \$375,000.00 (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 equal to the acquisition cost (less freight-in charges, shipping charges, upcharges, administrative fees, and any taxes) paid by the Debtor to AGLC for the Inventory. 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 \$37,500.00 (the “**Deposit**”), which is an amount equal to ten percent (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 provided to the Seller’s broker. 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 co-operative duly formed and existing pursuant to the laws of the Province of Alberta 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 105034516.
- 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 or fully covered from view within twenty (20) days of Closing. The Purchaser shall be entitled to delay removal of all such Signage until the Purchaser's signage is installed to minimize costs, provided that the Purchaser shall cover or otherwise obstruct from view the Signage if such removal is to occur after twenty (20) days from 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 appealcd 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.

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.

North Central Co-operative Association Limited

DEAN MCKIM CEO

By:  _____
Name:

Address: 318 North Park Drive
Stony Plain, Alberta
T7Z 0J5

Attention:
Facsimile: 780-963-0520
Email:

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:
Title:

Address: _____

Attention: _____
Facsimile: _____
Email: _____

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

North Central Co-operative Association Limited

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:

Address: 318 North Park Drive
Stony Plain, Alberta
T7Z 0J5

Attention:
Facsimile: 780-963-0520
Email:

By: 
Name: Dustin Olver
Title: Managing Director

Address: Suite 1610 – 520 – 5th Ave SW
Calgary, AB T2P 3R7

Attention: Dustin Olver
Facsimile: 403-232-6116
Email: dustin.olver@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 - 8th Avenue SW
Calgary, AB T2P 1G1

Attention: Kyle Kashuba
Telephone: +1 403 776 3744
Facsimile: +1 403 776 3800
Email: 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.¹

APPROVAL OF TRANSACTION

2. The Transaction is hereby approved² 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")³ 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

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

² 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."

³ 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 proceeds⁴ 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.⁵
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.⁶
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.

⁴ 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".

⁵ 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.

⁶ 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.

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 ____ 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:

Comparison Details	
Title	compareDocs Comparison Results
Date & Time	5/31/2019 10:17:36 AM
Comparison Time	2.84 seconds
compareDocs version	v4.2.0.25

Sources	
Original Document	\\ssknfile1\Home-skn\$\mchoi\Desktop\Solo Liquor File\Asset Purchase Agreement - Cornerstone Co-operative.docx
Modified Document	\\ssknfile1\Home-skn\$\mchoi\Desktop\Solo Liquor File\Asset Purchase Agreement - North Central Co-operative.docx

Comparison Statistics	
Insertions	12
Deletions	7
Changes	8
Moves	2
TOTAL CHANGES	29

Word Rendering Set Markup Options	
Name	
<u>Insertions</u>	
Deletions	
<u>Moves</u> / Moves	
Inserted cells	
Deleted cells	
Merged cells	
Formatting	None.
Changed lines	Mark outside border.
Comments color	By Author.
Balloons	True

compareDocs Settings Used	Category	Option Selected
Open Comparison Report after Saving	General	Always
Report Type	Word	Track Changes
Character Level	Word	False
Include Headers / Footers	Word	True
Include Footnotes / Endnotes	Word	True
Include List Numbers	Word	True
Include Tables	Word	True
Include Field Codes	Word	True
Include Moves	Word	True
Show Track Changes Toolbar	Word	True
Show Reviewing Pane	Word	True
Update Automatic Links at Open	Word	False
Summary Report	Word	End
Include Change Detail Report	Word	Separate
Document View	Word	Print
Remove Personal Information	Word	False
Flatten Field Codes	Word	True

Appendix L

Schedule of Cure Costs

Schedule of Cure Costs per Company books and records
As at June 1, 2019

Landlord	Location	Purchaser	Cure Cost
North Haven Plaza Ltd.	North Haven	1586638 Alberta Ltd.	49,816.62
Truman Development Corp.	Chestermere	2013341 Alberta Inc	5,490.68
Hampton Shopping Centre Ltd.	Edgemont - HT	2190404 Alberta Inc.	-
Katz Group Real Estate Inc. ITF Katz Group Properties Inc.	Salisbury	BSW Liquor Ltd.	-
HMI ITF Kootenay Holdings Ltd. (Mills Haven)	Sherwood Park	BSW Liquor Ltd.	-
1754486 Alberta Ltd	# 1 Crossroads	Canadian Liquor Retailers Alliance Limited Partnership	-
First Capital Holdings (ALB) Corporation	# 4 Bonaventure	Canadian Liquor Retailers Alliance Limited Partnership	-
1662288 Alberta Ltd.	# 7 Douglasdale	Canadian Liquor Retailers Alliance Limited Partnership	15,526.59
2034683 Alberta Ltd.	# 8 Canmore	Canadian Liquor Retailers Alliance Limited Partnership	5,814.62
Rancho Realty (Edmonton) Ltd.	Ambleside	Canadian Liquor Retailers Alliance Limited Partnership	1,664.31
1059945 Alberta Inc	Banff	Canadian Liquor Retailers Alliance Limited Partnership	-
EFCO Investments	Bankview	Canadian Liquor Retailers Alliance Limited Partnership	14,301.82
1422642 Alberta Ltd.	Beaumont	Canadian Liquor Retailers Alliance Limited Partnership	-
Choice Properties REIT	Brooks	Canadian Liquor Retailers Alliance Limited Partnership	15,965.76
Vantage Land Corporation	Cochrane	Canadian Liquor Retailers Alliance Limited Partnership	-
2105004 Alberta Ltd.	Copperfield	Canadian Liquor Retailers Alliance Limited Partnership	10,528.66
Calgary Medical Associate Ltd.	Copperpond	Canadian Liquor Retailers Alliance Limited Partnership	-
1846708 Alberta Ltd.	Cranston	Canadian Liquor Retailers Alliance Limited Partnership	-
Horizon Travel Centre Drayton Valley Ltd	Drayton Valley	Canadian Liquor Retailers Alliance Limited Partnership	-
Centre One Hundred Holdings Ltd.	GP Two	Canadian Liquor Retailers Alliance Limited Partnership	-
Coldwell Banker Commercial West Real Estate "In Trust"	Grande Prairie	Canadian Liquor Retailers Alliance Limited Partnership	-
Altmart Investments (1993) Ltd	Hinton	Canadian Liquor Retailers Alliance Limited Partnership	-
Lloydminster Hwy 16 Prop Inc	Lloydminster	Canadian Liquor Retailers Alliance Limited Partnership	-
First Capital Holdings (ALB) Corporation	Millwood	Canadian Liquor Retailers Alliance Limited Partnership	407.35
RMI-ITF - Cimarron	Okotoks	Canadian Liquor Retailers Alliance Limited Partnership	-
1386325 Alberta Ltd. (Panorama)	Panorama	Canadian Liquor Retailers Alliance Limited Partnership	-
Gaetz Plaza Corp c/o Blackstone Commercial Calgary	Red Deer	Canadian Liquor Retailers Alliance Limited Partnership	14,713.65
Paramount Properties	Spruce Grove	Canadian Liquor Retailers Alliance Limited Partnership	4,995.83
HMI ITF Tudor Glen Market (Kootenay).	St. Albert	Canadian Liquor Retailers Alliance Limited Partnership	-
Braden Equities Inc. ITF 1684909 Alberta Ltd	Stony Plain	Canadian Liquor Retailers Alliance Limited Partnership	-
Smart Limited Partnership III	Sylvan Lake	Canadian Liquor Retailers Alliance Limited Partnership	4,647.29
Ponoka Properties Ltd.	Tuscany	Canadian Liquor Retailers Alliance Limited Partnership	-
Earnest Young Inc. (Re: Genco Walden Ltd)	Walden	Canadian Liquor Retailers Alliance Limited Partnership	-
Rancho Realty (Edmonton) Ltd.	Westpoint	Canadian Liquor Retailers Alliance Limited Partnership	-
1326234 Alberta Ltd	Whitecourt	Canadian Liquor Retailers Alliance Limited Partnership	1,024.94

Schedule of Cure Costs per Company books and records
As at June 1, 2019

Landlord	Location	Purchaser	Cure Cost
Aldritt Land Corporation LP,	Winterburn	Canadian Liquor Retailers Alliance Limited Partnership	-
Developments 2 Vermilion Inc	Vermilion	Cornerstone Co-operative	-
1240725 Alberta Ltd.	Crowfoot	Jiang Cui	16,828.17
Lansdowne Equity Ventures Ltd.	Fish Creek	Jiang Cui	10,493.47
KAR Holdings Ltd	Cold Lake	NAP Liquor Ltd.	-
Shamrock Property Management Limited	Granville	North Central Co-operatives Association Limited	-
1333627 Alberta Ltd	N St Albert	North Central Co-operatives Association Limited	12,567.67
Brentwood Camrose Properties Inc.	Camrose	The Liberty Group Holdings Inc.	-
Deckers Properties Management Ltd.	Century Road	The Liberty Group Holdings Inc.	-
1718789 Alberta Ltd	Hawthorne	The Liberty Group Holdings Inc.	-
Avondale Real Estate Capital Ltd. c/o Avenue Living (2014) LP	Wetaskiwin	The Liberty Group Holdings Inc.	44,434.45
Total			229,221.88