

COURT FILE NUMBER 2101-02280

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF ROYAL BANK OF CANADA

DEFENDANT PEOPLE EXPRESS TRANSPORT LTD.

AND IN THE MATTER OF THE RECEIVERSHIP OF PEOPLE
EXPRESS TRANSPORT LTD.

DOCUMENT **FOURTH REPORT OF THE RECEIVER**

July 11, 2022

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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INTRODUCTION

1. Effective April 22, 2021 (the “**Receivership Date**”), pursuant to a consent receivership order granted by the Court of Queen’s Bench of Alberta (the “**Court**”) in Action No. 2101-02280 (the “**Consent Receivership Order**”), Alvarez & Marsal Canada Inc. was appointed the receiver and manager (the “**Receiver**”), without security, of all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the “**Property**”) of People Express Transport Ltd. (“**People Express**”, or the “**Company**”) pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended and section 13(2) of the *Judicature Act*, RSA 2000, c J-2, in the within action (the “**Receivership Proceedings**”).
2. The Consent Receivership Order empowers and authorizes, but does not obligate, the Receiver to, among other things, take possession and control of the Property and of any and all proceeds, receipts and disbursements arising out of or from the Property, and to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business subject to Court approval, as necessary.
3. On May 25, 2021, this Honourable Court granted an Approval and Vesting Order approving, *inter alia*, the Ocean Trailer APA (as defined in the First Report of the Receiver dated May 17, 2021 (the “**First Report**”)) and the sale transaction related thereto, which sale transaction closed on June 15, 2021. In addition, the Court granted an Order increasing the Receiver’s Charge from \$250,000 to \$500,000, compelling the return of certain Property held by RPM (as defined in the First Report) to the Receiver, and approving the Receiver’s and the Receiver’s Counsel’s (as defined in the First Report) fees and costs.
4. On July 6, 2021, this Court granted an Order approving, *inter alia*, the Sales Process, the Auction Agreement with Century Services Corp. (“**Century**”), an Auction Approval and Vesting Order, and the Receiver and the Receiver’s Counsel’s fees, costs, actions, and activities. The auction hosted by Century (the

“**Auction**”) concluded on August 24, 2021 and the proceeds from the Auction were delivered to the Receiver on September 30, 2021, as further described below.

5. On October 28, 2021, this Honourable Court further granted an Order approving, *inter alia*, an interim distribution to certain lien claimants (as described in the Third Report of the Receiver dated October 18, 2021 (the “**Third Report**”)) and Royal Bank of Canada (“**RBC**”), the Receiver and the Receiver’s Counsel’s fees, costs, actions and activities, and the amendment of the Consent Receivership Order to enable the Receiver to bankrupt the Company.
6. The purpose of this fourth report of the Receiver (the “**Report**” or the “**Fourth Report**”) is to provide this Honourable Court with information in respect of the following matters:
 - a) the activities of the Receiver since the filing of the Third Report;
 - b) an update on the residential property legally described as Plan 9211841 Block 6 Lot 9 (the “**Lands**”) including an application seeking an approval and vesting order (the “**Approval and Vesting Order**”) related to the sale of the Lands to the Directors (as defined below);
 - c) the Receiver’s application for an order (the “**Restricted Court Access Order**”) sealing the Third Confidential Supplemental Report to the Receiver’s Fourth Report, dated July 11, 2022;
 - d) actual cash flow results for the period from October 16, 2021 to July 4, 2022 (the “**Reporting Period**”);
 - e) the Receiver’s application for an order (the “**Discharge Order**”) approving: (i) the Receiver’s undertaken and remaining actions, activities and conduct, (ii) the Receiver’s fees and disbursements and those of the Receiver’s Counsel, (iii) the final distribution to RBC (“**RBC Final Distribution**”), and (iv) the discharge of the Receiver; and

- f) the Receiver's conclusions and recommendations.
- 7. Unless otherwise set forth herein, capitalized words or terms not defined or ascribed a meaning in this Report are as defined or ascribed the meaning set out in the Receiver's previously filed reports and Consent Receivership Order.
- 8. All references to dollars are in Canadian currency unless otherwise noted.

TERMS OF REFERENCE

- 9. In preparing this Report, the Receiver has relied primarily upon information obtained through the representations of certain shareholders, management and former employees of People Express. In addition, where applicable, the Receiver has relied on the Company's books and records, which were produced and maintained principally by the Company.
- 10. While the Receiver has reviewed certain financial information in respect of the Company for reasonableness, the Receiver has not performed an audit, review or otherwise attempted to verify the accuracy or completeness of the Company's financial information that would wholly or partially comply with Canadian Auditing Standards ("CASs") pursuant to the Chartered Professional Accountants Canada Handbook, and accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CASs in respect of financial information.

BACKGROUND AND OVERVIEW

- 11. People Express is a corporation incorporated pursuant to the laws of the Province of Alberta with a registered office in Calgary, Alberta.
- 12. People Express operated a business specializing in the transport of temperature sensitive products throughout North America. The primary assets of People Express consisted of approximately 280 motor vehicles and trailers. A number of these motor vehicles and trailers are subject to leasing and financing agreements with various third parties. All of the Company's motor vehicles and trailers have now been sold in the Auction, as further discussed below.

13. As indicated in a Government of Alberta Corporate Registration Corporation/Non-Profit Search dated June 11, 2021, Mr. Gurpreet Brar (“**Mr. G. Brar**”), Mr. Gurbaj Sandhu (“**Mr. Sandhu**”) and Mr. Charanpreet Brar (“**Mr. C. Brar**”) are the directors (collectively, the “**Directors**”) and shareholders of People Express and each holds 33.3% of the voting shares in People Express. Mr. G. Brar, Mr. Sandhu and Mr. C. Brar have also personally guaranteed a portion of the indebtedness owing by People Express to RBC.
14. Based on the Receiver’s review of the Company’s books and records, People Express owed RBC over \$10.7 million as at the Receivership Date (as defined in the First Report).
15. Further background information regarding the Company and its financial circumstances is contained in the materials filed in support of and relating to the Consent Receivership Order. These documents, together with the Receiver’s previously filed reports, Court orders and other relevant information have been posted by the Receiver on its website, including the Consent Receivership Order and various application materials at: www.alvarezandmarsal.com/petl (the “**Receiver’s Website**”).

ACTIVITIES OF THE RECEIVER

16. Since the Third Report, the Receiver’s activities with respect to the Company have included, but are not limited to, the following:
 - a) attending to various correspondence and discussions with respect to concerns of former employees regarding the impact of the Receivership Proceedings, the role of the Receiver as an officer of the Court, and facilitating former employees’ applications under the Wage Earner Protection Program (“**WEPP**”);
 - b) continuing to collect on outstanding accounts receivable from customers as listed in the Company’s books and records or request for

evidence from those customers that such accounts receivable do not exist;

- c) paying the garage keeper lienholders who were identified within the Third Report and following up with those same lienholders to ensure payment was received and their respective registrations removed from the Alberta Personal Property Registry and/or the British Columbia Personal Property Registry;
- d) drafting communication and posting on the Receiver's Website the results of the Receiver's findings with respect to the critical worker benefit funded by the Government of Alberta Labour and Immigration, which was received by People Express prior to the Receivership Proceedings;
- e) engaging and provide instructions to the Receiver's Counsel on various legal matters in respect of the Receivership Proceedings;
- f) attending to various calls with the Canada Revenue Agency ("CRA") respecting the Receivership Proceedings, the Receiver's duties and the coordination of an audit of the Company's books and records with respect to GST and source deduction accounts;
- g) assigning the Company into bankruptcy;
- h) attending to numerous correspondence with CIBC and People Express' former directors (namely, the Directors) and their independent legal counsel with respect to the Lands and the associated Mortgage. The Lands, according to the Certificate of Title related thereto, are owned by the Company; however, the Directors are alleging to be the beneficial owners of the Lands;
- i) negotiating and coordinating the sale of the Lands with relevant parties including RBC, the Directors, and their respective counsel; and

- j) attending to numerous and on-going meetings and discussions with various creditors (or their representatives), the Receiver's Counsel, interested parties and other stakeholders regarding the Receivership Proceedings.

OPERATIONAL UPDATE

Payroll Records

- 17. The Receiver has now updated the employee payroll records based on the information available and in the Receiver's possession and issued all former employees their T4 statements in July 2021. The employee records of employment ("ROEs") were uploaded to the CRA online and all employees were notified that they may access their ROEs through "My Service Canada Account."
- 18. All former eligible employees have been provided with the WEPP claim documentation to submit a claim with Service Canada. The deadline to submit a claim was on August 11, 2021. As at the date of this Report, 73 claims totaling \$438,399.59 have been processed and advanced by Service Canada to eligible Company employees. The portion of Service Canada's WEPP payments to employees that are considered "super-priority" amounts as against the estate of the Company totalled \$143,041.39 and was paid to the applicable employees by the Receiver.

Critical Workers Benefit

- 19. The Receiver has been in communication with representatives from the Government of Alberta Labour and Immigration ("GALI") regarding a critical worker benefit received by People Express prior to the Receivership Date. The GALI asserts that the \$62,012.16 paid to the Company by GALI is considered a priority trust claim (the "Funds"). The Receiver, in its analysis and review conducted by the Receiver's Counsel of the documentation and information provided to date, is of the view that GALI does not have a valid trust claim, but rather an unsecured claim. This conclusion was arrived at on the basis that (a) the

Funds that were received by People Express prior to the Receivership Date, (b) the Funds did not exist as at the Receivership Date, and (c) the Receiver, notwithstanding conducting a detailed tracing exercise, could not easily identify or trace the whereabouts of these Funds (as they were comingled into an account, which continued to be used for operational purposes thereafter, and which account was ultimately overdrawn with a negative balance). The Receiver expressed its sympathies to GALI, arranged a conference call with their representatives to attend to their concerns and in the hopes of finding a solution, delivered a response to GALI on its position of GALI's priority trust claim on August 31, 2021, and requested that GALI advise of its position.

20. On October 21, 2021, GALI informed the Receiver that they would not be pursuing any further action regarding the Funds. The Receiver posted a notice to employees on the Receiver's Website for purposes of notifying those who may have been affected by this decision.

Canada Revenue Agency (Potential Priority Payables)

GST

21. Since receiving the notice of assessment for pre-filing GST amounts outstanding, the Receiver has assigned the Company into bankruptcy. Thus, the CRA's claim will be considered unsecured against the bankruptcy estate in the amount of \$30,309.12.
22. The Receiver plans to have all post receivership GST filing obligations completed and the account terminated in the coming weeks.

Source Deductions

23. The Receiver understands, based on correspondence with the CRA, that all outstanding source deductions have been remitted to the CRA.

Accounts Receivable

24. Throughout the Receivership Proceedings, the Receiver has had multiple follow-up communications with customers identified in the Company's accounts receivable records, which has resulted in a number of customers settling their account and/or providing documentation to prove prior payment of these outstanding accounts. To date, the Receiver has collected approximately \$1 million of the \$2.6 million outstanding, as set forth in the Company's books and records.
25. For customers who have not responded to the Receiver regarding their outstanding account balances owing to the Company, the Receiver issued demand letters on October 6, 2021 requesting for payment within five days of the date of the correspondence. The Receiver has not received any responses from any of the parties who were issued the subject demand letters.
26. The Receiver verily believes that it has exhausted its efforts in collecting any remaining accounts receivable and is satisfied with its efforts to date given the limited Company information available and/or the existence of the accounts receivable on the Company's books and records.

Garage Keepers' Liens

27. As discussed in the Third Report, the Receiver confirmed that there were five (5) People's G.K. Lienholders (as defined in the Third Report) that had registered multiple liens against assets once owned by People Express. Additionally, there were two Lienholders (as defined in the Third Report) that had registered liens on assets that were released by the Receiver back to the financing companies.
28. On October 28, 2021, this Honourable Court approved the payment of the lien amounts owed to the People's G.K. Lienholders and the Receiver paid these amounts shortly thereafter. The Receiver confirmed that the People's G.K. Lienholders have discharged their registrations against the assets noted in the Third Report with the Alberta Personal Property Registry.

Interim Distribution to RBC

29. On October 28, 2021, this Honourable Court approved the payment of an interim distribution to RBC of \$5 million, and the Receiver paid these amounts shortly thereafter.

RESIDENTIAL PROPERTY

30. As noted in the Receiver's Second Report and Third Report, on or about May 28, 2021, the Receiver became aware of the Lands being registered in the Company's name. Based on employment records of the Company and Mr. C. Brar's comments, the Receiver believes that Mr. C. Brar, or his parents, reside on the Lands.
31. Mr. C. Brar has remained adamant throughout these proceedings that the Lands are not an asset of People Express, and that the Directors are the beneficial owners of the Lands.
32. The Receiver investigated this position further to obtain additional evidence in an attempt to confirm whether the Lands are beneficially owned by the Company, as more particularly set forth in the Third Report (specifically, paragraphs 38 to 41).
33. Since the Third Report, Mr. C. Brar has provided certain information to the Receiver and the Receiver and its Counsel reviewed these documents in detail. The Receiver determined from these documents that the Mortgage payments relating to the Lands are being paid for by Mr. C. Brar, as well as certain costs associated with maintaining the Lands, such as property taxes and utilities.
34. In an effort to settle this issue regarding the ownership of the Lands in the most cost effective and efficient manner, the Receiver requested that the Directors' provide the Receiver with a proposal to purchase the Lands from the People Express estate. The Receiver and its counsel had numerous discussions, meetings and email correspondence with the Directors' counsel, CIBC (as mortgagee to the Lands), and RBC's counsel to negotiate a sale and settlement.

35. The Receiver and the Directors negotiated the purchase price with respect to the Lands and on June 20, 2022 entered into an asset purchase agreement (the “**Sale Agreement**”), which is subject to the approval by this Honourable Court. A copy of the redacted version of the Sale Agreement is attached as **Appendix “A”** hereto.
36. Due to the confidential nature of the information provided in the Sale Agreement, the Receiver is concerned that, if the information disclosed in the Sale Agreement is disclosed to third parties prior to the closing of the sale transaction, the disclosure could materially jeopardize the sale or if the sale does not close, the disclosure of the same could materially jeopardize subsequent efforts to market the Lands. As such, the Receiver is respectfully of the view that it is appropriate for this Honourable Court to seal the Third Supplemental Confidential Report to the Receiver’s Fourth Report in accordance with the proposed form of the Restricted Court Access Order accompanying the Receiver’s application as it contains:
- a) the Receiver’s analysis on the Sale Agreement; and
 - b) the unredacted contents of the Sale Agreement, including the purchase price and deposit.
37. The Receiver considered the following when assessing the offer from the Directors with respect to the Lands, and it believes that the approval of the Sale Agreement and granting of the Approval and Vesting Order is in the best interest of all stakeholders for the following reasons:
- a) subject to approval of this Court, the Receiver is authorized to sell the Property of the Company in accordance with paragraph 3(l) of the Consent Receivership Order;
 - b) the Receiver acted in good faith and with due diligence and has made significant efforts to ensure that the best price for the Lands is received, given the circumstances and the fact that the costs to the estate of People Express are minimized (by avoiding a costly and potentially lengthy litigious matter);

- c) a deposit of 15% of the cash component of the purchase price has been provided, and will be held in trust by the Receiver and shall be releasable in accordance with the terms of the Sale Agreement;
- d) RBC is the primary secured lender to People Express, and RBC is supportive of the Sale Agreement;
- e) the Sale Agreement was negotiated between the respective parties at arm's length, in good faith and is commercially reasonable under the circumstances; and
- f) after considering the complexities of further legal steps to determine the ownership of the Lands as well as the cost and potential liability of taking possession of the Lands, including, but not limited to: maintaining, securing, insuring and ultimately marketing the Lands in a sales process the Receiver is of the opinion that the offer submitted by the Directors is a commercially reasonable "as is, where is" offer.

38. After consideration of the above, the Receiver is seeking an Approval and Vesting Order in respect of the Sale Agreement.

RECEIPTS AND DISBURSMENTS

39. The following is a statement of the Receiver's receipts and disbursements in respect of the Company between the Reporting Period:

| People Express Transport Ltd. - In Receivership Interim Statement of Receipts & Disbursements Unaudited \$CAD | | | |
|--|---|--|---|
| | First to Third Report April 22, 2021 to October 15, 2021 | Reporting Period October 16, 2021 to July 4, 2022 | Total April 22, 2021 to July 4, 2022 |
| Opening Cash | | | |
| Cash in bank | 170,110 | 6,001,550 | 170,110 |
| Receipts | | | |
| Auction proceeds | 5,650,550 | 724,050 | 6,374,600 |
| Accounts receivable | 1,090,550 | 187,800 | 1,278,350 |
| Sale of assets | 658,000 | 20,000 | 678,000 |
| Receiver's borrowings | 500,000 | - | 500,000 |
| GST collected | 67,560 | 8,650 | 76,210 |
| Insurance refund | 156,330 | 174,330 | 330,660 |
| Income tax refund | 41,510 | - | 41,510 |
| Bank Interest | - | 1,680 | 1,680 |
| Total Receipts | 8,164,500 | 1,116,510 | 9,281,010 |
| Disbursements | | | |
| Insurance | 398,990 | 550 | 399,540 |
| Contractor payments | 177,950 | - | 177,950 |
| Fuel | 168,370 | - | 168,370 |
| Lien payments | 140,860 | 104,890 | 245,750 |
| Appraisal & auctioneer fees | 132,890 | - | 132,890 |
| GST paid | 77,190 | 10,060 | 87,250 |
| Repairs & maintenance | 72,440 | 710 | 73,150 |
| Rent & storage | 16,740 | - | 16,740 |
| Security | 10,560 | - | 10,560 |
| Computer services & software | 10,480 | 10,630 | 21,100 |
| Miscellaneous | 1,230 | - | 1,230 |
| Bank charges | 230 | - | 230 |
| Receiver's fees | 822,830 | 123,860 | 946,700 |
| Legal fees | 302,280 | 88,800 | 391,090 |
| CRA Payment | - | 56,740 | 56,740 |
| WEPP Priority Payment | - | 143,040 | 143,040 |
| Distribution to secured creditor | - | 5,000,000 | 5,000,000 |
| Transfer to Bankruptcy estate | - | 32,340 | 32,340 |
| Total Disbursements | 2,333,050 | 5,571,620 | 7,904,660 |
| Net Cash Flow | 5,831,450 | (4,455,110) | 1,376,330 |
| Opening Cash | 170,110 | 6,001,550 | 170,110 |
| Net Cash Flow | 5,831,440 | (4,455,110) | 1,376,330 |
| Closing Cash | 6,001,550 | 1,546,440 | 1,546,440 |

40. There was approximately \$6.0 million of opening cash available at the start of the Reporting Report.
41. The Receiver collected approximately \$1.1 million during the Reporting Period, primarily relating to:

- a) Auction proceeds of approximately \$724,000;
 - b) accounts receivable collections of approximately \$188,000; and
 - c) an insurance refund of approximately \$174,000.
42. The Receiver made disbursements of approximately \$5.6 million during the Reporting Period primarily comprised of:
- a) a distribution to RBC of \$5.0 million;
 - b) a WEPP “super-priority” payment of approximately \$143,000;
 - c) professional fees of the Receiver and the Receiver’s Counsel of approximately \$124,000 and \$89,000, respectively;
 - d) lien payments of approximately \$105,000; and
 - e) payments to the CRA of approximately \$57,000.
43. Total cash on hand as at July 4, 2022 was approximately \$1.5 million.

FINAL DISTRIBUTION TO THE SECURED LENDER

44. Pursuant to paragraph 13 of the Consent Receivership Order, the monies collected during the Receivership Proceedings shall be held by the Receiver to be paid or distributed in accordance with the terms of the Consent Receivership Order or any other order of the Court.
45. As noted in the First Report, the Receiver’s Counsel has conducted a security review and concluded, subject to the comments and qualifications set forth in the subject Security Review Memorandum, RBC holds valid and first priority security over the Property of People Express. The Receiver is not aware of any other claimant that may have priority over RBC’s security, other than the “super priority” claims as noted within this Report.

46. The Receiver is recommending a holdback of approximately \$87,000 to cover the remaining costs to complete the administration of the estate (the “**Holdback**”).

| People Express Transport Ltd. - In Receivership Proposed Holdback and RBC Final Distribution \$CAD | | |
|--|-----------|------------------|
| Cash Balance as at July 4, 2022 | \$ | 1,546,440 |
| Expected Receivership Disbursements | | |
| Bankruptcy Costs | | 17,660 |
| Professional Fees | | 59,000 |
| Contingency | | 10,000 |
| Total Expected Disbursements (Holdback) | \$ | 86,660 |
| Estimated RBC Final Distribution | \$ | 1,459,780 |

47. The Receiver is proposing the RBC Final Distribution in the approximate amount of \$1,459,780, plus any remaining net sale proceeds obtained from closing the transaction that is the subject of the Sale Agreement after the payment of any outstanding priority payables, including any amounts the Receiver has borrowed for which it has issued a Receiver’s Certificate pursuant to the Consent Receivership Order.
48. The Receiver is of the respectful view that this Honourable Court should approve the RBC Final Distribution, as the Receiver believes that the Holdback will provide sufficient funds in the estate to address the remaining costs in these Receivership Proceedings (as discussed above) including those fees and costs of the Receiver, the Receiver’s Counsel, and the Trustee and to fund the bankruptcy administration.
49. Should the Receiver not require some or all of the Holdback discussed above and/or should there be additional account receivables collected, the Receiver intends to make a further distribution to RBC for the remaining funds held in the receivership trust account.

APPROVAL OF THE RECEIVER'S AND ITS COUNSEL'S FEES AND COSTS

50. The Receiver seeks approval from this Honourable Court of its fees and disbursements from October 1, 2021 to June 30, 2022 and the Receiver's Counsel's fees and disbursements from October 1, 2021 to May 31, 2022, as well as forecasted professional fees to discharge pursuant to paragraph 19 of the Consent Receivership Order. The Receiver previously obtained Court approval on its and its Counsel's professional fees and costs from the Receivership Date to September 30, 2021, as detailed in the First Report, the Second Report and the Third Report.
51. The total fees and disbursements of the Receiver incurred from October 1, 2021 to June 30, 2022 total \$139,805.55 (excluding GST) and the anticipated fees and costs to complete the administration of the Receivership Proceedings are estimated to not exceed \$19,000 (excluding GST) (the "**Receiver's Fees and Costs**"). The total fees and disbursements of the Receiver's Counsel, incurred from October 1, 2021 to May 31, 2022 total \$77,938.67 (excluding GST) and the unbilled fees and anticipated fees to complete the administration of the Receivership Proceedings are estimated to not exceed \$40,000 (excluding GST) (the "**Receiver's Counsel's Fees and Costs**").
52. A summary of the Receiver's and the Receiver's Counsel's Fees and Disbursements are attached as **Appendix "B"**.
53. The accounts of the Receiver and the Receiver's Counsel outline the date of the work completed, the description of the work completed, the length of time taken to complete the work and the name of the individual who completed the work. Copies of the invoices will be made available to the Court at its direction, if necessary.
54. The Receiver respectfully submits that its professional fees and disbursements and those of the Receiver's Counsel are fair and reasonable in the circumstances and as outlined in this Report, and respectfully requests that this Honourable Court approve the Receiver's Fees and Costs and the Receiver's Counsel's Fees and Costs.

RECEIVER'S REMAINING ADMINISTRATION DUTIES

55. The Receiver's administration of the estate is substantially complete, with the following remaining matters outstanding which are subject to Court approval:
- a) closing the transaction subject to the Sale Agreement, together with the finalization of the ancillary closing documents;
 - b) arranging for the payment of the RBC Final Distribution;
 - c) funding the administration of the bankruptcy proceeding;
 - d) finalizing GST filings with the CRA and request to close the accounts;
 - e) closing the receivership trust accounts; and
 - f) filing the Discharge Affidavit (as defined below), accompanying the Discharge Order, with the Court to indicate completion of the remaining actions and discharge of the Receiver.

DISCHARGE OF THE RECEIVER

56. The Receiver respectfully requests that this Honourable Court grant the Discharge Order which, among other things, and subject to the filing of an affidavit confirming the Receiver has satisfied its obligations under the Consent Receivership Order (the "**Discharge Affidavit**"), absolutely, forever and unconditionally discharges the Receiver from any claims against the Receiver arising from, relating to, or in connection with, the performance of the Receiver's duties and obligations as Receiver, save and except for claims based on gross negligence, fraud or wilful misconduct.
57. The Receiver is respectfully of the view that it has conducted itself appropriately in these Receivership Proceedings and requests that this Court approve the actions and conduct of the Receiver throughout the Receivership Proceedings.

58. As noted above, the Receiver's administration of the estate is substantially complete, subject to minor administrative tasks to be completed and the closing requirements of the Sale Agreement. The Receiver is of the view that these items are administrative in nature and should not prevent this Court from granting an unconditional discharge.
59. Further, the Receiver is in custody of certain records relating to People Express (the "**Records**"). The Receiver is seeking authorization from this Honourable Court to allow the Receiver to destroy any and all such Records, only if the Records are not required by the Trustee or are not requested and collected by any current directors or shareholders of People Express as set forth in the Discharge Order.

RECEIVER'S RECOMMENDATIONS

60. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court approve, *inter alia*:
- a) the Restricted Court Access Order;
 - b) the Sale Agreement and associated Approval and Vesting Order;
 - c) the RBC Final Distribution;
 - d) the Final Statement of Receipts and Disbursements;
 - e) the Receiver's Fees and Costs and the Receiver's Counsel's Fees and Costs;
 - f) the Receiver's discharge; and
 - g) the actions, activities and conduct of the Receiver and its counsel to date as set out in this Report.

All of which is respectfully submitted this 11th day of July, 2022.

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as Court-appointed Receiver and Manager of
People Express Transport Ltd.
and not in its personal or corporate capacity**

A handwritten signature in blue ink, appearing to be 'Orest Konowalchuk', with a stylized, elongated shape.

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

A handwritten signature in black ink, appearing to be 'Cassie Riglin', with a stylized, elongated shape.

Cassie Riglin, CPA, CA, CIRP, LIT
Senior Vice President

APPENDIX “A”

ASSET PURCHASE AGREEMENT

June 20, 2022

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ASSET PURCHASE AGREEMENT dated June 20, 2022

BETWEEN:

ALVAREZ & MARSAL CANADA INC., solely in its capacity as receiver and manager of the undertaking, property and assets of People Express Transport Ltd. (the “**Vendor**”)

- and -

Gurbaj Sandhu, Charanpreet Brar and Gurpreet Brar (collectively, the “**Purchaser**”)

WHEREAS:

- A. Alvarez & Marsal Canada Inc. (the “**Receiver**”) was appointed receiver and manager of the assets, undertakings and properties of People Express Transport Ltd. (the “**Debtor**”) pursuant to a Consent Receivership Order (the “**Consent Receivership Order**”) granted by Madam Justice L.B. Ho of the Court of Queen’s Bench of Alberta (the “**Court**”) pursuant to the provisions of, among other things, the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”) dated April 22, 2021;
- B. It is a provision of the Consent Receivership Order that the Receiver has the power to sell all or any part of the property, assets, and undertaking of the Debtor, subject to certain conditions;
- C. The Debtor had prior to the appointment of the Receiver carried on business specializing in the transport of temperature sensitive products throughout western Canada;
- D. The Purchaser and/or its family are currently residing in the Purchased Assets; and
- E. The Purchaser has agreed to purchase from the Vendor, and the Vendor, subject to an order being issued by the Court approving the sale, has agreed to sell to the Purchaser, the Purchased Assets, which are owned by the Debtor, on the terms and conditions set forth herein.

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

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) “**Affiliate**” means, with respect to any person, any other person or group of persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such person. The term “control” as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person whether through ownership of more than 50% of the voting securities of

such person, through being the general partner or trustee of the other person, or through contract or otherwise;

- (b) “**Agreement**” means this asset purchase agreement and any Schedule attached hereto;
- (c) “**Applicable Law**” means, in respect of any Person, assets, transaction, event or circumstance:
 - (i) statutes (including regulations enacted thereunder);
 - (ii) judgments, decrees and orders of courts of competent jurisdiction (including the common law);
 - (iii) regulations, orders, ordinances and directives issued by Governmental Authorities; and
 - (iv) the terms and conditions of all permits, licences, approvals and authorizations;

in each case which are applicable to such Person, asset, transaction, event or circumstance;
- (d) “**Approval and Vesting Order**” means an order of the Court approving the Transaction in accordance with the provisions of this Agreement, and vesting all of the Vendor’s Interest in, to and under the Purchased Assets in the Purchaser, such order to be substantially in the form attached hereto as Schedule “D” together with such modifications and amendments to such form as may be approved by the Vendor, acting reasonably;
- (e) “**Assumed Liabilities**” means all of the Vendor’s and/or Debtor’s existing, present and future Losses and Liabilities (including, without limitation, any property tax arrears, utilities and any tenant obligations), any mortgage registered against the lands (including the mortgage registered in favour of Canadian Imperial Bank of Commerce (CIBC) as Registration Number 161 113 569), including Environmental Liabilities, arising prior to or from and after the Effective Time from the ownership and/or use of the Purchased Assets, including all existing, present and future Losses and Liabilities under any Leases arising in respect of the period after the Effective Time and whether or not related to or arising out of any breach or default occurring prior to, at or as a consequence of the Closing;
- (f) “**BIA**” has the meaning ascribed to that term in the recitals;
- (g) “**Business Day**” means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in Calgary, Alberta are not open for the transaction of domestic business during normal banking hours;
- (h) “**Claim**” means any right, claim, cause of action or complaint of any Person that may be asserted or made in whole or in part against the Vendor and/or the Debtor or any of their respective Affiliates and their respective Representatives, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including without limitation, by reason of the commission of a tort (intentional or unintentional), by reason of any breach of

contract or other agreement (oral or written), by reason of any breach of duty (including, without limitation, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right, claim, cause of action or complaint is executory or anticipatory in nature including, without limitation, any right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future, together with any other rights or claims of any kind that, if unsecured, would be a debt provable in bankruptcy within the meaning of the BIA had the Debtor become bankrupt;

- (i) **“Closing”** means the completion of the Transaction and the completion of all other transactions contemplated by this Agreement that are to occur contemporaneously with such sale, all subject to and in accordance with the terms and conditions of this Agreement;
- (j) **“Closing Date”** means the date that is fifteen (15) Business Days following the satisfaction or waiver of all of the conditions set forth in Article 6 hereof (or such other Business Day as the Parties may agree in writing);
- (k) **“Consent Receivership Order”** has the meaning ascribed to that term in the recitals;
- (l) **“Court”** has the meaning ascribed to that term in the recitals;
- (m) **“Court Approval”** means both the issuance of the Approval and Vesting Order by the Court approving the sale of the Purchased Assets, and such Approval and Vesting Order having become a Final Order;
- (n) **“Cure Costs”** means, in respect of *any* Leases, all amounts, costs and expenses required to be paid to remedy all of the Vendor’s and/or the Debtor’s monetary defaults in relation to the Leases or otherwise required to secure a counterparty’s or any other necessary Person’s consent to the assignment of an Leases or as may be required pursuant to the Approval and Vesting Order, and includes any other fees and expenses required to be paid to a counterparty or any other Person in connection with the assignment of any Leases, if any;
- (o) **“Debtor”** has the meaning ascribed to that term in the recitals;
- (p) **“Deposit”** has the meaning ascribed to that term in Section 3.2;
- (q) **“Effective Time”** means 12:01 a.m. (Calgary time) on the Closing Date;
- (r) **“Encumbrances”** means any pledges, liens, security interests, encumbrances, claims, charges, options or interests;

- (s) **“Environment”** means the components of the earth and includes ambient air, land, surface and subsurface strata, groundwater, surface water, all layers of the atmosphere, all organic and inorganic matter and living organisms, and the interacting natural systems that include such components, and any derivative thereof shall have a corresponding meaning;
- (t) **“Environmental Liabilities”** means all past, present and future liabilities, obligations and expenses in respect of the Environment which relate to the Purchased Assets (or lands pooled or unitized with lands which may form part of the Purchased Assets), or which arise in connection with the ownership thereof or operations pertaining thereto, including liabilities related to or arising from:
 - (i) transportation, storage, use or disposal of toxic or hazardous substances;
 - (ii) release, spill, escape, emission, leak, discharge, migration or dispersal of toxic or hazardous substances; or
 - (iii) pollution or contamination of or damage to the Environment;

including liabilities to compensate Third Parties for damages and Losses and Liabilities resulting from the items described in items (i), (ii) and (iii) above (including damage to property, personal injury and death) and obligations to take action to prevent or rectify damage to or otherwise protect the Environment;
- (u) **“Final Order”** means an order of the Court that has not been vacated, stayed, set aside, amended, reversed, annulled or modified, as to which no appeal or application for leave to appeal therefrom has been filed and the applicable appeal period with respect thereto shall have expired without the filing of any appeal or application for leave to appeal, or if any appeal(s) or application(s) for leave to appeal therefrom have been filed, any (and all) such appeal(s) or application(s) have been dismissed, quashed, determined, withdrawn or disposed of with no further right of appeal and all opportunities for rehearing, reargument, petition for certiorari and appeal being exhausted or having expired without any appeal, application or petition having been filed and remaining pending, any requests for rehearing have been denied, and no order having been entered and remaining pending staying, enjoining, setting aside, annulling, reversing, remanding, or superseding the same, and all conditions to effectiveness prescribed therein or otherwise by Applicable Law or order having been satisfied;
- (v) **“General Conveyance, Assignment and Assumption Agreement”** means a general conveyance, assignment and assumption agreement, substantially in the form attached hereto as Schedule “E”, evidencing the conveyance to the Purchaser of the Vendor’s Interest (if any) in, to and under the Purchased Assets and the assumption by the Purchaser of the Assumed Liabilities;
- (w) **“Governmental Authority”** means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, tribunal, commission, bureau, board, court (including the Court) or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions

of, or pertaining to, government, having jurisdiction over a Party, the Purchased Assets or the Transaction;

- (x) **“Income Tax Act”** means, collectively, the *Income Tax Act*, RSC 1985, c 1 (5th Supplement), the *Income Tax Application Rules*, RSC 1985, c 2 (5th Supplement) and the *Income Tax Regulations*, in each case as amended to the date hereof;
- (y) **“Lands”** means the real property legally described as:
 - Plan 9211841
 - Block 6
 - Lot 9
 - Excepting thereout all mines and minerals
- (z) **“Leases”** means the Vendor’s Interest, if any, in any leases (including, any tenant leases/agreements or otherwise) related to the Purchased Assets;
- (aa) **“Legal Proceeding”** means any litigation, action, suit, investigation, hearing, claim, complaint, grievance, arbitration proceeding or other proceeding and includes any appeal or review or retrial of any of the foregoing and any application for same;
- (bb) **“Losses and Liabilities”** means any and all assessments, charges, costs, damages, debts, expenses, fines, liabilities, losses, obligations and penalties, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Applicable Law, claim by any Governmental Authority or any order, writ, judgement, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority and those arising under any contract, agreement, arrangement, commitment or undertaking and costs and expenses of any Legal Proceeding, assessment, judgment, settlement or compromise relating thereto, and all interest, fines and penalties and reasonable legal fees and expenses incurred in connection therewith (on a full indemnity basis);
- (cc) **“Notice Period”** has the meaning ascribed to that term in Section 8.2(b);
- (dd) **“Parties”** means, collectively, the Purchaser and the Vendor, and **“Party”** means any one of them;
- (ee) **“Permitted Encumbrances”** means those Encumbrances set out in Schedule “A” to this Agreement;
- (ff) **“Person”** means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Governmental Authority or other entity however designated or instituted;
- (gg) **“Prime Rate”** means the rate of interest, expressed as a rate per annum, designated by the main branch in Calgary, Alberta of The Toronto-Dominion Bank as the reference rate used by it to determine rates of interest charged by it on Canadian dollar commercial loans made in Canada and which is announced by such bank, from time to time, as its prime rate, provided

that whenever such bank announces a change in such reference rate then the “Prime Rate” for the purposes of this Agreement shall correspondingly change effective on the date the change in such reference rate is effective;

- (hh) **“Property”** means the Lands and all buildings, fixtures and improvements located thereon;
- (ii) **“Purchase Price”** has the meaning ascribed to that term in Section 3.1;
- (ji) **“Purchased Assets”** means all of the Vendor’s Interest (if any) in and to the Property;
- (kk) **“Purchaser”** has the meaning ascribed to that term in the Preamble;
- (ll) **“Purchaser’s Conditions”** means the conditions set forth in Section 6.2;
- (mm) **“Purchaser’s Solicitor”** means McLeod Law LLP, or such other firm or firms of solicitors as are retained or engaged by the Purchaser from time to time and notice of which is provided to the Vendor;
- (nn) **“Receiver”** means Alvarez & Marsal Canada Inc., LIT, in its capacity as the Court-appointed receiver and manager of all of the current and future assets, properties and undertakings of the Debtor and not in its personal or corporate capacity;
- (oo) **“Receivership Proceedings”** means the court proceedings where the Receiver was appointed, namely Alberta Court of Queen’s Bench Action No. 2101-02280;
- (pp) **“Released Parties”** has the meaning ascribed to that term in Section 5.7;
- (qq) **“Representative”** means, in respect of a Person, each director, officer, employee, agent, legal counsel, accountant, consultant, contractor, professional advisor and other representative of such Person and its Affiliates, and with respect to the Vendor, includes the Receiver and their respective Affiliates, directors, officers, employees, agents, legal counsel, accountants, professional advisors and other representatives;
- (rr) **“Tax” or “Taxes”** means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Authority under any applicable Tax Legislation, including, Canadian federal, provincial, state, territorial, county, municipal and local, foreign or other income, capital, capital gains, goods and services, sales, use, consumption, excise, value added, business, carbon fuel, real property, personal property, transfer, franchise, withholding, payroll, or employer health taxes, customs, import, anti-dumping or countervailing duties, Canada Pension Plan contributions, employment insurance premiums, and provincial workers’ compensation payments, levy, assessment, tariff, impost, imposition, toll and duty, whether computed on a separate, combined, unitary, or consolidated basis or any other manner, including any interest, penalties, fines and other additional amounts associated therewith;
- (ss) **“Tax Legislation”** means, collectively, the Income Tax Act and all Canadian federal, provincial, state, territorial, county, municipal and local, foreign, or other statutes, ordinances

or regulations imposing a Tax, including all treaties, conventions, rules, regulations, orders, and decrees of any jurisdiction;

- (tt) **“Third Party”** means any person who is not a Party, Affiliate or Representative;
- (uu) **“Third Party Claim”** means any Claim by a Third Party asserted against the Vendor and/or Debtor for which the Purchaser has indemnified the Vendor and/or Debtor or is otherwise responsible for pursuant to this Agreement;
- (vv) **“Time of Closing”** means 1:00 p.m. (Calgary, Alberta time) on the Closing Date or such other date and time as the Parties may agree in writing that the Closing shall take place;
- (ww) **“Transaction”** means the transaction for the purchase and sale of the Vendor’s Interest in, to and under the Purchased Assets to the Purchaser, together with all other transactions contemplated in this Agreement, all as contemplated in this Agreement;
- (xx) **“Transfer Taxes”** means all present and future transfer Taxes, sales Taxes, use Taxes, production Taxes, value-added Taxes, goods and services Taxes, land transfer Taxes, registration and recording fees, and any other similar or like Taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets;
- (yy) **“Vendor”** has the meaning ascribed to that term in the Preamble;
- (zz) **“Vendor Entity”** has the meaning ascribed to that term in Section 4.4;
- (aaa) **“Vendor’s Interest”** means, when used in relation to any asset, undertaking or property, all the right, title and interest, if any, of the Debtor and/or the Vendor in, to and/or under such asset, undertaking or property; and
- (bbb) **“Vendor’s Solicitor”** means Torys LLP, or such other firm or firms of solicitors as are retained or engaged by the Vendor from time to time and notice of which is provided to the Purchaser.

1.2 Interpretation

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

- (a) All references to monetary amounts, unless indicated to the contrary, are to the lawful currency of Canada.
- (b) Words importing the singular include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.
- (c) Derivatives of a defined term shall have a corresponding meaning.
- (d) The words “include” and “including” and derivatives thereof shall be read as if followed by the phrase “without limitation”.

- (e) The words “hereto”, “herein”, “hereof”, “hereby”, “hereunder” and similar expressions refer to this Agreement and not to any particular provision of this Agreement.
- (f) The headings contained in this Agreement are for convenience of reference only, and shall not affect the meaning or interpretation hereof.
- (g) Reference to any Article, Section or Schedule means an Article, Section or Schedule of this Agreement unless otherwise specified.
- (h) If any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict.
- (i) All documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict.
- (j) This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party does not apply to the construction or interpretation of this Agreement.
- (k) Reference to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof.
- (l) Reference to an Applicable Law means such Applicable Law as amended from time to time and includes any successor Applicable Law thereto and any regulations promulgated thereunder.

1.3 Interpretation if Closing Does Not Occur

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

ARTICLE 2 PURCHASE AND SALE OF PURCHASED ASSETS

2.1 Agreement of Purchase and Sale

Subject to the terms and conditions of this Agreement, and in consideration of the payment of the Purchase Price and the assumption of the Assumed Liabilities by the Purchaser, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase from the Vendor all of the Vendor’s Interest in the Purchased Assets and absolutely release the Vendor and the Debtor of all and any responsibility or liability therefor, effective as of the Effective Time.

2.2 Transfer of Purchased Assets

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk and legal and beneficial ownership of the Purchased Assets shall transfer from the Debtor to the Purchaser on the Closing Date effective as of the Effective Time.

2.3 Assumption of Liabilities and Environmental Liabilities

- (a) In determining the Purchase Price, the Parties have taken into account Purchaser's assumption of responsibility for the payment of all costs for existing and future Environmental Liabilities associated with the Purchased Assets, as set forth in this Agreement, and the absolute release of the Debtor and Vendor of all and any responsibility or liability therefor.
- (b) Subject to Closing, the Purchaser hereby agrees to: (i) assume, discharge, perform and fulfil the Assumed Liabilities from and after the Effective Time; and (ii) indemnify and save harmless the Vendor from all Claims, Losses and Liabilities, damages, and other amounts arising directly or indirectly out of or in connection with the Assumed Liabilities.
- (c) It is understood and agreed that the Purchaser understands that there are or may be other interests or liens registered against the Purchased Assets that are transferred to the Purchaser, and this Transaction does not invalidate such interests or lien(s). The Purchaser hereby acknowledges such interests and liens will continue to subsist and such interests and lien claimants' rights under the applicable legislation and/or regulations will not be affected by this Transaction.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

The consideration payable by the Purchaser to the Vendor for the Purchased Assets shall be: (i) the sum of CAD \$[REDACTED] exclusive of Transfer Taxes (the "**Purchase Price**"), and (ii) the assumption of the Assumed Liabilities as set forth in Section 2.3.

3.2 Deposit

- (a) Concurrently with the Purchaser's delivery of its executed copy of this Agreement to the Vendor, the Purchaser shall pay to the Vendor a deposit in the amount of [REDACTED]% of the Purchase Price (the "**Deposit**").
- (b) The Deposit will be held in trust by the Receiver in a trust account for and on behalf of the Vendor, and shall be releasable in accordance with the terms of this Agreement. If Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit shall be credited against the Purchase Price, in partial satisfaction of the Purchaser's obligation to pay the Purchase Price at Closing.

- (c) If Closing does not occur prior to the waiver and/or satisfaction of all conditions required to be waived and/or satisfied pursuant to Sections 6.1, and 6.2 of this Agreement for any reason, the Deposit shall be returned to the Purchaser within ten (10) Business Days of Vendor's receipt of written notice of non-waiver. If Closing does not occur following the waiver and/or satisfaction of all conditions required to be waived and/or satisfied pursuant to Sections 6.1, 6.3 and 6.4 of this Agreement for any reason, the full amount of the Deposit shall be forfeited to the Vendor, and such amount forfeited to the Vendor shall be retained by the Vendor as liquidated damages, to compensate the Vendor for any and all current and future Losses and liabilities in connection with the Transaction and the delay or permanent impairment caused to the Vendor's efforts to sell the Purchased Assets. For greater certainty, the Vendor's acceptance of the Deposit and in accordance with this Section 3.2(c) is not a penalty but is a genuine pre-estimate by the Parties of the full limit of all damages that the Vendor will suffer, having regard to the size of the Purchase Price, the amount of time between the date hereof and the Closing, and the time and expense incurred and to be incurred by the Vendor. The Purchaser hereby expressly waives any present or future right, at law or in equity, that would prohibit or may prohibit the retention of the Deposit as liquidated damages by the Vendor in connection with Closing not occurring after the satisfaction or waiver of the Purchaser's Conditions and the Purchaser and the Vendor expressly covenant and agree that:
- (i) this Agreement and all of the Transactions occurring or potentially occurring thereby, including without limitation the potential retention of the Deposit by the Vendor in the manner contemplated by Section 3.2(c) of this Agreement, are the product of an arm's length negotiations between sophisticated business people represented by counsel;
 - (ii) there has been a course of conduct between the Vendor and the Purchaser giving specific consideration to all of the Transactions occurring herein including, without limitation, the potential retention of the Deposit by the Vendor in the manner contemplated by Section 3.2(c) of this Agreement;
 - (iii) the Purchaser be and is hereby estopped from making any Claim to challenge the retention of the Deposit by the Vendor in the manner contemplated by Section 3.2(c) of this Agreement;
 - (iv) the Purchaser's agreement to allow the Vendor to retain the Deposit as contemplated by Section 3.2(c) of this Agreement was a material inducement to the Vendor entering into this Agreement with the Purchaser; and
 - (v) the Vendor and the Purchaser would not have entered into this Agreement had the Vendor and the Purchaser not agreed to allow the Vendor to retain the Deposit in the manner contemplated by Section 3.2(c) of this Agreement.

3.3 Payment of the Purchase Price

The Purchaser shall pay to the Vendor at Closing, by wire transfer, the Purchase Price (including applicable Transfer Taxes), less the Deposit received. For certainty, interest will not be earned on the Deposit.

1.

3.4 No Adjustments

All benefits and obligations of every kind and nature accruing, payable or paid and received or receivable in respect of the Purchased Assets have been taken into account in the calculation of the Purchase Price and the Parties acknowledge that there will be no adjustments to the Purchase Price.

3.5 Transfer Taxes

The Parties agree that the Purchase Price payable by the Purchaser to the Vendor pursuant to this Agreement does not include any Transfer Taxes and all Transfer Taxes are the responsibility of and for the account of the Purchaser. The Purchaser and the Vendor agree to cooperate to determine the amount of Transfer Taxes payable in connection with the Transaction. If the Vendor is required by Applicable Law or by administration thereof to collect any applicable Transfer Taxes from the Purchaser, the Purchaser shall pay such Transfer Taxes to the Vendor on Closing, unless the Purchaser qualifies for an exemption from any such applicable Transfer Taxes or has the right under Applicable Law to self-assess and remit, as the case may be, in which case the Vendor shall not collect any such applicable Transfer Taxes from the Purchaser, provided that the Purchaser, in lieu of payment of such applicable Transfer Taxes to the Vendor, delivers to the Vendor such certificates, elections, undertakings, indemnities or other documentation required by Applicable Law or the administration thereof or by the Vendor to substantiate and affect the exemption claimed by the Purchaser or its right to self-assess and remit, as the case may be. The Purchaser does hereby agree to indemnify and save harmless the Vendor and the Debtor against any Claims which may arise in connection with such Transfer Taxes, and the Purchaser further agrees to pay all such amounts including interest and penalties, if any, upon written request by the Vendor provided in accordance with the provisions of Section 10.11 hereof.

3.6 No Right to Reduction in Purchase Price

Notwithstanding anything to the contrary in this Agreement, the Purchaser acknowledges and agrees that it shall have no right or other entitlement to any set-off, abatement or reduction in the Purchase Price as a result of, arising from or in connection with any Claim against the Debtor or the Vendor, including in respect of any deficiency or allegation of deficiency in respect of the Purchased Assets, including, without limitation, any Environmental Liability or deficiency or title deficiency.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Purchaser's Representations and Warranties

Each Purchaser hereby represents and warrants to and in favour of the Vendor that:

- (a) the Purchaser has authority to enter into this Agreement and to complete the Transaction;
- (b) provided that Court Approval is obtained, execution, delivery and performance of this Agreement by the Purchaser does not and will not require any consent, approval, authorization or other order of, action by, filing with or notification to, any Governmental Authority, except where failure to obtain such consent, approval, authorization or action, or to make such filing

or notification, would not prevent or materially delay the consummation by the Purchaser of the Transaction;

- (c) provided Court Approval is obtained, the consummation of the Transaction will not constitute or result in a material violation, breach or default by it under any provision of any agreement or instrument to which it is a party or by which it is bound or any judgment, law, decree, order or ruling applicable to it;
- (d) it is acquiring the Purchased Assets in its capacity as a principal and is not purchasing the Purchased Assets as agent or representative of any Third Party;
- (e) the Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser;
- (f) this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser and is enforceable against the Purchaser in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar Applicable Laws relating to creditors' rights generally and subject to general principles of equity;
- (g) the Purchaser will have the financial resources necessary to pay, as and when due from the Purchaser, an amount equal to the Purchase Price and any other cash amounts payable by the Purchaser pursuant hereto;
- (h) the Purchaser has the financial resources necessary to post or satisfy all necessary security, deposits, letters of credit, guarantees or other financial assurances necessary to take possession of the Purchased Assets and to satisfy the security required by the Purchased Assets;
- (i) there is no requirement for the Purchaser to make any filing with, give any notice to, or obtain any authorization of, any Governmental Authority pursuant to the *Competition Act* (Canada), as a result of, in connection with, or as a condition to the lawful completion of the Transaction; and
- (j) the Purchaser is not a non-Canadian person within the meaning of the *Investment Canada Act* nor a non-resident for the purposes of the *Income Tax Act*.

4.2 “As is, Where Is” and “Without Recourse” Basis, and No Representations and Warranties by the Vendor

- (a) Neither the Vendor nor any of its Representatives makes any representations or warranties, and in particular, and without limiting the generality of the foregoing, the Vendor disclaims and neither the Vendor nor any of its Representatives shall be liable for any representation or warranty which may have been made or alleged to be made in any instrument or document related hereto, or in any statement or information made or communicated to the Purchaser in any manner including any opinion, information, or advice which may have been provided to the Purchaser by the Vendor or any of its Representatives in connection with the Purchased

Assets or in relation to the Transaction. For greater certainty, neither the Vendor nor any of its Representatives makes any condition, representation or warranty, express or implied, with respect to:

- (i) any data or information supplied by the Vendor or any of its Representatives in connection with the Purchased Assets, including by way of management presentations or otherwise;
 - (ii) the value of any of the Purchased Assets or the future cash flow therefrom;
 - (iii) the nature, manner, quality, condition or state of repair, description, fitness for a particular purpose, suitability, marketability, profitability, serviceability or merchantability of the Purchased Assets for any purpose whatsoever;
 - (iv) the ability to assign or transfer any Purchased Assets;
 - (v) any regulatory approvals, permits, consents or authorizations that may be needed or complete the purchase of the Purchased Assets contemplated by this Agreement;
 - (vi) the existence, state, nature, kind, identity, extent, effect or consequences of any administrative orders, control orders, abatement orders, compliance orders or any other orders, proceedings, directions, issues or actions taken under or pursuant to any other Applicable Law;
 - (vii) the compliance of or by the Purchased Assets or their operation with any Applicable Law (including Environmental laws);
 - (viii) the nature and quantum of the Assumed Liabilities;
 - (ix) any defects, errors or omissions on or in the Purchased Assets, or any other conditions (whether patent, latent or otherwise), including, without limitation, soil quality, environmental contamination (including Environmental Liabilities) and geological stability, affecting the Purchased Assets; or
 - (x) any other matter with respect to the Purchased Assets.
- (b) The Purchaser acknowledges that the release and disclaimer described in this Article 4 is intended to be very broad and the Purchaser expressly waives and relinquishes any rights or benefits it may have under any Applicable Law designed to invalidate releases of unknown or unsuspected claims.
 - (c) The descriptions of the Purchased Assets are for purposes of identification only and no condition, warranty, or representation has been or will be given by the Vendor concerning the accuracy, completeness or any other matter concerning those descriptions.
 - (d) Notwithstanding anything contrary herein, the Purchaser acknowledges and confirms that it is relying on its own investigations concerning the Purchased Assets and it has not relied on

advice from the Vendor or any of its Representatives with respect thereto, including with respect to the matters specifically enumerated in this Section 4.2 of the immediately preceding paragraphs in connection with the purchase of the Purchased Assets pursuant to this Agreement. The Purchaser further acknowledges and agrees that it is acquiring the Purchased Assets on an “**as is, where is**” and “**without recourse**” basis with all defects, both patent and latent, and with all faults, whether known or unknown, presently existing or that may hereafter arise and that there are no representations, warranties, or conditions made in respect of the Purchased Assets except as expressly set out herein.

- (e) Except for its express rights under this Agreement, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all common law, tort, contractual and statutory rights and remedies) against the Vendor and its Representatives in respect of the Purchased Assets or the Transaction or any representations or statements made or information or data furnished to the Purchaser or its Representatives in connection herewith (whether made or furnished orally or by electronic, faxed, written or other means). Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties contained in the *Sale of Goods Act* (Alberta) (or similar applicable statutes, all as may be amended, repealed or replaced), warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims, or similar claims, and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights.

4.3 Due Diligence Acknowledgement

The Purchaser acknowledges and agrees that:

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

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

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

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

4.4 Absolute Waiver

As part of the Purchaser's agreement to purchase the Purchased Assets and to accept the Purchased Assets in "as-is, where-is" condition, and not as a limitation on such agreement, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights or Claims the Purchaser might have against the Vendor and/or Debtor or the Vendor Entity in respect of the Purchased Assets or the Transaction or pursuant to any warranty, express or implied, of any kind or type relating to the Purchased Assets or any other assets, or any other aspect of the Transaction. Such waiver is absolute, unlimited and includes, but is not limited to, waiver

of express warranties, implied warranties, any warranties at law and/or in equity, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and Claims of every kind and type, including, but not limited to, Claims regarding defects, whether or not discoverable, product liability Claims, or similar Claims, and to all other extent or later created or conceived of strict liability or strict liability type Claims and rights. For certainty, “**Vendor Entity**” means the Debtor and the Vendor and their respective Representatives, and each of their respective successors and assigns; and “**Representatives**” means, with respect to any Party, the respective directors, officers, servants, agents, advisors, employees, consultants and representatives of that Party.

The Vendor shall not be responsible or liable for any misrepresentation, lack of disclosure or incorrect or incomplete disclosure of any nature whatsoever or failure to investigate the Purchased Assets on the part of any broker or sales agent, or any other purported or acknowledged agent, representative, contractor, consultant or employee of the Vendor or any third party.

ARTICLE 5 COVENANTS

5.1 Leases, Licences and Third Party Consents

- (a) Both before and after Closing, the Purchaser shall use all commercially reasonable efforts to obtain any and all approvals, licences and permits required under Applicable Law and any and all material consents of Third Parties required to permit the Transaction to be completed or that may be required for the Purchaser to own and operate the Purchased Assets (if any). The Purchaser acknowledges that the Vendor has no obligation to transfer any Leases or permits or licences to the Purchaser, and that the Purchaser is solely responsible for obtaining consent to transfer the Leases. Without limiting the generality of the foregoing, it is the sole obligation of the Purchaser, at the Purchaser’s sole cost and expense, to:
 - (i) obtain and pay the cost of any consents, permits, licences assignments, registration fees, attorney and agent fees, filing fees, issue fees or other authorizations and assignments necessary or desirable for the transfer of such right, title and interest, to the Purchaser or for the operation or use of the Purchased Assets;
 - (ii) obtain all Third Party consents that are required to complete the Transaction and own and operate the Purchased Assets;
 - (iii) obtain the consent to transfer the Leases; and
 - (iv) provide any and all financial assurances, remedial work or other documentation that may be required by Governmental Authorities or any Third Parties to permit the transfer to the Purchaser of any of the Purchased Assets, and registration of the Purchaser as owner, of any of the Purchased Assets.

The Parties acknowledge that the acquisition of such consents, approvals, licences and permits shall not be a condition precedent to Closing. The Purchaser shall indemnify the Vendor for any Losses and Liabilities incurred by the Vendor as a result of the Purchaser’s failure to obtain any such consent, approval, licence and permit.

- (b) Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign the Leases, to the extent the Leases are not assignable under Applicable Law without the consent of any other Person party unless such consent has been obtained.
- (c) The Purchaser acknowledges that the transfers of Leases shall not be a condition precedent to Closing and that the Purchaser may not obtain transfers of Leases at all. For greater certainty, provided that the Vendor has complied with the covenant to use commercially reasonable efforts as set out above, if any consent or approval is required to assign the Leases, but is not obtained, neither the Vendor nor the Purchaser shall be in breach of this Agreement, nor shall: (i) any condition to Closing be unsatisfied; (ii) the Purchase Price be adjusted; or (iii) the Closing delayed.

5.2 Court Approval

The Vendor shall prepare all materials, and shall promptly apply to the Court for, and use its commercially reasonable efforts to obtain, the Court Approval as soon as reasonably practicable following the dates set forth herein. The Purchaser, at its own expense, shall promptly provide to the Vendor all such information and assistance within the Purchaser's power as the Vendor may reasonably request to obtain the Court Approval, including such information as may be required to reasonably evaluate the Purchaser's financial ability to perform its obligations hereunder. The application for Court Approval may be adjourned or rescheduled by the Vendor or its Representatives upon notice to the Purchaser.

5.3 Environmental Matters

The Purchaser acknowledges that, insofar as the Environmental condition of the Purchased Assets is concerned, the Purchaser is acquiring the Purchased Assets pursuant hereto on an **"as is, where is"** and **"without recourse"** basis. The Purchaser acknowledges that it is familiar and satisfied with the condition of the Purchased Assets, including the past and present use of the Purchased Assets, that the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Purchased Assets at the sole cost, risk and expense of the Purchaser (insofar as the Vendor could reasonably provide such access) and that the Purchaser is not relying upon any representation or warranty of the Vendor as to the Environmental condition of the Purchased Assets, or as to any Environmental Liabilities. Provided that Closing has occurred, the Purchaser shall:

- (a) be solely liable and responsible for any and all Losses and Liabilities which the Vendor and its Representatives may suffer, sustain, pay or incur; and
- (b) indemnify, release and save harmless the Vendor and its Representatives from any and all Losses and Liabilities, actions, proceedings and demands, whatsoever which may be brought against or suffered by the Vendor or which the Vendor may sustain, pay or incur,

as a result of any matter or thing arising out of, resulting from, attributable to or connected with any Environmental Liabilities. Once Closing has occurred, the Purchaser shall be solely responsible for all Environmental Liabilities both to Third Parties and as between the Vendor and the Purchaser (whether such Environmental Liabilities occur or accrue prior to, on or after the Closing Date), and hereby releases the Vendor from any Claims the Purchaser may have against the Vendor with respect to all such liabilities and

responsibilities. Without restricting the generality of the foregoing, the Purchaser shall be responsible for all Environmental Liabilities (whether such Environmental Liabilities occur or accrue prior to, on or after the Closing Date) in respect of the Purchased Assets. This assumption of liability and indemnity by the Purchaser shall apply without limit and without regard to cause or causes, including the negligence (whether sole, concurrent, gross, active, passive, primary or secondary) or the wilful or wanton misconduct or recklessness of any or all of the Vendor, Debtor, their respective Representatives and their respective successors and assigns or any other Person otherwise. The Purchaser further acknowledges and agrees that it shall not be entitled to any rights or remedies as against the Vendor, Debtor, or its Representatives, or their respective successors and assigns under the common law or statute pertaining to any Environmental Liabilities, including the right to name any or all of the Vendor, its Representatives, and their respective successors and assigns as a 'third party' to any action commenced by any Person against the Purchaser. The Purchaser's assumption of liability and the indemnity obligation set forth in this Section 5.3 shall survive the Closing Date indefinitely.

5.4 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 Vendor shall not be required to provide letters or certificates of compliance or any releases or partial releases of same.

5.5 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 Vendor to discharge, perform and fulfill all terms, covenants, provisos, conditions, stipulations, obligations and liabilities of the Vendor and Debtor's 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 Vendor and/or the Debtor, as applicable. The Purchaser shall indemnify and hold harmless the Vendor 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 Vendor with respect thereto, whether or not such compliance or non-compliance occurs before, on or after Closing.

5.6 Post-Closing Date Indemnity

Provided that Closing has occurred, the Purchaser shall:

- (a) be solely liable and responsible for any and all Losses and Liabilities which the Vendor may suffer, sustain, pay or incur; and
- (b) indemnify, release and save harmless the Vendor and its Representatives from any and all Losses and Liabilities, actions, proceedings and demands, whatsoever which may be brought against or suffered by the Vendor 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 and Liabilities related thereto arose/arise or occur, as applicable, prior to, on or after the Closing Date.

5.7 Release

Notwithstanding any other provisions of this Agreement, effective as of the Time of Closing, the Purchaser, on behalf of itself and its Affiliates, does hereby forever release and discharge the Vendor, the Debtor and their respective 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 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 Time of Closing relating to, arising out of or in connection with, the Purchased Assets, save and except for claims arising out of fraud by the Released Parties.

ARTICLE 6 CONDITIONS

6.1 Mutual Conditions

The respective obligations of the Parties to complete the Transaction are subject to the following conditions being fulfilled or performed as at or prior to the dates stated below:

- (a) the Court shall have granted the Approval and Vesting Order on or before 30 days after waiver or satisfaction of the conditions set forth in Section 6.2 herein and the Approval and Vesting Order shall be a Final Order;
- (b) no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable order or Applicable Law which has the effect of: (i) making any of the transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the Vendor from the sale of the Purchased Assets;
- (c) all waivers, consents and/or approvals from any Governmental Authority, as the Parties reasonably determine are required in connection with the consummation of the Transaction, shall have been obtained; and
- (d) on the Closing Date, the Closing is not otherwise prohibited by Applicable Law.

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

6.2 Conditions for the Benefit of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions having been fulfilled, performed, waived or satisfied by the Purchaser in writing, or satisfied in its sole discretion on or before the dates stated below (the “**Purchaser’s Conditions**”):

- (a) the Vendor has complied with and performed, in all material respects, all of its covenants and obligations contained in this Agreement as at or prior to the Time of Closing; and
- (b) the Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at or before the Closing all the documents contemplated in Section 7.2.

The foregoing condition is for the exclusive benefit of the Purchaser and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have. If any of the said conditions have not been complied with or waived by the Purchaser at or before the Time of Closing, as applicable, the Purchaser may terminate this Agreement by written notice to the Vendor.

6.3 Conditions for the Benefit of the Vendor

The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed as at or prior to the Time of Closing:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects as at the Time of Closing with the same force and effect as if made at and as of such time and the Purchaser shall have delivered to the Vendor at or prior to the Time of Closing a certificate to that effect substantially similar in form to that attached hereto as Schedule “F”;
- (b) the Purchaser has complied with and performed in all material respects all of its covenants and obligations contained in this Agreement, and the Purchaser shall have delivered to the Vendor at or prior to the Time of Closing a certificate to that effect substantially similar in form to that attached hereto as Schedule “F”;
- (c) the Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at or prior to the Time of Closing all the documents contemplated in Section 7.3;
- (d) an acknowledgement confirming that all conditions to Close have been satisfied/waived, substantially similar in form to that attached hereto as Schedule “G”;
- (e) the Purchaser shall have paid to the Vendor at or prior to the Time of Closing all amounts required to be paid by it under this Agreement in the form stipulated in this Agreement;
- (f) the Purchaser shall have assumed the mortgage registered against the lands in favour of Canadian Imperial Bank of Commerce (CIBC), (Registration Number 161 113 569), paid the Title Transfer/Processing Fee of \$150 or such other amount requested by CIBC, Registered

Transfer of Title/Certificate of Title, and confirmation that proof of valid property insurance has been collected and verified;

- (g) the Receiver shall have received a release from CIBC in favour of People Express Transport Ltd. in connection with the Mortgage (Registration Number 161 113 569); and
- (h) no Party comprising the Vendor has lost its ability to convey the Purchased Assets or any of them due to an order of the Court or otherwise pursuant to the Receivership Proceedings, provided such order or other action pursuant to the Receivership Proceedings is not at the voluntary initiative of the Vendor.

The foregoing conditions are for the exclusive benefit of the Vendor and may be waived by it in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Vendor may have. If any of the said conditions have not been complied with or waived by the Vendor at or before the Time of Closing, the Vendor may terminate this Agreement by written notice to the Purchaser.

6.4 Satisfaction of Conditions

Each of the Parties shall proceed diligently and in good faith and use all commercially reasonable efforts to fulfill and assist in the fulfillment of the conditions set forth in Sections 6.1, 6.2 and 6.3. In addition, each of the Parties agrees not to take any action that could reasonably be expected to preclude, delay or have an adverse effect on the Transaction or, in the case of the Purchaser, that would render, or may reasonably be expected to render, any representation or warranty made by the Purchaser in this Agreement untrue in any material respect.

ARTICLE 7 CLOSING

7.1 Closing Date and Place of Closing

Subject to the conditions set out in this Agreement, the Transaction shall close and be completed on the Closing Date. The completion of the Transaction shall take place at the Time of Closing electronically, or at such other time or such other location as the Parties may agree in writing.

7.2 Deliveries on Closing by the Vendor

The Vendor shall deliver (or cause to be delivered) to the Purchaser's Solicitors in sufficient time to allow for registration at the Land Titles Office the following documents, as applicable, fully executed by the Vendor, where applicable, or such other parties as may be specified (other than the Purchaser), subject to Section 7.3:

- (a) a certified true copy of the Approval and Vesting Order;
- (b) the Receiver's Closing Certificate (as defined in the Approval and Vesting Order) executed by the Vendor;
- (c) the General Conveyance, Assignment and Assumption Agreement duly executed by the Vendor;

- (d) pursuant to the Court Approval, the Purchased Assets on an “as is, where is” and “without recourse” basis, provided that delivery of the Purchased Assets shall occur *in situ* wherever such Purchased Assets are located on the Closing Date;
- (e) a receipt for the payment of the Purchase Price; and
- (f) any other documents, resolutions and certificates as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

7.3 Deliveries on Closing by the Purchaser

The Purchaser shall deliver (or cause to be delivered) to the Vendor’s Solicitor by the Time of Closing on the Closing Date the following instruments and documents, fully executed by the Purchaser, where applicable, or such other Parties as may be specified:

- (a) the Purchase Price (less the Deposit), plus applicable Transfer Taxes (if any), by way of wire transfer, details of which are set forth in Schedule “C”, attached hereto, made payable to the Vendor;
- (b) evidence of payment by the Purchaser to the relevant counterparty of all Cure Costs, if any, payable on Closing;
- (c) a bring-down certificate executed by the Purchaser, in the form attached as Schedule “F”, acting reasonably, certifying that all of the representations and warranties of the Purchaser hereunder remain true and correct in all material respects as of the Time of Closing;
- (d) the elections referred to in Section 3.5, executed by the Purchaser, to the extent such elections are applicable to the Transaction and available to the Purchaser;
- (e) the General Conveyance, Assignment and Assumption Agreement duly executed by the Purchaser;
- (f) an assignment and assumption or novation agreement, if any, in respect of each Lease (if any / if applicable) that the Purchaser has agreed to acquire by way of assignment or novation, duly executed by the Purchaser; and
- (g) any other documents, resolutions and certificates as is referred to in this Agreement or as the Vendor may require to give effect to this Agreement.

7.4 Risk and Insurance

Upon Closing, all title and risk with respect to the Purchased Assets shall pass to the Purchaser effective as of the Time of Closing. The Purchaser shall be responsible for placing its own property, liability and other insurance coverage with respect to the Purchased Assets. Pending Closing, in the event of damage to the Purchased Assets prior to the Time of Closing, the Purchaser shall complete the Transactions without reduction

of the Purchase Price. For certainty, the Purchaser cannot rescind this Agreement even in the event of substantial damage to the Purchased Assets.

ARTICLE 8 INDEMNITY

8.1 Indemnification Given by Purchaser

If Closing occurs, the Purchaser shall:

- (a) be liable to the Vendor for; and
- (b) as a separate covenant, indemnify the Vendor and its Representatives from and against,

all Losses and Liabilities suffered, sustained, paid or incurred by any of them to arising or accruing prior to, on or after the Effective Time and which relate to the Purchased Assets, including all existing, and future Losses and Liabilities attributable to the ownership, operation, use, construction or maintenance of the Purchased Assets and in respect of the indemnities specified in this Agreement, including, Section 5.3. The Purchaser's indemnity obligation set forth in this Section 8.1 shall survive the Closing Date indefinitely.

8.2 Third Party Claims

- (a) If the Vendor receives notice of the commencement or assertion of any Third Party Claim for which the Purchaser is liable pursuant to this Agreement, the Vendor shall give the Purchaser reasonably prompt notice thereof, but in any event no later than 90 days after receipt of such notice of such Third Party Claim.
- (b) The Purchaser may participate in the defence of any Third Party Claim by giving notice to that effect to the Vendor not later than 14 days after receiving notice of that Third Party Claim (the "**Notice Period**") so long as: (i) the Purchaser first acknowledges to the Vendor, in writing, liability to the Vendor under this Agreement with respect to such Third Party Claim and that the outcome of such Third Party Claim does not alter or diminish the Purchaser's obligation to indemnify the Vendor pursuant to this Agreement, subject to the Purchaser's right to contest in good faith the Third Party Claim; (ii) the Purchaser has the financial resources to defend against the Third Party Claim and fulfill any indemnification obligations and has provided the Vendor with evidence thereof; (iii) the Third Party Claim involves monetary damages; and (iv) the Purchaser participates in the defence of the Third Party Claim actively and diligently. The Purchaser's right to do so shall be subject to the rights of any insurer or other Third Party who has potential liability in respect of that Third Party Claim. The Purchaser shall pay all of its own expenses of participating in or assuming such defence. The Vendor shall cooperate in good faith in the defence of each Third Party Claim and may participate in such defence assisted by counsel of its own choice.
- (c) If the Vendor has not received notice within the Notice Period that the Purchaser has elected to participate in the defence of such Third Party Claim, or if the Purchaser has given such notice but thereafter fails or is unable to participate in the defence of such Third Party Claim actively and diligently, the Vendor may, at its option, elect to settle or compromise the Third

Party Claim on terms of its choosing, or assume such defence assisted by counsel of its own choosing, and the Purchaser shall be liable, and in addition indemnify Vendor, for all reasonable costs and expenses paid or incurred in connection therewith (including legal fees on a solicitor and its own client, full indemnity basis) and any Losses and Liabilities suffered or incurred by the Vendor with respect to such Third Party Claim.

8.3 Failure to Give Timely Notice

A failure to give timely notice as provided in this Article 8 shall not affect the rights or obligations of any Party except and only to the extent that, as a result of such failure, any Party which was entitled to receive such notice was deprived of its right to recover any payment under any applicable insurance coverage or was otherwise prejudiced as a result of such failure.

8.4 No Merger

There shall not be any merger of any liability or indemnity hereunder in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity or statute to the contrary and all such rules are hereby waived.

ARTICLE 9 TERMINATION

9.1 Grounds for Termination

This Agreement may be terminated at any time prior to Closing by either the Vendor or the Purchaser (as applicable) if the conditions for the benefit of the Vendor or Purchaser (as applicable), or both, pursuant to the provisions of Article 6, are not satisfied or waived by or on the date specified for satisfaction or waiver. The Vendor may also terminate this Agreement at any time at its sole discretion. For certainty, the Purchaser shall not, under any circumstances (except in accordance with section 3.2(c)) be entitled to have the Deposit returned to the Purchaser, notwithstanding whether the Purchaser validly terminates this Agreement.

For certainty, if the Purchaser fails to complete the Transaction in accordance with the terms of this Agreement, then the Vendor may, by notice to the Purchaser, elect to treat the Agreement as having been repudiated by the Purchaser. In all circumstances, the Deposit and any other payments made by the Purchaser shall be forfeited to the Vendor on account of its liquidated damages, not as a penalty, and the Purchased Assets may be resold by the Vendor without prejudice to any claims which the Vendor may have against the Purchaser by reason of such default.

9.2 Effect of Termination

Notwithstanding any termination of this Agreement by the Vendor or the Purchaser as permitted under Section 9.1, the provisions of Sections 10.1, 10.2, 10.3, 10.4, 10.10, 10.13 shall remain in full force and effect following any such permitted termination, and the Deposit shall be governed by Section 3.2.

ARTICLE 10 MISCELLANEOUS

10.1 Confidentiality

- (a) The Purchaser may not disclose the contents of this Agreement, including the name of the Vendor, Receiver or the Debtor, or any information concerning negotiations leading to this Agreement and the Transaction, without the prior written consent of the Receiver.
- (b) Prior to Closing, all information obtained by the Purchaser from the Vendor respecting the Purchased Assets shall be retained in confidence by it and used by it only for the purposes of this Transaction.

10.2 Obligations to Survive

The obligations, covenants, representations and warranties (if any) of the Purchaser set out in this Agreement shall survive Closing, shall remain in full force and effect, shall not merge as a result of Closing and shall be binding on the Purchaser thereafter.

10.3 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable therein (excluding any conflict of law rule or principle of such laws that might refer such interpretation or enforcement to the laws of another jurisdiction). Each Party irrevocably submits to the exclusive jurisdiction of the Court with respect to any matter arising hereunder or relating hereto (located, where available, in the judicial district of Calgary).

10.4 Damages

Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any punitive, exemplary, consequential or indirect damages (including for greater certainty, any loss of profits) that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the Transaction.

10.5 Further Assurances

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

10.6 Assignment

Neither Party shall, without the prior written consent of the other Party, acting reasonably, assign any right or interest in this Agreement.

10.7 Waiver

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

10.8 Amendment

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

10.9 Time of the Essence

Time is of the essence in this Agreement.

10.10 Costs and Expenses

Each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisors) incurred by it in connection with this Agreement and the Transaction. No Party shall be responsible for the costs and expenses of the other Party.

10.11 Notices

Any notice, demand or other communication required or permitted to be given to any Party shall be given in writing and addressed as follows:

- (a) in the case of the Vendor or the Receiver:

Alvarez & Marsal Canada Inc.
Suite 1110, 250 6th Ave SW
Calgary, AB T2P 3H7
Attention: Cassie Riglin
Email: criglin@alvarezandmarsal.com

and with a copy to the Receiver's solicitors:

Torys LLP
46th Floor
525 8 Avenue SW
Calgary, AB T2P 1G1
Attention: Kyle Kashuba
Fax: 403-776-3744
Email: kkashuba@torys.com

(b) In the case of the Purchaser:

Gurbaj Sandhu, Charanpreet Brar and Gurpreet Brar

382 Martindale Blvd NE

Calgary, AB T3J 3M1

Email: preet@altalinklogistics.ca & gurbaj3051@gmail.com

and with a copy to the Purchaser's solicitors:

McLeod Law LLP

500, 707 - 5th Street SW,

Calgary AB, T2P 0Y3

Attention: Scott C. Chimuk & Daniel G. MacAulay

Email: scchimuk@mcleod-law.com & dmacaulay@mcleod-law.com

Any such notice, if personally delivered, shall be deemed to have been validly and effectively given and received on the Business Day of such delivery and if sent by facsimile or other electronic communication with confirmation of transmission, shall be deemed to have been validly and effectively given and received on the Business Day next following the day it was received.

10.12 Enurement

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

10.13 Third Party Beneficiaries

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

10.14 Severability

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

10.15 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and cancel and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, whether oral or written, express or implied,

collateral, statutory or otherwise, relating to the subject matter hereof other than those contained in this Agreement.

10.16 Dissolution of Debtor

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

10.17 Liability of the Parties

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

10.18 Receiver's Capacity

The Parties hereto agree that the Receiver acts solely in its capacity as receiver and manager of the undertaking, property and assets of the Debtor, and that the Receiver and its directors, officers, agents, representatives, servants or employees shall have no personal or corporate liability under or as a result of this Agreement, or at common law, or by statute, or equity or otherwise in connection herewith.

10.19 Independent Legal Advice

Each of the Parties to this Agreement acknowledges that it has had the time and opportunity to obtain independent legal advice with respect to the execution of this Agreement, or has waived that opportunity, and each of the Parties to this Agreement has read, understands and agrees with all of the terms and conditions contained in this Agreement.

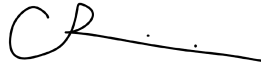
10.20 Counterparts

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

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

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

ALVAREZ & MARSAL CANADA INC., in its capacity as the Court-appointed receiver and manager of all of the undertakings, properties and assets of People Express Transport Ltd. and not in its personal or corporate capacity



Per: _____

Name: Cassie Riglin
Title: Senior Vice President

PURCHASER

Gurbaj Sandhu

PURCHASER

Charanpreet Brar

PURCHASER

Gurpreet Brar

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

ALVAREZ & MARSAL CANADA INC., in its capacity as the Court-appointed receiver and manager of all of the undertakings, properties and assets of People Express Transport Ltd. and not in its personal or corporate capacity

Per: _____


Name: Cassie Riglin
Title: Senior Vice President

PURCHASER


Gurbaj Sandhu (Jun 17, 2022 18:37 MDT)

Gurbaj Sandhu

PURCHASER


Charanpreet Brar (Jun 18, 2022 08:29 GMT+8)

Charanpreet Brar

PURCHASER


gurpreet brar (Jun 18, 2022 14:33 PDT)

Gurpreet Brar

SCHEDULE "A"
PERMITTED ENCUMBRANCES

GENERAL ENCUMBRANCES

- a) The reservations, limitations, exceptions, provisos and conditions, if any, expressed in any original grants from the Crown including, without limitation, the reservation of any mines and minerals in the Crown or in any other person.
- b) Undetermined or 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), which have not been filed or registered or notice delivered according to Applicable Law against the Debtor, the Vendor or the Purchased Assets, 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 Vendor.
- c) Undetermined or inchoate statutory liens for Taxes, assessments, rates, governmental charges or utility charges or levies not due as at the Closing Date;
- d) Without limitation, subdivision agreements, site plan control agreements, development agreements, easements, rights-of-way and rights in the nature of easements (including, without limiting the generality of the foregoing, licenses, easements, rights-of-way and rights in the nature of easements for sidewalks, public ways, sewers, drains, gas, steam and water mains or electric light and power, or telephone and telegraph conduits, poles, wires and cables), heritage easements and agreements relating thereto, servicing agreements, utility agreements, permits, licenses, airport zoning regulations, zoning, land use and building restrictions, by-laws, regulations and other similar agreements with Governmental Authorities or private or public utilities affecting the development or use of the Purchased Assets, provided same have been complied with, and provided the same are registered on title to the Purchased Assets on the date hereof.
- e) The rights reserved to or vested in any Governmental Authority to control or regulate any of the Purchased Assets, in any manner.
- f) Title defects, encroachments or irregularities which in the aggregate will not materially impair the use of the Purchased Assets for the purpose for which they are used.
- g) Any registered easements, rights-of-way and other similar rights registered against title to the Purchased Assets.
- h) Any unregistered easements, rights-of-way or other unregistered interests or claims not disclosed by registered title in respect of the provision of utilities to the Purchased Assets, provided same have been complied with.

- i) Any rights of expropriation, access or use or any other similar rights conferred or reserved to any Governmental Authority by Applicable Law.
- j) The right reserved to or vested in any governmental or public authority by any lease, licence, franchise, grant, permit or statutory provision to terminate any lease, licence, franchise, grant or permit, or to require annual or other periodic payments as a condition of the continuance thereof that are not due at the Closing Date.
- k) Encumbrances for real property taxes (which term includes charges, rates and assessments) or charges for electricity, power, gas, water and other services and utilities in connection with the Purchased Assets that are not yet due and owing or, if due and owing, are paid on or before Closing.
- l) Minor encroachments by the buildings on the Purchased Assets over neighbouring lands and/or permitted under agreements with neighbouring landowners and minor encroachments over the Purchased Assets by improvements of neighbouring landowners and/or permitted under agreements with neighbouring landowners that, in either case, do not materially and adversely impair the current use, operation or marketability of the Purchased Assets.
- m) The provisions of all Applicable Laws, including by-laws, regulations, ordinances and similar instruments relating to development and zoning of the Purchased Assets, provided same have been complied with and there are no breaches of same.
- n) Any statutory liens, charges, adverse claims, prior claims, security interests, deemed trusts or other Encumbrances of any nature whatsoever which are not registered on the title to the Purchased Assets and of which the Vendor does not have notice, claimed or held by Her Majesty the Queen in Right of Canada, Her Majesty the Queen in Right of the Province of Alberta or by any other Governmental Authority under or pursuant to any Applicable Laws, provided the Purchaser at law cannot become responsible to satisfy same.
- o) Any lien, together with any certificate of action (collectively the “**Lien**”) registered in respect thereof, a claim for which, although registered or of which notice has been given, relates solely to work done by or on behalf of a tenant, and which the Vendor has not assumed payment, is not named in and is not responsible for payment of pursuant to the particular construction lien act.
- p) The encumbrance resulting from the deposit of cash or obligations as security when required to do so by governmental or other public authority or by normal business practice in connection with contracts, licences or tenders or similar matters in the ordinary course of business and for the purpose of carrying on the same.
- q) The terms and conditions of the Leases and any applicable permits.
- r) All caveats and instruments registered by or on behalf of the Purchaser.

- s) Assignments of insurance provided to landlords (or their mortgagees) pursuant to the terms of any lease, and liens or rights reserved in any lease for rent or for compliance with the terms of such lease.

SPECIFIC ENCUMBRANCES

All Liens, interests, Encumbrances and legal notations set forth in the certificates of title to the Lands as of the date immediately preceding the date of Closing, including, without limitation, the following:

| <u>Registration Number</u> | <u>Date (D/M/Y)</u> | <u>Particulars</u> |
|-----------------------------------|----------------------------|---|
| 771 147 064 | 20/10/1977 | ZONING REGULATIONS SUBJECT TO CALGARY INTERNATIONAL AIRPORT ZONING REGULATIONS |
| 921 239 247 | 24/09/1992 | RESTRICTIVE COVENANT |
| 161 113 569 | 16/05/2016 | MORTGAGE MORTGAGEE – CANADIAN IMPERIAL BANK OF COMMERCE. 1745 WEST 8 TH AVENUE, LEVEL B1 VANCOUVER BRITISH COLUMBIA V6J 4T3 ORIGINAL PRINCIPAL AMOUNT: \$264,000 |

SCHEDULE "B"
PURCHASED ASSETS

The Lands and all buildings, sheds, structures, fixtures, and appurtenances on the Lands.

SCHEDULE "C"
VENDOR'S WIRE TRANSFER DETAILS

Wiring Funds to RBC in CAD Funds
(Alvarez & Marsal Canada Inc., Receiver
for People Transport Ltd.)

| | |
|---------------------------------|---|
| Receiving Client's Name | Alvarez & Marsal Canada Inc., Receiver for People Transport Ltd. |
| As shown on bank records | |
| Client's Full Address | Suite 1110, 250 – 6 th Ave SW, Calgary AB T2P 3H7 |
| Branch Transit Number | 02319 |
| Bank Number | 003 |
| Account Number | 106 320 5 |
| Swift Code | ROYCCAT2 |
| Bank Name | Royal Bank of Canada |
| Bank Address | Bow Valley Square 3 255 5 Ave SW Calgary, AB T2P 3G6 Canada |
| Bank Phone Number | (403) 292-2048 |

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SCHEDULE "D"
FORM OF APPROVAL AND VESTING ORDER

SCHEDULE "E"

FORM OF GENERAL CONVEYANCE, ASSIGNMENT AND ASSUMPTION AGREEMENT

SCHEDULE “F”
FORM OF PURCHASER’S CERTIFICATE →

PURCHASER’S CERTIFICATE

TO: ALVAREZ & MARSAL CANADA INC. (RECEIVER)

RE: Asset Purchase Agreement dated June 20, 2022 between ALVAREZ & MARSAL CANADA INC., in its capacity as the Court-appointed receiver and manager of all of the undertakings, properties and assets of People Express Transport Ltd. and not in its personal or corporate capacity (the “Vendor”) and the Purchaser (the “Agreement”)

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

I, **[Gurbaj Sandhu/Charanpreet Brar/Gurpreet Brar]** (the “**Purchaser**”) hereby certify that as of the date of this Certificate:

1. I am personally familiar with the matters hereinafter mentioned.
2. Each of the covenants, representations and warranties of each of the Purchasers contained in the Agreement were true and correct in all material respects when made and are true and correct in all material respects as of the Closing Date.
3. All obligations of the Purchasers contained in the Agreement to be performed prior to or at Closing have been timely performed in all material respects.
4. This Certificate is made on my own behalf and is binding upon me.
5. This Certificate is made with full knowledge that the Vendor is relying on the same for the Closing of the transactions contemplated by the Agreement.

IN WITNESS WHEREOF I have executed this Certificate this ____ day of _____, 2022.

PURCHASERS

Gurbaj Sandhu

Charanpreet Brar

Gurpreet Brar

SCHEDULE “G”

**ACKNOWLEDGMENT
CONDITIONS TO CLOSE SATISFIED/WAIVED**

TO: **ALVAREZ & MARSAL CANADA INC.**, solely in its capacity as the Court-appointed receiver and manager of all of the current and future assets, properties and undertakings of People Express Transport Ltd. and not in its personal or corporate capacity, (“**Vendor**”)

RE: Asset Purchase Agreement dated June 20, 2022 between the Vendor and Gurbaj Sandhu, Charanpreet Brar, and Gurpreet Brar (the “**Purchaser**”) (the “**APA**”)

Capitalized terms used herein and not otherwise defined have the meanings given to them in the APA.

Each Purchaser hereby acknowledges and agrees that all conditions to Closing under the APA have been satisfied and/or waived.

DATED this _____ day of ■, 2022.

Gurbaj Sandhu

Charanpreet Brar

Gurpreet Brar

APPENDIX “B”

| People Express Transport Ltd. - In Receivership Summary of the Receiver's Fees & Disbursements April 14, 2021 to June 30, 2022 | | | | | | |
|---|-----------------------------------|---------------------|----------------------|---------------------------------------|--------------------|-----------------------|
| Invoices subject to approval by this Court | | | | | | |
| Invoice No. | Period | Fees | Disbursements | Total Fees & Disbursements | GST | Total |
| 830743 - Invoice #8 | October 1 to December 31, 2021 | \$ 74,889.50 | \$ 433.05 | \$ 75,322.55 | \$ 3,766.13 | \$ 79,088.68 |
| 830743 - Invoice #9 | January 1 to March 31, 2022 | \$ 32,529.50 | \$ 62.00 | \$ 32,591.50 | \$ 1,629.58 | \$ 34,221.08 |
| 830743 - Invoice #10 | April 1 to April 30, 2022 | \$ 6,432.00 | \$ - | \$ 6,432.00 | \$ 321.60 | \$ 6,753.60 |
| 830743 - Invoice #11 | May 1 to May 31, 2022 | \$ 9,515.50 | \$ - | \$ 9,515.50 | \$ 475.78 | \$ 9,991.28 |
| 830743 - Invoice #12 | June 1 to June 30, 2022 | \$ 15,944.00 | \$ - | \$ 15,944.00 | \$ 797.20 | \$ 16,741.20 |
| Subtotal | | \$139,310.50 | \$ 495.05 | \$ 139,805.55 | \$ 6,990.28 | \$ 146,795.83 |
| Invoices previously approved by this Court | | | | | | |
| Invoice No. | Period | Fees | Disbursements | Total Fees & Disbursements | GST | Total |
| 830743 - Invoice #1 | April 14 to May 7, 2021 | \$260,404.00 | \$ 964.72 | \$ 261,368.72 | \$13,068.44 | \$ 274,437.16 |
| 830743 - Invoice #2 | May 8 to May 31, 2021 | \$169,519.50 | \$ 6,315.10 | \$ 175,834.60 | \$ 8,791.73 | \$ 184,626.33 |
| 830743 - Invoice #3 | June 1 to June 18, 2021 | \$105,517.00 | \$ - | \$ 105,517.00 | \$ 5,275.85 | \$ 110,792.85 |
| 830743 - Invoice #4 | June 19 to June 30, 2021 | \$ 74,329.00 | \$ 81.20 | \$ 74,410.20 | \$ 3,720.51 | \$ 78,130.71 |
| 830743 - Invoice #5 | July 1 to July 31, 2021 | \$ 91,887.50 | \$ 344.88 | \$ 92,232.38 | \$ 4,611.62 | \$ 96,844.00 |
| 830743 - Invoice #6 | August 1 to August 31, 2021 | \$ 71,298.50 | \$ - | \$ 71,298.50 | \$ 3,564.93 | \$ 74,863.43 |
| 830743 - Invoice #7 | September 1 to September 30, 2021 | \$ 41,953.50 | \$ 150.00 | \$ 42,103.50 | \$ 2,105.18 | \$ 44,208.68 |
| Subtotal | | \$814,909.00 | \$ 7,855.90 | \$ 822,764.90 | \$41,138.25 | \$ 863,903.15 |
| TOTAL | | \$954,219.50 | \$ 8,350.95 | \$ 962,570.45 | \$48,128.53 | \$1,010,698.98 |

People Express Transport Ltd. - In Receivership**Summary of the Receiver's Legal Counsel (Torys LLP) Fees & Disbursements****April, 2021 to May 31, 2022****Invoices subject to approval by this Court**

| Invoice No. | Period | Fees | Disbursements | Total Fees & Disbursements | GST | Total |
|--------------------|---------------------------------|--------------|----------------------|---------------------------------------|-------------|--------------|
| 1552823 | October 1 to October 31, 2021 | \$ 25,908.00 | \$ 185.59 | \$ 26,093.59 | \$ 1,304.68 | \$ 27,398.27 |
| 1556783 | November 1 to November 30, 2021 | \$ 3,560.00 | \$ 31.08 | \$ 3,591.08 | \$ 179.55 | \$ 3,770.63 |
| 1560051 | December 1 to December 31, 2021 | \$ 2,698.50 | \$ - | \$ 2,698.50 | \$ 134.93 | \$ 2,833.43 |
| 1563016 | January 1 to January 31, 2022 | \$ 9,249.00 | \$ - | \$ 9,249.00 | \$ 462.45 | \$ 9,711.45 |
| 1565882 | February 1 to February 28, 2022 | \$ 7,038.00 | \$ - | \$ 7,038.00 | \$ 351.90 | \$ 7,389.90 |
| 1569475 | March 1 to March 31, 2022 | \$ 6,778.00 | \$ - | \$ 6,778.00 | \$ 338.90 | \$ 7,116.90 |
| 1572858 | April 1 to April 30, 2022 | \$ 10,479.00 | \$ 3.00 | \$ 10,482.00 | \$ 523.95 | \$ 11,005.95 |
| 1574771 | May 1 to May 31, 2022 | \$ 12,008.50 | \$ - | \$ 12,008.50 | \$ 600.43 | \$ 12,608.93 |
| | | | | \$ - | | |
| Subtotal | | \$ 77,719.00 | \$ 219.67 | \$ 77,938.67 | \$ 3,896.79 | \$ 81,835.46 |

Invoices previously approved by this Court

| Invoice No. | Period | Fees | Disbursements | Total Fees & Disbursements | GST | Total |
|--------------------|-----------------------------------|--------------|----------------------|---------------------------------------|-------------|---------------|
| 1536778 | April 19 to April 30, 2021 | \$ 49,912.50 | \$ 82.85 | \$ 49,995.35 | \$ 2,498.65 | \$ 52,494.00 |
| 1537178 | May 1 to May 7, 2021 | \$ 37,306.50 | \$ 656.14 | \$ 37,962.64 | \$ 1,889.65 | \$ 39,852.29 |
| 1539341 | May 8 to May 31, 2021 | \$ 73,855.50 | \$ 1,035.50 | \$ 74,891.00 | \$ 3,733.80 | \$ 78,624.80 |
| 1541196 | June 1 to June 18, 2021 | \$ 29,893.50 | \$ 744.30 | \$ 30,637.80 | \$ 1,513.39 | \$ 32,151.19 |
| 1542042 | June 19 to June 30, 2021 | \$ 25,362.50 | \$ 115.66 | \$ 25,478.16 | \$ 1,273.91 | \$ 26,752.07 |
| 1545134 | July 1 to July 31, 2021 | \$ 48,953.50 | \$ 270.05 | \$ 49,223.55 | \$ 2,453.78 | \$ 51,677.33 |
| 1546054 | August 1 to August 18, 2021 | \$ 17,668.50 | \$ 40.09 | \$ 17,708.59 | \$ 884.98 | \$ 18,593.57 |
| 1547541 | August 19 to August 30, 2021 | \$ 15,416.00 | \$ - | \$ 15,416.00 | \$ 770.80 | \$ 16,186.80 |
| 1550358 | September 1 to September 30, 2021 | \$ 10,853.50 | \$ 12.50 | \$ 10,866.00 | \$ 542.80 | \$ 11,408.80 |
| Subtotal | | \$309,222.00 | \$ 2,957.09 | \$ 312,179.09 | \$15,561.76 | \$ 327,740.85 |

| | | | | | | |
|--------------|--|---------------------|--------------------|----------------------|--------------------|----------------------|
| TOTAL | | \$386,941.00 | \$ 3,176.76 | \$ 390,117.76 | \$19,458.55 | \$ 409,576.31 |
|--------------|--|---------------------|--------------------|----------------------|--------------------|----------------------|