

COURT FILE NUMBER 2101 02280
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY



APPLICANT ROYAL BANK OF CANADA
RESPONDENT PEOPLE EXPRESS TRANSPORT LTD.

DOCUMENT **AFFIDAVIT OF ARNOLD MASSON**

COM
April 20, 2021
Justice Ho

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 3 Street SW
Calgary, AB T2P 5C5
Telephone (403) 351-2921
Facsimile: (403) 648-1151
Email: joliver@cassels.com / dmarechal@cassels.com
File No. 33337-817

Attention: Jeffrey Oliver/Danielle Marechal

AFFIDAVIT OF: ARNOLD MASSON

SWORN ON: April 14, 2021

I, **ARNOLD MASSON**, of the City of Calgary, in the Province of Alberta, SWEAR AND SAY THAT:

1. I am a Senior Manager, Special Loans and Advisory Services at Royal Bank of Canada ("**RBC**"), and as such have personal knowledge of the matters hereinafter deposed to except where stated to be based upon information and belief, and where so stated I do verily believe the same to be true.
2. I am authorized by RBC to swear this affidavit on its behalf.
3. Capitalized terms not defined herein have the meaning ascribed to them in my affidavits sworn February 19 and 25, 2021.

Introduction

4. RBC is seeking the pronouncement of a consent receivership order (as further described below), appointing a receiver and manager over the assets of People Express Transport Ltd. ("**PETL**").
5. Since the parties appearance before this Honourable Court on February 25, 2021 (the "**February 25th Appearance**"), based on information provided to RBC to date, RBC is of the view that PETL is insolvent. RBC has also lost complete faith in PETL's management due to, among other things, their decision to divert receivables out of RBC's control into the bank account of another institution (which receivables are subject to RBC's security); management's utilization of misleading and non-eligible receivables in their margining calculation in order to obtain increased credit availability from RBC; and their lack of attention to multiple requests by RBC and advisors for basic information about PETL's business and RBC's collateral.

6. Further, it appears that the value of RBC's Security may be less than the indebtedness owed by PETL to RBC, which as at April 14, 2021 totals approximately \$10,741,857 exclusive of legal fees (the "**Indebtedness**"). This calculation includes a partial payment to RBC on March 10, 2021 of \$850,000 in relation to proceeds from the sale or refinancing of certain trailers by PETL to a third party. As a result, RBC believe it is likely that it is now the only economic stakeholder and fulcrum creditor in this matter, and that urgent assistance of this Honourable Court is required in order to protect its interests.
7. PETL has failed to deliver on its commitment to repay RBC in full by April 1, 2021 as agreed to in the forbearance agreement entered into between PETL and RBC, as discussed further below.
8. PETL's primary assets consist of a large number of motor vehicles and trailers. As PETL is in the trucking business, at any point in time these assets are located all over North America, along with drivers and goods of customers. RBC requests the appointment of a receiver in order to ensure that not only its collateral is protected, but so that drivers can be safely brought home, and customer goods can be safely dealt with.
9. RBC is no longer extending any credit to PETL, but is willing to fund a court-ordered receiver through priority receivership borrowings in order to safely wind down PETL's operations.

Events Since the February 25th Appearance

10. I am advised by RBC's Counsel, Jeffrey Oliver of Cassels Brock & Blackwell LLP ("**Cassels**") and verily believe it to be true, that at the February 25th Appearance, RBC's application to appoint a receiver or interim receiver over the property, assets and undertakings of PETL was adjourned to permit the parties to negotiate an arrangement under which PETL was given time in which to find refinancing and RBC could have access to additional reporting and transparency into the business affairs of PETL. I am further advised by Mr. Oliver that Madam Justice Eidsvik suggested at such hearing that A&M or another party be utilized to monitor or otherwise facilitate discussions between the parties.
11. PETL, the Guarantors (Gurpreet Brar, Gurbaj Sandhu, and Charanpreet Brar) (collectively, the "**Obligors**"), and RBC entered into a forbearance agreement on March 9, 2021 (the "**Forbearance Agreement**"), wherein the parties agreed, *inter alia*, that:
 - (a) RBC shall forbear from exercising its rights and remedies against the Obligors until the earlier of 2:00 PM on April 1, 2021 and the date that any Forbearance Default (as defined in the Forbearance Agreement) occurred;
 - (b) RBC shall continue extending credit to PETL;
 - (c) PETL shall agree to the appointment of Alvarez & Marsal Canada Inc. ("**A&M**" or the "**Monitor**") as private monitor; and
 - (d) PETL shall deliver to RBC a binding commitment, term sheet or loan agreement (the "**Commitment**") satisfactory to RBC under which it is repaid in full on or before 2:00 PM MST on March 18, 2021.

A copy of the Forbearance Agreement is attached as **Exhibit "A"** to this Affidavit.

12. As conditions precedent to the Forbearance Agreement:
 - (a) the Obligors provided RBC with an executed consent receivership order ("**Consent Receivership Order**"); and
 - (b) PETL and RBC entered into an agreement letter dated March 9, 2021 (the "**Engagement Agreement**") with A&M to act as private monitor of PETL.

Copies of the Consent Receivership Order and the Engagement Agreement are appended to the Forbearance Agreement found at Exhibit "A".

13. As noted in my prior Affidavits, RBC was seriously concerned with its lack of visibility into PETL's operations. As such, the benefit of the Forbearance Agreement to RBC was that it was supposed to provide such visibility through PETL's compliance with the Engagement Agreement, along with the potential for repayment in full. Further, the Consent Receivership Order provided certainty to RBC that in the event that there was a default or information was obtained pursuant to the Engagement Agreement that was unsatisfactory to RBC, RBC could proceed to have the Consent Receivership Order entered without opposition from PETL. Without the Consent Receivership Order, RBC would have continued to litigate as against PETL and would not have agreed to the Forbearance Agreement.
14. The Engagement Agreement was structured into two phases (Phase I and Phase II), under which PETL was under increasing obligations to provide reporting to the Monitor. In particular, if Phase II was triggered (by the failure of PETL to provide the Commitment by March 18th), such reporting obligations would become more expansive. The Forbearance Agreement was structured in such manner so as to provide PETL with the time in Phase I in order to source the Commitment while under less rigorous reporting obligations. In turn, if the Commitment was not obtained by March 18th, RBC required the increased monitoring and reporting in Phase II in order to ensure that A&M as a potential receiver had the information it needed about PETL to potentially transition into a receivership in a safe and efficient fashion.
15. On March 10, 2021, PETL was provided with the Monitor's preliminary diligence and documentation request (the "**Information Request**"), after an initial call with PETL and the Monitor on the same date. A copy of the tracking document sent to PETL by the Monitor is attached as **Exhibit "B"** to this Affidavit.
16. The information list provided to PETL prioritizes information required by the Monitor into higher priority items ("A"), medium priority items ("B"), and lower priority items ("C"). The Monitor required the delivery of the Phase I items by March 16, 2021, but encouraged PETL to provide the information as it became available.
17. From the outset, PETL failed to provide the items requested in the Information Request to A&M as contemplated in the Engagement Agreement, on time or at all, despite several requests from A&M. Ultimately, of the 22 items originally included in the Information Request, only seven were fully fulfilled by PETL, comprising only 4 of 10 of 'A' priority items. Attached as **Exhibit "C"** is a copy of a preliminary diligence and documentation request tracking spreadsheet created by A&M, evidencing the remaining unsatisfied requests as at April 14, 2021. Further, PETL did not meaningfully engage directly with A&M until on or about April 1, 2021, after prior requests made by A&M to meet in person or virtually were ignored.
18. As PETL continued to fail to deliver complete information, RBC grew increasingly concerned about PETL's ability to secure alternative financing and repay RBC.
19. Ultimately, PETL failed to provide the Commitment by March 18, 2021. As a result, on March 19, 2021, Cassels advised counsel to PETL, *inter alia*, that:
 - (a) the Obligors had failed to meet the Commitment Deadlines as defined in the Forbearance Agreement, triggering Phase II of the Engagement Agreement;
 - (b) the Obligors failure to provide the Monitor with the Phase I deliverables prior to the commencement of Phase II constituted a breach of the Forbearance Agreement; and
 - (c) failure to provide the Monitor with the outstanding deliverables by 5:00 PM MT on March 22, 2021, would result in RBC placing all of PETL's accounts on deposit only and cease to make available other credit.

A copy of this correspondence is attached as **Exhibit "D"** to this Affidavit

20. Notwithstanding PETL's failure to provide the Commitment, PETL still failed to provide the required documentation under the Engagement Agreement and as a result of these continuing defaults under the Forbearance Agreement, Cassels booked court time for April 7, 2021 to appoint a receiver.
21. On March 23, 2021, counsel to PETL provided a proposal letter dated March 19, 2021 (the "**Proposal Letter**") from e-Capital for refinancing and advised that "it would take out the RBC loan in its entirety". A copy of this correspondence and the Proposal Letter are attached as **Exhibits "E"** and **"F"** to this Affidavit.
22. On March 30, 2021, after completing its diligence, e-Capital revised its offer to an amount that is significantly less than the amount of RBC's indebtedness (the "**e-Capital Offer**"). I will address the particulars of the e-Capital Offer in my confidential affidavit.
23. On April 1, 2021, Cassels advised counsel to PETL of its agreement to adjourn the April 7, 2021 court date to the earliest available date during the week of April 19, 2021 in order to provide RBC with time to consider the refinancing proposed in the Proposal Letter on certain terms and conditions, including:
 - (a) PETL providing irrevocable authorization to e-Capital to provide the Monitor and RBC with all records provided to e-Capital by PETL. The basis for this request was that PETL was so deficient in its disclosure of information to RBC that RBC required such information in order to properly assess the e-Capital offer. I am advised that the information required by e-Capital was similar to the information made in the Information Request; and
 - (b) PETL providing RBC and the Monitor certain of the outstanding priority items from the Information Request records and information by no later than 5:00 PM MST on April 5, 2021, notwithstanding other items on the Information Request remained outstanding.
24. Cassels also advised counsel to PETL that:
 - (a) PETL's failure to comply with the above would result in RBC immediately being entitled to enter the Consent Receivership Order without opposition from PETL on an emergency basis in advance of the adjournment date; and
 - (b) the Forbearance Agreement shall not be formally extended.

A copy of this correspondence is attached as **Exhibit "G"** to this Affidavit.

Information Revealed in Disclosure

25. As illustrated below, RBC obtained most of the information about PETL's significant financial and operational issues not through the Engagement Agreement, but from information obtained from e-Capital.
26. RBC and the Monitor were provided access to the information previously provided by PETL to e-Capital on April 1 and 5, 2021. At that time, the Monitor and RBC learned that PETL provided to e-Capital a list of PETL's accounts receivable totalling \$3,140,661. In contrast, in the Affidavit of Charanpreet Brar sworn February 24, 2021, he states at paragraph 5 that PETL's current A/R was \$6,092,720.20. This difference of almost \$3 million between the A/R lists provided to e-Capital, RBC and this Court are not explained through the receipt of funds by PETL in any bank account that RBC is aware of.
27. I am also advised by Bryan Krol of the Monitor and verily believe it to be true that, based on their analysis, after comparing PETL's receivable list provided to RBC in January of 2021 compared to the information provided to e-Capital, approximately 47% of the receivables list provided to RBC

(totalling approximately \$2.5 million) appear to be not arm's length, third party receivables (the "Other Receivables"). The Other Receivables include approximately \$931,000 owing from Altalink Logistics Ltd. (which is a related-party), and approximately \$1.57 million of receivables owed by PETL owner operators who had expenses paid or advanced by PETL on their behalf. Certain of this information was confirmed in an email from Tanya Singh, Operations Manager of PETL, to Mr. Krol dated April 8, 2021, a copy of which is attached hereto as **Exhibit "H"** to this Affidavit.

28. RBC is extremely troubled by this information, as RBC would never have margined and made credit available based upon the Other Receivables had it known about their origination. In particular, RBC made available to PETL additional credit of approximately \$1,875,000 based upon the Other Receivables.
29. As noted in the email chain affixed at Exhibit "H" to this Affidavit with Ms. Singh, certain of the information the Monitor was seeking with respect to "Other Receivables" and general ledger information allegedly had to be provided by PETL's internal accountant, rather than Ms. Singh. Such information remains outstanding.
30. The documents provided by e-Capital also revealed that PETL has been keeping other bank accounts at ATB Financial and has been diverting some of its receivables to such accounts, notwithstanding the fact that RBC has security over such amounts. I am advised by Cassie Riglin of the Monitor and verily believe it to be true that based on the Monitor's calculations and information available to them, PETL has deposited either by cheque or by having customers directly deposit into the ATB accounts approximately \$420,000 CAD and \$39,000 USD. The majority of these funds have since been spent, leaving balances at April 1 in the CAD and USD accounts of approximately \$108,000 and \$26,000, respectively. This is contrary to RBC's Loan Agreements.
31. On April 8, 2021, Cassels advised counsel to PETL of RBC's unwillingness to accept the e-Capital Offer on the basis that:
 - (a) the value contained within the offer was insufficient;
 - (b) PETL consistently delayed providing information to the Monitor and only meaningfully complied with its reporting obligations under the Forbearance Agreement on April 1, 2021 after being threatened with an emergency receivership application;
 - (c) there were still outstanding inquiries from March 30, 2021 that remained outstanding and it is unclear why PETL management could not answer any portion of such inquiries;
 - (d) PETL's reluctance to provide the requested information was troubling;
 - (e) it appears PETL was using an ATB Financial bank account, which is a clear attempt to direct RBC's security from its control;
 - (f) a significant amount (close to half) of PETL's receivables, if legitimate, were ineligible for margining reporting; and
 - (g) PETL's inability to be transparent in its dealings with RBC and failure to comply with the obligations generally under the Forbearance Agreement have resulted in RBC's complete loss of faith in PETL's management.
32. In the same correspondence, Cassels advised that RBC was making a with prejudice offer to grant PETL additional time and not apply to enter the Consent Receivership Order on the following terms, *inter alia*:
 - (a) PETL would file a Notice of Intention to Make a Proposal in Bankruptcy under the *Bankruptcy and Insolvency Act* ("**BIA**") by no later than April 13, 2021 (or such other date as mutually agreed);

- (b) A&M would be the proposal trustee;
- (c) PETL would consent to the appointment of A&M as interim receiver;
- (d) the interim receivership order would permit A&M to
 - (i) exercise complete control over PETL's assets with the intention management will continue to be the "face" of the business to customers and third parties;
 - (ii) borrow funds from RBC on a priority basis; and
 - (iii) generally supervise an orderly wind down of the business;
- (e) PETL would have the benefit of the initial 30 day stay period under the proposal and interim receivership to seek alternate financing/transactions to present to RBC;
- (f) RBC shall have the sole discretion consent to the extension of the stay of proceedings order to permit refinancing to be pursued; and
- (g) if no further or better offer is obtained or RBC does not consent, PETL would not apply to extend the stay of proceedings and would become bankrupt, and RBC will apply to convert the interim receiver into a fully empowered receiver under the BIA (the "**NOI/Interim Receivership Offer**").

A copy of the April 8, 2021 correspondence from Cassels is attached as **Exhibit "I"** to my affidavit.

- 33. On April 12, 2021 counsel to PETL advised of PETL's rejection of the NOI/Interim Receivership Offer and proposed a counteroffer that would not have served to alleviate RBC's concerns or adequately protect its interests. A copy of this correspondence is is attached as **Exhibit "J"** to my affidavit.
- 34. Due to PETL's defaults under the Forbearance Agreement, RBC is not offering any ongoing credit to PETL at this time. As a result, RBC has no visibility as to how PETL continues to fund its operations.

Conclusion

- 35. In light of the foregoing, RBC has provided PETL with time and opportunity to obtain alternate financing, while attempting to protect RBC's rights and collateral. However, RBC is concerned that PETL is not and has not been acting in good faith with RBC.
- 36. As noted above, RBC is of the view that it is the only economic stakeholder in PETL and there is no value in PETL's equity. In light of that fact, the fact that RBC's collateral is likely throughout North America, PETL's unwillingness to be transparent with RBC and its actions to defeat or hinder RBC's interests through diverting receivables and margining ineligible receivables, RBC is extremely concerned that its collateral is in jeopardy. In the circumstances, RBC urgently requests that this Honourable Court endorse the Consent Receivership Order previously provided by PETL to RBC pursuant to the Forbearance Agreement and appoint A&M as receiver manager.
- 37. The appointment of an independent receiver would permit the orderly wind down of the business through a transparent and properly funded mechanism.

38. I swear this affidavit in support of the granting of the Consent Receivership Order appointing A&M as the court appointed receiver and manager of PETL.

SWORN BEFORE ME at the City of Calgary, in the)
Province of Alberta, this 14th day of April, 2021)

R. Kay

_____)
Commissioner for Oaths/Notary Public in and for)
Alberta)

_____)
ARNOLD MASSON

Richard Kay

My Commission Expires September 21, 2022

This is Exhibit "A"
referred to in the Affidavit of
ARNOLD MASSON
sworn this 14th day of April, 2021

R Kay

A Commissioner for Oaths/Notary Public
in and for Alberta

Richard Kay
My Commission Expires September 21, 2022

FORBEARANCE AGREEMENT

THIS AGREEMENT is dated March 8, 2021

BETWEEN:

PEOPLE EXPRESS TRANSPORT LTD.

a body corporate having a registered
office in Lethbridge, Alberta
(the "**Borrower**")

-and-

CHARANPREET SINGH BRAR

an individual residing in Calgary, Alberta

-and-

GURBAJ SINGH SANDHU

an individual residing in Calgary, Alberta

-and-

GURPREET SINGH BRAR

an individual residing in Calgary, Alberta

(Charanpreet Singh Brar, Gurbaj Singh Sandhu, Gurpreet Singh Brar are collectively referred to as the "**Guarantors**" and, together with the Borrower, the "**Obligors**")

-and-

ROYAL BANK OF CANADA

a Canadian Chartered Bank having offices in Calgary, Alberta
(the "**Lender**")

RECITALS:

- A. Borrower and Lender are parties to the following:
- (a) Credit Letters between the Borrower and Lender dated November 1, 2016, August 16, 2017, May 29, 2018 and October 8, 2019 (collectively, as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time in accordance with its provisions, including without limitation by an amending agreement dated May 17, 2020, the "**Credit Letters**");
 - (b) Master Lease Agreement between the Borrower and Lender dated April 15, 2013 (the "**Lease Agreement**"); and
 - (c) Leasing Schedules between the Borrower and Lender with the following Lease Numbers (the "**Lease Schedules**"): 201000022861; 201000024504; 201000026805 (new # 201000056710); 201000028553 (new # 201000056720); 201000029320; 201000030390; 201000032966; 201000039705; 201000043624; 201000046926; 201000046947; 201000048366; 201000048383; 201000048387; 201000048695; 201000049832; 201000052036; 201000052188; 201000053273; and 201000043833 (new # 201000057854);

(collectively, as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time in accordance with their provisions, the "**Facility Agreements**").

- B. Pursuant to the Facility Agreement, Lender extended to Borrower certain facilities (collectively, the "**Facilities**"). Some of the Facilities are demand facilities and others are term facilities.
- C. As security for all of the indebtedness and obligations due to Lender under the Facility Agreements (collectively, the "**Obligations**"), Borrower executed and delivered to Lender:
 - (a) Security Agreement - Chattel Mortgage between Borrower and Lender dated June 25, 2012; and
 - (b) General Security Agreement - Floating Charge on Land between Borrower and Lender dated March 27, 2013;

(collectively, the "**Security**"), which Security granted to Lender a security interest in the collateral described in the Security (collectively, the "**Collateral**").

- D. As a condition precedent to the extension of the Facilities, Guarantors executed and delivered to Lender a guarantee in the limited amount of \$1,000,000 dated May 22, 2015 (the "**Guarantee**" and collectively with the Facility Agreements and Security, the "**Loan Documents**"), guaranteeing payment to Lender of the Obligations owing by Borrower to Lender under the Facility Agreements.
- E. On February 12, 2021, Lender issued a demand letter and a Notice of Intention to Enforce Security pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**") to Borrower and a demand letter to Guarantors.
- F. As of the date of this Agreement, Obligors are in default under the Loan Documents.
- G. Each of the Obligors have requested that Lender forbear from enforcing its rights and remedies under the Loan Documents on the conditions set out herein.
- H. Lender is willing to forbear from exercising its rights and remedies under the Loan Documents for a limited period of time, provided that each of the Obligors comply with the terms and conditions of this Agreement.

In consideration of Lender's forbearance as described herein and the other accommodations described herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged by each of the Obligors, each of the Obligors hereby agrees with Lender as follows.

Article 1 Obligor Acknowledgments

Each of the Obligors acknowledge and agree that:

- 1.1 **Recitals.** The foregoing recitals are true and correct in substance and in fact.
- 1.2 **Defaults.** The following Events of Default, among others, have occurred and are continuing under the Loan Documents:

- (a) failure of the Borrower, or any Guarantor, to observe any covenant, term or conditions contained in the Loan Documents by:
 - (i) failing to comply with the Fixed Charge Covenant ratio of 1.15:1 as at December 31, 2019 year end;
 - (ii) failing to make provision for payment of Potential Prior-Ranking Claims (as defined in the Credit Letters);
 - (iii) failing to immediately advise Lender of any unfavourable change in Borrower's financial position, which may adversely affect Borrower's ability to pay or perform its obligations under the Loan Documents;
 - (iv) failing to pay all sums when due under the Loan Documents, following demand for payment under the demand facilities, which created cross-defaults under the term facilities; and
- (b) the occurrence of a material adverse change in the financial conditions, ownership or operation of the Borrower, or any Guarantor.

(collectively, the "**Existing Defaults**").

- 1.3 **Loan Documents.** The Loan Documents and all other agreements, instruments and other documents executed in connection with or relating to the Obligations or the Collateral are legal, valid, binding and enforceable against each of the Obligors in accordance with their terms. The terms of the Loan Documents remain unchanged, except as expressly modified pursuant to this Agreement.
- 1.4 **Amounts Outstanding.** As at March 4, 2021, there remains due and owing to Lender by Borrower Obligations in the amount of \$12,348,449.51, inclusive of interest up to and including March 4, 2021, but exclusive of legal and other fees, charges and expenses, due and owing under the Loan Documents.
- 1.5 **Obligations.** The Obligations are not subject to any set-off, deduction, claim, counterclaim or defences of any kind or character whatsoever.
- 1.6 **Collateral.** Lender has valid, enforceable and perfected security interests in the Collateral, as to which there are no set-offs, deductions, claims, counterclaims or defences of any kind or character whatsoever.
- 1.7 **Acceleration of Obligations.** As a result of the Existing Defaults, Lender has accelerated the Obligations and the Obligations are now due and payable.
- 1.8 **Default Notice.** Each of the Obligors acknowledge and agree that they have received from Lender, in a proper form and manner, any and all demands or notices required to be delivered by Lender to the Obligors with respect to enforcement of the Security or otherwise, including where applicable Notices of Intention to Enforce Security pursuant to Section 244(1) of the BIA. Each of the Obligors acknowledge and agree to waive the 10-day notice period required under Section 244(1) of the BIA.
- 1.9 **No Waiver of Defaults.** Neither this Agreement, nor any actions taken in accordance with this Agreement or the Loan Documents shall be construed as a waiver of or consent to the Existing Defaults or any other existing or future defaults under the Loan Documents, as to which Lender's rights shall remain reserved.

- 1.10 **Preservation of Rights and Remedies.** Upon expiration of the Forbearance Period (as defined in Section 2.1), all of Lender's rights and remedies under the Loan Documents, and at law and in equity, shall be available without restriction or modification, as if the forbearance had not occurred.
- 1.11 **Lender Conduct.** Lender has fully and performed in a timely fashion all of its obligations and duties in compliance with the Loan Documents and applicable law and has acted reasonably, in good faith and appropriately under the circumstances.
- 1.12 **Request to Forbear.** Each of the Obligor have requested Lender's forbearance as provided herein, which shall enure to their direct and substantial benefit.

Article 2 Lender Forbearance

- 2.1 **Forbearance Period.** Subject to compliance by each of Obligor with the terms and conditions of this Agreement, Lender hereby agrees to forbear from exercising its rights and remedies against Obligor under the Loan Documents with respect to the Existing Defaults during the period (the "**Forbearance Period**"), commencing on the Effective Date (as defined in Article 3) and ending on the earlier to occur of:

- (a) 2:00 PM MT ("**Payout Time**") on April 1, 2021 ("**Payout Date**"); and
- (b) the date that any Forbearance Default (as defined in Article 10) occurs.

Lender's forbearance, as provided herein, shall immediately and automatically cease without notice or further action on the earlier to occur of (a) or (b) (the "**Termination Date**"). On and from the Termination Date, Lender may, in its sole discretion, exercise any and all rights and remedies available to it under this Agreement, the Loan Documents and any other agreement executed in connection herewith, applicable law or in equity in the Lender's sole and absolute discretion. The Obligor hereby acknowledge and agree that such rights and remedies include, without limitation: (i) the exercise of all remedies available pursuant to the Loan Documents; (ii) the requirement of the Borrower to pay to the Lender all of the Obligations (which Obligations the Borrower has confirmed and agreed are due and owing in full as of the date of this Agreement) without any further notice, passage of time or forbearance of any kind; and (iii) the requirement of the Guarantors to pay to the Lender all of the Obligations up to the guaranteed amount set out in the applicable Guarantee (which Obligations the Guarantors have confirmed and agreed are due and owing in full as of the date of this Agreement) without any further notice, passage of time or forbearance of any kind.

Article 3 Conditions Precedent

- 3.1 **Effective Date.** This Agreement shall not become effective unless and until the date (the "**Effective Date**") that each of the following conditions prescribed in Section 3.2 below shall have been satisfied in Lender's sole discretion, unless waived in writing by Lender.
- 3.2 **Deliver of Certain Documents.** Obligor shall deliver, or cause to be delivered, the following documents, each in substance and form acceptable to Lender:
- (a) a copy of this Agreement, duly executed by each of the Obligor;

- (b) a copy of the Engagement Letter with the Monitor (as defined in Section 5.1 below), duly executed by the Borrower;
- (c) a consent receivership order substantially in the form attached hereto as Schedule "A" (the "**Consent Receivership Order**"), executed by counsel to each of the Obligors and provided to counsel to Lender on mutually agreeable trust conditions; and
- (d) such other documents and instruments as Lender may request with respect to any matter relevant to this Agreement or the transactions contemplated hereby.

Article 4 **Payments During Forbearance Period**

- 4.1 **Continued Financing During Forbearance Period.** Notwithstanding the Existing Defaults, subject to the satisfaction of all conditions specified in Article 3, during the Forbearance Period, Lender, in its sole discretion, shall continue to honour requests by Borrower for loans as provided in the Facility Agreements. Lender's obligation to make loans to Borrower shall automatically terminate, without notice to or action by any party, on the Termination Date.
- 4.2 **Payments During Forbearance Period.** During the Forbearance Period, Borrower shall continue to make all payments in accordance with the Loan Documents.
- 4.3 **Payment Prior to Payout Date.** Subject to compliance by each of Obligors with the terms and conditions of this Agreement, and provided that:
 - (a) no Forbearance Defaults have occurred;
 - (b) this Agreement has not been terminated; and
 - (c) payment in the amount of \$11,798,415.40 (the "**Settlement Sum**"), is made to Lender in accordance with Section 4.4 on or before the Payout Date and prior to the Payout Time;

Lender shall accept the Settlement Sum as full and final satisfaction of the Obligations.

- 4.4 **Method of Payment.** Payment of the Settlement Sum must be received by Lender prior to the Payout Time on the Payout Date, in immediately available funds.
- 4.5 **Payment Other Than at Payout Date.** In the event that any of the following occur prior to the payment of the Settlement Sum, Borrower shall pay all Obligations due and owing under the Loan Documents (whether by acceleration or otherwise) on the Termination Date:
 - (a) a Forbearance Default occurs;
 - (b) this Agreement is terminated; or
 - (c) the Termination Date passes.

For greater certainty, as part of the Obligations, Obligors agree to pay all costs, fees and expenses of Lender (including legal fees on a full indemnity, solicitor and his own client basis and the Monitor's fees), expended or incurred by Lender in connection with the negotiation, preparation, administration and enforcement of this Agreement, the Loan

Documents, the Obligations, any of the Collateral and all fees, costs and expenses incurred in connection with any bankruptcy or insolvency proceeding (including, without limitation, any contested matter or motion brought by Lender or any other person). Without in any way limiting the foregoing, Obligors hereby reaffirm their agreement under the applicable Loan Documents to pay or reimburse Lender for certain costs and expenses incurred by Lender.

- 4.6 **Consent Receivership Order.** Without in any way limiting Section 4.5, in the event that the Settlement Sum is not received by Lender prior to the Payout Time on the Payout Date in immediately available funds, Lender shall be entitled to file the Consent Receivership Order without opposition from Obligors.

Article 5 Retention of Monitor and Consent Receivership Order

- 5.1 **Engagement of Monitor.** Borrower shall have engaged, and shall continue to engage throughout the Forbearance Period, the services of Alvarez & Marsal Canada ULC to act as monitor (in such capacity, the "**Monitor**"). The Monitor's engagement shall be in form, content and detail satisfactory to Lender acting in its sole discretion and on terms substantially similar to those contained in the engagement letter attached hereto as Schedule "B" (the "**Engagement Letter**"). Terms not otherwise defined in this Article shall have the meaning ascribed to them in the Engagement Letter.

- 5.2 **Scope of Engagement.** Subject to compliance by each of Obligors with the terms and conditions of this Agreement, the scope of the Monitor's engagement shall be limited to the Phase I activities described in the Engagement Letter. Upon the earlier to occur of:

- (a) Borrower's failure to meet the Commitment Deadline (as defined in Section 7.1);
or
- (b) a Forbearance Default;

the scope of the Monitor's engagement shall immediately, without any further notice, passage of time or forbearance of any kind, convert to the Phase II activities described in the Engagement Letter.

- 5.3 **Termination of Engagement.** The Monitor's engagement will terminate upon the earlier to occur of:

- (a) payment of the Settlement Amount prior to the Payout Time on the Payout Date;
- (b) payment in full of all Obligations;
- (c) an Order of the Court of Queen's Bench of Alberta declaring that the Monitor's engagement shall be terminated or providing for the appointment of a receiver or interim receiver; or
- (d) the written agreement of the Parties.

Article 6 Representations and Warranties

- 6.1 Each of the Obligors represent and warrant as to itself that all representations and warranties relating to it contained in the Loan Documents are true and correct as of the Effective Date, except to the extent that such representations and warranties expressly

relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date. Each of the Obligors further represent and warrant to Lender as to itself as follows:

- (a) **Authorization.** Where applicable, the execution, delivery and performance of this Agreement are within its corporate or power and authority and have been duly authorized by all necessary corporate action.
- (b) **Enforceability.** This Agreement constitutes a valid and legally binding Agreement enforceable against Obligor in accordance with its terms.
- (c) **No Violation.** The execution, delivery and performance of this Agreement do not and will not (i) violate any law, regulation or court order to which Obligor is subject; (ii) conflict with Obligor's constating documents; or (iii) result in the creation or imposition of any lien, security interest or encumbrance on any property of the Obligor or any of its subsidiaries, whether now owned or hereafter acquired, other than security interests in favour of Lender.
- (d) **No Litigation.** No action, suit, litigation, investigation or proceeding of or before any arbitrator or governmental authority is pending or, to the knowledge of Obligor, threatened by or against or affecting Obligor or against any of Obligor's property or assets with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby, to the extent related to Obligor.
- (e) **Accuracy of Information.** All information provided by Obligor, or its agent, is true, correct, and complete in all material respects, as of the date provided and does not contain any untrue statements of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading.
- (f) **Advice of Counsel.** Obligor has freely and voluntarily entered into this Agreement with the advice of legal counsel of their choosing, or has knowingly waived the right to do so.

Article 7 Covenants

- 7.1 To induce Lender to forbear from the exercise of its rights and remedies as set forth above, Borrower hereby covenants and agrees that at all times during the Forbearance Period, unless Lender otherwise consents in writing:
- (a) **Binding Commitment.** Borrower shall seek refinancing in an amount sufficient to pay the Settlement Sum on or before the Payout Date. On or before 2:00 PM MST on March 18, 2021 (the "**Commitment Deadline**"), Borrower shall deliver to Lender a binding commitment, binding term sheet or binding loan agreement (each a "**Commitment**"), in form, content and detail satisfactory to Lender acting in its sole discretion, which Commitment shall provide for the payment of the Settlement Sum prior to the Payment Time on the Payment Date.
 - (b) **No Payments Out of Ordinary Course.** Borrower shall not make any payments or incur any expenses out of the ordinary course of its business without the prior written approval of Lender.

- 7.2 To induce Lender to forbear from the exercise of its rights and remedies as set forth above, each of the Obligors hereby covenant and agree that at all times during the Forbearance Period, unless Lender otherwise consents in writing:
- (a) **Compliance with Loan Documents.** Obligor shall continue to perform and observe all covenants, terms and conditions and other obligations contained in all of the Loan Documents (as expressly modified herein) and this Agreement, as applicable to the Obligor, except with respect to the Existing Defaults.
 - (b) **Sale of Assets.** Obligor shall not sell, convey, transfer, assign, lease, abandon or otherwise dispose of any of its assets, tangible or intangible (including but not limited to sale, assignment, discount or other disposition of accounts, contract rights, chattel paper or general intangibles with or without recourse), without Lender's prior written consent. If Lender grants its written consent, the relevant Obligor shall cause buyer or other transferee to pay all proceeds of such disposition directly to Lender for application to the Obligations.
 - (c) **Other Financial Information.** Obligor shall promptly provide to Lender such other financial information as Lender may reasonably request.
 - (d) **Notice of Adverse Claims.** If any Obligor shall become aware that any person or entity is asserting any lien, encumbrance, security interest or adverse claim (including any writ of seizure and sale, garnishment, judgment, execution, civil enforcement order, or similar process or any claim of control) against it or any of its property (each, an "**Adverse Claim**"), Obligor shall promptly notify Lender in writing thereof and provide to Lender all documentation and other information it may request regarding such Adverse Claim.
 - (e) **Further Assurances.** Promptly upon the request of Lender, Obligor shall take any and all lawful actions, of any kind or nature whatsoever, and execute and deliver additional documents that relate to this Agreement and the transactions contemplated herein.

Article 8 Reaffirmation of Guarantee

- 8.1 **Reaffirmation of Guarantee.** Each Guarantor hereby ratifies and reaffirms (i) the validity, legality and enforceability of the Guarantees; (ii) that the reaffirmation of the Guarantees is a material inducement to Lender to enter into this Agreement; and (iii) that their obligations under the Guarantees shall remain in full force and effect until all the Obligations have been paid in full.

Article 9 Release of Claims, Waiver of Defences and Indemnification

- 9.1 **Release of Claim.** In consideration of the agreements of the Lender contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Obligors hereby absolutely, unconditionally and irrevocably waives, releases, remises and forever discharges the Lender and its successors and assigns, participants, affiliates, subsidiaries, branches, divisions, predecessors, directors, officers, attorneys, employees, lenders, investors in the Obligations and other representatives and advisors (the Lender and all such other persons being hereinafter referred to collectively as the "**Releasees**" and individually as

a “**Releasee**”), of and from all demands, actions, causes of action, suits, damages, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever (individually, a “**Claim**” and collectively, “**Claims**”) of every name and nature, whether known or unknown, suspected or unsuspected, both arising at law and in equity, which any of the Obligors or any of their successors, heirs, executors, administrators, permitted assigns and legal representatives may now own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the day and date of this Agreement, including, without limitation, for or on account of, or in relation to, or in any way in connection with, any of the Loan Documents or transactions thereunder or related thereto.

- 9.2 **Indemnification.** In consideration of the agreements of the Lender contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Obligors hereby agrees to indemnify and hold harmless (absolutely, unconditionally and irrevocably) the Releasees from and against any and all Claims of every name and nature, whether known or unknown, both arising at law and in equity, suffered or incurred by the Lender as a result of or in connection with any matter, thing, action, inaction, or transaction whatsoever contemplated by this Agreement or any of the Loan Documents, except in the event that any such Claim is caused directly by the gross negligence or willful misconduct of the Lender as proven by a court of competent jurisdiction pursuant to an order non-appealable order in respect which the period for any permitted appeal has expired.
- 9.3 **Survival of Release and Indemnity.** The releases and indemnities contained herein do and shall survive the expiry or other termination of the Forbearance Period and/or this Agreement and the repayment of the Obligations to the Lender.

Article 10 Events of Default

- 10.1 **Events of Default.** The occurrence of one or more of the following shall constitute a “**Forbearance Default**” under this Agreement:
- (a) Any representation, warranty or statement made by the Obligors (or any one or more of them) in this Agreement was untrue or incorrect when made or becomes untrue or incorrect, unless expressly related to an earlier date.
 - (b) Obligors or anyone of them shall fail to abide by or observe any term, condition, covenant or other provision contained in this Agreement or any document related to or executed in connection with this Agreement; provided however that Borrower’s failure to provide Lender with a Commitment prior to the Commitment Deadline shall not constitute a Forbearance Default.
 - (c) A default or event of default shall occur under any Loan Document, under any other forbearance agreement(s) between Lender and Obligors (or any one of them), or any document related to or executed in connection with this Agreement or any of the Loan Documents (other than the Existing Defaults).
 - (d) The Borrower fails maintain and keep current payments of Priority Payables, which may result in any claim ranking in priority to or *pari passu* with the claim of the Lender. “**Priority Payables**” means all obligations owing to any creditor

which would be entitled to claim priority over, or *pari passu* with, the security interest of the Lender in the assets and undertakings of the Borrower or the beneficial owner, including wages and remittances required to be made for taxes and other liabilities owed to federal, provincial and municipal governments, including, without limitation, property taxes and money owed in respect of employee source deductions pursuant to the *Canada Pension Plan Act* (Canada), *Employment Insurance Act* (Canada) and *Income Tax Act* (Canada).

- (e) Any change of ownership, control or management of any of the Borrower or any other Obligor, without the Lender's prior written consent.
- (f) A material adverse change occurs in the business, affairs, financial condition or operations of the Borrower or any other Obligor or the value of the material collateral secured by the Security, for any reason whatsoever.
- (g) The Borrower fails to maintain insurance coverages or other material contracts, in each case as required by the terms of the Loan Documents.
- (h) Without the Lender's prior written consent, any Borrower ceases to carry on business in the normal course in the same manner as such business has previously been carried on.
- (i) The Security ceases to constitute a first-ranking, valid and perfected security interest against the assets of the Borrower; provided however that the registration of any garage keepers' liens against the Collateral in the Alberta Personal Property Registry prior to the Effective Date shall not constitute a Forbearance Defaults.
- (j) The occurrence of any other event which has or could reasonably be expected to materially and adversely impact the priority or enforceability of the Security granted by the Obligors, or the realizable value of the collateral subject to such Security.
- (k) The loss, damage, destruction, deterioration or confiscation of any of the Borrower's property or assets or any part thereof, unless, upon such event, the Borrower pays to the Lender forthwith such amount as the Lender, in its sole and absolute discretion, determines is satisfactory (whether under an insurance policy or otherwise).
- (l) Any person (i) takes possession of any property of any of the Borrower by way of or in contemplation of enforcement of security, or a distress or execution or similar process levied or enforced against any material property of the Borrower, or (ii) commences any action or proceeding in connection therewith.
- (m) Any Guarantor ceases to exist or revokes or terminates its liability under the Guarantee, or challenges the validity or enforceability of the Guarantee, or denies any further liability or obligation thereunder.
- (n) Without limiting the generality of Section 10.1(l) above, the Obligors or any one of them:
 - (i) become insolvent;

- (ii) are generally not, or are unable to, or admit in writing their inability to, pay their debts as they become due;
 - (iii) commence any proceeding or other action under any existing or future laws relating to bankruptcy, insolvency, reorganization, or other relief of debtors, seeking (A) to have an order for relief entered with respect to them; or (B) to adjudicate them as bankrupt or insolvent; or (C) reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to them or their debts; or (D) appointment of a receiver, receiver manager, interim receiver, trustee, custodian, conservator, or other similar official for it or for all or any part of their assets;
 - (iv) make a general assignment for the benefit of their creditors;
 - (v) has commenced against them in a court of competent jurisdiction any case, proceeding or other action of a nature referred to in Section 10.1(n)(iii) or (iv) above which (x) results in the entry of an order for relief or any such adjudication or appointment; or (y) remains undismissed, undischarged, unstayed or unbonded for five (5) days; or (v) ceases to conduct business in the ordinary course.
- (o) A tax lien, warrant or levy is imposed on any of the Obligors or any Collateral.
 - (p) Obligors or any of their respective creditors commences a proceeding or other action against Lender relating to any of the Obligations, Collateral, Loan Documents, this Agreement, or any action or omission by Lender or its agents in connection with any of the foregoing.
 - (q) Obligors, or any one of them, take an action, or any event or condition occurs or exists, which Lender reasonably believes in good faith is inconsistent in any material respect with any provision of this Agreement, or impairs, or is likely to impair, the prospect of payment or performance by Obligors of their obligations under this Agreement or any of the Loan Documents.

Article 11 Remedies

11.1 Remedies. Immediately upon the occurrence of a Forbearance Default:

- (a) The Forbearance Period shall immediately and automatically cease, without notice to, or action by, any party.
- (b) Lender shall be entitled to exercise any or all of its rights and remedies under the Loan Documents, this Agreement, or any stipulations or other documents executed in connection with or related to this Agreement or any of the Loan Documents, or applicable law, including, without limitation, immediately terminating the Facilities, seeking payment in full of the Obligations and/or seeking the appointment of a receiver, receiver manager, interim receiver, trustee, custodian, conservator, or other similar official for it or for all or any part of its assets.

- (c) Borrower shall cooperate with Lender's repossession of all Collateral, which Borrower shall immediately surrender to Lender upon Lender's request, at the time and place designated by Lender.
- (d) Lender may set off or apply to the payment of any or all of the Obligations, any deposit balances, any or all of the Collateral or proceeds thereof, or other money which Lender now or hereafter owe to Borrower.

Article 12 Miscellaneous

- 12.1 **Notices.** Any notices with respect to this Agreement shall be given in the manner provided for in the Facility Agreements.
- 12.2 **Entire Agreement.** This Agreement and the Loan Documents constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.
- 12.3 **Amendments.** The terms of this Agreement may only be waived, amended, modified or supplemented by an agreement in writing signed by all the parties hereto.
- 12.4 **Severability.** If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.
- 12.5 **Full Force and Effect.** The Loan Documents shall remain unchanged, in full force and effect, and continue to govern and control the relationship between the parties hereto, except to the extent they are inconsistent with, superseded or expressly modified herein. To the extent of any inconsistency, amendment or superseding provision, this Agreement shall govern and control.
- 12.6 **Successors and Assigns.** This Agreement is binding upon and shall enure to the benefit of the parties hereto and their respective heirs, successors and assigns; provided that Obligors may not assign any rights or delegate any obligations arising herein without the prior written consent of Lender, and any prohibited assignment shall be absolutely void. Lender may assign its rights and interests in this Agreement, the Loan Documents and all documents executed in connection with or related to this Agreement or the Loan Documents, at any time, without the consent of or notice to Obligors.
- 12.7 **Governing Law.** This Agreement is governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein without giving effect to any choice or conflict of law provision or rule (whether of the Province of Alberta or any other jurisdiction).
- 12.8 **Submission to Jurisdiction.** Any action or proceeding arising out of this Agreement, the other Loan Documents or the transactions contemplated hereby or thereby will be instituted in the courts of the Province of Alberta, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such action or proceeding.
- 12.9 **No Waiver.** No failure to exercise and no delay in exercising, on the part of Lender, any right, remedy, power or privilege hereunder or under the Loan Documents shall operate

as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. Further, Lender's acceptance of payment on account of the Obligations or other performance by Obligors after the occurrence of an Event of Default shall not be construed as a waiver of such Event of Default, any other Event of Default, or any of Lender's rights or remedies.

- 12.10 **Cumulative Rights.** The rights and remedies under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available by law, in equity or otherwise.
- 12.11 **Headings.** The Section headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.
- 12.12 **Counterparts; Electronic Execution.** This Agreement may be executed in any number of counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission (that is, .pdf or .tiff) is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

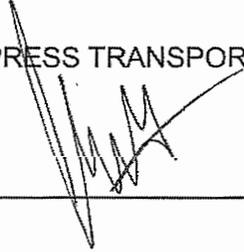
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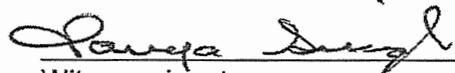
written above.

ROYAL BANK OF CANADA

By:  _____

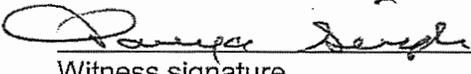
PEOPLE EXPRESS TRANSPORT LTD.

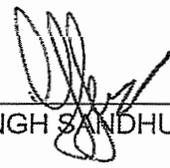
By:  _____


Witness signature
Name: Tanya Singh
(please print)
Address: 13 Templeby Way NE
Calgary, AB
T1Y 5W7

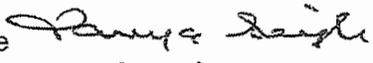


CHARANPREET SINGH BRAR


Witness signature
Name: Tanya Singh
(please print)
Address: 13 Templeby Way NE



GURBAJ SINGH SANDHU


Witness signature
Name: Tanya Singh
(please print)
Address: 13 Templeby Way NE



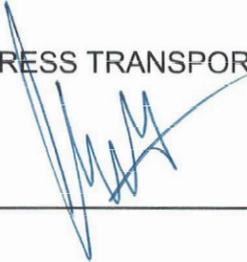
GURPREET SINGH BRAR

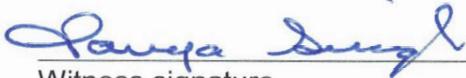
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

ROYAL BANK OF CANADA

PEOPLE EXPRESS TRANSPORT LTD.

By: 

By: 



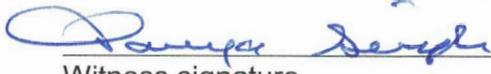
Witness signature

Name: Tanya Singh
(please print)

Address: 13 Templeby Way NE
Calgary, AB
T1Y 5N7



CHARANPREET SINGH BRAR



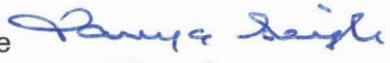
Witness signature

Name: Tanya Singh
(please print)

Address: 13 Templeby Way NE



GURBAJ SINGH SANDHU

Witness signature 

Name: Tanya Singh
(please print)

Address: 13 Templeby Way NE



GURPREET SINGH BRAR

**GUARANTEES ACKNOWLEDGMENT ACT
(Section 3)
CERTIFICATE**

I HEREBY CERTIFY THAT:

1. Gurpreet Singh Brar, the guarantor in the guarantee dated May 22, 2015 made among Charanpreet Singh Brar, Gurbaj Singh Sandhu, Gurpreet Singh Brar and Royal Bank of Canada, which this certificate is attached to or noted on, appeared before me by two-way video conference and acknowledged that he had executed the guarantee.
2. I satisfied myself by examination of the guarantor that he is aware of the contents of the guarantee and understands it.

CERTIFIED by **Scott Chimuk**
Barrister & Solicitor, Lawyer at the City of Calgary, at
Alberta this 4 day of March, 2021.



Signature

STATEMENT OF GUARANTOR

I am the person named in this certificate.



GURPREET SINGH BRAR

**GUARANTEES ACKNOWLEDGMENT ACT
(Section 3)
CERTIFICATE**

I HEREBY CERTIFY THAT:

1. Gurbaj Singh Sandhu, the guarantor in the guarantee dated May 22, 2015 made among Charanpreet Singh Brar, Gurbaj Singh Sandhu, Gurpreet Singh Brar and Royal Bank of Canada, which this certificate is attached to or noted on, appeared before me by two-way video conference and acknowledged that he had executed the guarantee.
2. I satisfied myself by examination of the guarantor that he is aware of the contents of the guarantee and understands it.

Scott Chimuk
Barrister & Solicitor

CERTIFIED by _____, Lawyer at the City of Calgary, at
Alberta this 4 day of March, 2021.



Signature

STATEMENT OF GUARANTOR

I am the person named in this certificate.



GURBAJ SINGH SANDHU

**GUARANTEES ACKNOWLEDGMENT ACT
(Section 3)
CERTIFICATE**

I HEREBY CERTIFY THAT:

1. Charanpreet Singh Brar, the guarantor in the guarantee dated May 22, 2015 made among Charanpreet Singh Brar, Gurbaj Singh Sandhu, Gurpreet Singh Brar and Royal Bank of Canada, which this certificate is attached to or noted on, appeared before me by two-way video conference and acknowledged that he had executed the guarantee.
2. I satisfied myself by examination of the guarantor that he is aware of the contents of the guarantee and understands it.

Scott Chintuk
Barrister & Solicitor

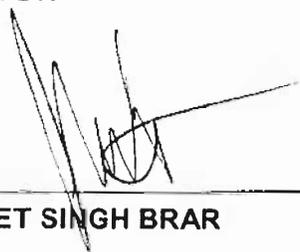
CERTIFIED by _____, Lawyer at the City of Calgary, at
Alberta this 9 day of March, 2021.



Signature

STATEMENT OF GUARANTOR

I am the person named in this certificate.



CHARANPREET SINGH BRAR

SCHEDULE "A"
CONSENT RECEIVERSHIP ORDER

Clerk's Stamp:



COURT FILE NUMBER
COURT
JUDICIAL CENTRE OF
APPLICANT
RESPONDENTS
DOCUMENT
CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT:

2101-02280
COURT OF QUEEN'S BENCH OF ALBERTA
CALGARY

ROYAL BANK OF CANADA
PEOPLE EXPRESS TRANSPORT LTD.

CONSENT RECEIVERSHIP ORDER

Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West
888 3 Street SW
Calgary, AB T2P 5C5

Telephone (403) 351-2921
Facsimile: (403) 648-1151
Email: joliver@cassels.com / dmarechal@cassels.com
File No. 33337-817

**DATE ON WHICH ORDER WAS
PRONOUNCED:
NAME OF JUDGE WHO MADE THIS
ORDER:
LOCATION OF HEARING:**

Friday, April 2, 2021

The Honourable Madam Justice K.M. Eidsvik
Calgary, Alberta

UPON the application of Royal Bank of Canada (“**RBC**”) in respect of People Express Transport Ltd. (the “**Debtor**”); **AND UPON** having read the Application, the Affidavit of Arnold Masson, sworn February 19, 2021; the Affidavit of Richard Kay, sworn February 24, 2021; the Affidavit of Service of Richard Kay, sworn February 24, 2021; the Affidavit of Charanpreet Brar, sworn February 24, 2021; and the Affidavit of Arnold Masson, sworn February 25, 2021 **AND UPON** reading the consent of Alvarez & Marsal Canada Inc. to act as receiver and manager (the “**Receiver**”) of the Debtor, filed; **AND UPON** hearing counsel for RBC, counsel for the proposed Receiver and any other counsel or other interested parties present; **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.

APPOINTMENT

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”) and section 13(2) of the *Judicature Act*, R.S.A. 2000, Alvarez & Marsal Canada Inc. is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”).

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to or by the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- (k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of any transaction not exceeding \$150,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.

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

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

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. (i) The Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.

5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names, and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. No Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might

otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph; and (ii) affect a Regulatory Body's investigation in respect of the debtor or an action, suit or proceeding that is taken in respect of the debtor by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "**Regulatory Body**" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a Province.

NO EXERCISE OF RIGHTS OF REMEDIES

9. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtor or the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided, however, that nothing in this Order shall:
- (a) empower the Debtor to carry on any business that the Debtor is not lawfully entitled to carry on;
 - (b) prevent the filing of any registration to preserve or perfect a security interest;
 - (c) prevent the registration of a claim for lien; or
 - (d) exempt the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment.
10. Nothing in this Order shall prevent any party from taking an action against the Applicant where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

NO INTERFERENCE WITH THE RECEIVER

11. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, except with the written consent of the Debtor and the Receiver, or leave of this Court.

CONTINUATION OF SERVICES

12. All persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Debtor, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Debtor

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Debtor or exercising any other remedy provided under such agreements or arrangements. The Debtor shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Debtor in accordance with the payment practices of the Debtor, or such other practices as may be agreed upon by the supplier or service provider and each of the Debtor and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

14. Subject to employees' rights to terminate their employment, all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47 ("**WEPPA**").
15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to

prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

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

- (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
 - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

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

RECEIVER'S ACCOUNTS

- 18. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property, which charge shall not exceed an aggregate amount of \$250,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) of the BIA.
- 19. The Receiver and its legal counsel shall pass their accounts from time to time.
- 20. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.
22. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
23. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
24. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
25. The Receiver shall be allowed to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

ALLOCATION

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

GENERAL

27. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
28. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
29. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
30. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
31. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
32. The Plaintiff shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis, including legal costs on a solicitor-client full indemnity basis, to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.
33. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING

34. The Receiver shall establish and maintain a website in respect of these proceedings at www.alvarezandmarsal.com/petl (the “**Receiver’s Website**”) and shall post there as soon as practicable:
- (a) all materials prescribed by statute or regulation to be made publically available; and
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
35. Service of this Order shall be deemed good and sufficient by:
- (a) serving the same on:
 - (i) the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order; and
 - (b) posting a copy of this Order on the Receiver’s Website
- and service on any other person is hereby dispensed with.
36. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

Justice of the Court of Queen’s Bench of Alberta

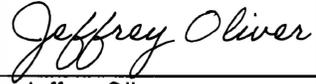
CONSENTED TO BY:

MCLEOD LAW LLP



Name: Scott C. Chimuk
Counsel to People Express Transport Ltd.

CASELS BROCK & BLACKWELL LLP



Name: Jeffrey Oliver
Counsel to Royal Bank of Canada

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Alvarez and Marsal Canada Inc., the interim receiver and receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of People Express Transport Ltd. appointed by Order of the Court of Queen's Bench of Alberta and Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "Court") dated the **[day]** day of **[month]**, **[year]** (the "**Order**") made in action numbers **[●]**, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of **[\$]**, being part of the total principal sum of **[\$]** that the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded **[daily]** **[monthly not in advance on the ● day of each month]** after the date hereof at a notional rate per annum equal to the rate of **[●]** per cent above the prime commercial lending rate of Bank of **[●]** from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at **[●]**.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

Alvarez and Marsal Canada Inc., solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: _____
Name:
Title:

**SCHEDULE "B"
ENGAGEMENT LETTER**



March 8, 2021

Mr. Charanpreet S. Brar
President
People Express Transport Ltd.
4220, 67th Avenue NE
Calgary, Alberta T3J 4H3

Dear Mr. Brar:

This letter confirms and sets forth the terms and conditions of the engagement between Alvarez & Marsal Canada ULC ("**A&M**") and Royal Bank of Canada (the "**Bank**"), including the scope of the services to be performed and the basis of compensation for those services. People Express Transport Ltd. ("**People**" or the "**Company**") are indebted to the Bank and the Bank has discussed with the Company the need for an assessment of the Company's operating performance and the Bank's security position as well as a review of certain elements of the Company's financial reporting and operational cost savings initiatives.

It has been agreed with the Company that A&M shall be retained as a consultant to the Bank to review, report and make recommendations to the Bank on the business, assets, affairs and operations of the Company and the security position of the Bank. Upon execution of this letter by all of the parties below, this letter will constitute an agreement between the Bank, A&M and the Company (the "**Agreement**"). Terms not otherwise defined herein shall have the meaning ascribed to them in the Forbearance agreement between the Bank, the Company and the Guarantors dated March 8, 2021 (the "**Forbearance Agreement**").

The scope of the engagement will be divided into two phases as described under "Description of Services" below. The first phase ("**Phase I**") will begin upon the commencement of the Agreement and will continue until the earlier of the following (each, a "**Phase I Default**"):

1. Company's failure to meet the Commitment Deadline; or
2. The occurrence of a Forbearance Default.

The second phase ("**Phase II**") shall immediately, without any further notice, passage of time or forbearance of any kind, commence upon the occurrence of a Phase I Default.

This Agreement will terminate upon the earlier to occur of:

1. Payment in full of the Settlement Amount prior to the Payout Time on the Payout Date;

2. Payment in full of all Obligations;
3. An Order of the Court of Queen's Bench of Alberta declaring that the Monitor's engagement shall be terminated or providing for the appointment of a receiver or interim receiver; or
4. The written agreement of the Bank and the Company.

1. Description of Services.

(a) Without limiting the generality of the previous paragraph, A&M's engagement hereunder may, in the discretion of A&M, include all or any of the following:

(i) Phase I

(A) A&M may attend at the premises of the Company including its head office located in Calgary, Alberta and any other locations where the Company may have assets, operations and books and records and perform such review and inspection as is necessary in A&M's opinion to advise the Bank with respect to the following:

- (I) **Monthly Borrowing Limit Certificate ("MBLC").** The Company shall provide A&M with all back up and supporting documentation, schedules and financial information with respect to all reported figures included in the MBLCs provided by the Company to RBC for the months ended September 30, 2020 to and including January 31, 2021;
- (II) The supporting financial information shall include but not limited account receivable aged listing (US and CDN AR), aged accounts payable, prior encumbrances and holdbacks, inventory schedules, overdue rent and other liabilities and priority claims as more specifically described below;
- (III) **Priority Payables.** The Company shall provide A&M any or all information with respect to amounts in priority to RBC's secured position, which shall included but not limited to, current and prior GST, PST and HST outstanding balances, source deductions, WCB, rent obligations and arrears and all of other provincial or federal trust claims, liens and other priority amounts;

(IV) **Employee Payroll.** For the period from the November 30, 2020 month end to date:

- 1) The Company shall provide and make available to A&M all recent and historical notice of (re) assessments or any other notices from CRA with respect to source deductions (EI, CPP, incomes taxes, etc);
- 2) The Company shall provide and make available all historical and current payroll remittances to employees/contractors and remittances made to CRA; and
- 3) A&M shall have access and be provided by the Company's an employee and contractor listing (in all locations and jurisdictions) that lists out the start date of each staff and contractor, position/title, salary, together with access to any or all employment or independent contractor agreements;

(V) **Fixed Assets.** The Company shall provide and make available to A&M the most recently fixed asset continuity scheduling (in summary and detail) listing of all of the Company's owned and leased assets, values and terms of leases, along with a schedule (or reporting) showing the whereabouts of each equipment, truck, trailer and fixed assets, including all property plant and equipment (parts inventory, investments, intercompany accounts and governmental subsidies); and

(VI) **Short-Term Liquidity.** The Company shall provide to A&M a short-term cash flow forecast requirement to March 31, 2021 that will show the Company's forecast cash receipt collections and forecast disbursements required to operate the Company over the next month, as well as a bank reconciliation for opening cash for that cash flow forecast.

(ii) Phase II

- (A) A&M may continue to attend at the premises of the Company including its head office located in Calgary, Alberta and any other locations where the Company may have assets, operations and books and records and perform such review and inspection as is necessary in A&M's opinion to advise the Bank with respect to the following:
- (I) The Company will make available to A&M all ongoing reporting and financial information relating Phase I;
 - (II) The Company's liabilities including, but not limited to, any statutory creditors, accrued liabilities, accounts payable (aging) and long-term contractual obligations due to sub-contractors and any equipment financiers;
 - (III) The Company's current business plan and any further short-term and long-term financial projections or forecasts (including a review of any underlying assumptions) prepared by the Company and/or its advisors. A&M's review will include an assessment of the reasonableness of cash flow forecasts, forecast hauling revenues and gross margins;
 - (IV) Other books and records of the Company such as minute books, resolutions, management reporting, board presentations, current and historical appraisals on all property, plan and equipment, any offers to purchase the Company and other refinancing agreements.
 - (V) The Company's current business plan and any further short-term and long-term financial projections or forecasts (including a review of any underlying assumptions) prepared by the Company and/or its advisors. A&M's review will include an assessment of the reasonableness of cash flow forecasts, forecast hauling revenues and gross margins; and
 - (VI) A&M will review any other matters that appear to A&M to be relevant to the engagement hereunder as agreed to by the Bank.

(b) For both Phase I and Phase II, A&M will be reporting to the Bank throughout the course of this engagement and on a regular basis. A&M may prepare a written report or reports

pursuant to this engagement or provide the Bank with periodic oral reports at such times as may be agreed between A&M and the Bank.

(c) The Company acknowledges that it has consented to this engagement effective as of the date hereof upon the terms and conditions set out herein and it will provide and require the full co-operation of management, officers, employees, professional advisors and agents of the Company to A&M throughout the term of this engagement. In particular, the Company agrees that:

- (i) A&M and its employees and agents shall have unrestricted access to the books, records, information (however stored), facilities, assets and premises of the Company and A&M may copy any documents or information;
- (ii) the Company and its officers, employees and agents shall answer all inquiries fairly, fully and to the best of their ability and they shall provide A&M with any information that it may request with respect to the affairs of the Company;
- (iii) the Company authorizes A&M to contact the Company's professional advisors, which in A&M's discretion is deemed appropriate in connection with this engagement;
- (iv) A&M shall be entitled to provide the Bank with copies of all documents, records, reports and information received or prepared by A&M in the course of this engagement and A&M may fully disclose to the Bank all matters arising out of A&M's engagement hereunder;
- (v) the Company authorizes the Bank to disclose to A&M any information the Bank has concerning the Company, its subsidiaries and affiliates (as defined below) and their respective businesses, assets and affairs;
- (vi) throughout the course of this engagement, A&M will be reporting to the Bank on a regular basis. A&M shall prepare a written report or reports pursuant to this engagement at such times as may be agreed between A&M and the Bank. Prior to finalizing A&M's written reports to the Bank, A&M may review the facts set out therein, but not any conclusions or recommendations, with one or more representatives from the Company; and
- (vii) A&M will advise the Bank immediately if any situation comes to its attention, which would materially alter the terms of this engagement.

(d) The Company hereby agrees that a breach of any covenant, condition or other provision of this Agreement shall constitute a default under any and all other credit documents between the Company and the Bank.

(e) Orest Konowalchuk, a Managing Director of A&M, will be responsible for the overall engagement. It is hereby agreed and acknowledged by all parties to this Agreement that A&M is authorized to use any of its personnel or agents, including appraisers, as A&M, in its sole discretion, considers necessary in the course of its engagement hereunder. In connection with the services to be provided hereunder, from time to time A&M may utilize the services of employees of its affiliates. Such affiliates are wholly owned by A&M's parent company and A&M's employees.

2. Compensation.

(a) Unless otherwise agreed to in writing, the parties agree and acknowledge that all fees and expenses incurred during the course of this engagement, including any costs or legal fees associated with court approval or enforcement of this Agreement, shall be paid in first instance by the Bank. However, such payment is without prejudice to the right of the Bank assert at a later date that such fees and expenses form part of the Company's secured indebtedness to the Bank pursuant to the terms of any existing loan and security documents between the Company and the Bank, and to further assert that such fees and expenses must be repaid to the Bank upon repayment by the Company of its indebtedness.

(b) The Bank unconditionally and irrevocably guarantees in favour of A&M the punctual payment when due of the existing and future fees and expenses of any kind of the Company to A&M.

(c) A&M will receive fees based on time spent by its employees and agents in connection with this engagement and its standard hourly rates, which may be adjusted from time to time. In addition, A&M will be reimbursed for its reasonable disbursements and expenses incurred in connection with this Agreement. All fees and expenses, including applicable sales or similar taxes, will be billed on a periodic basis, at A&M's discretion, and payable upon receipt. In addition, A&M shall be reimbursed for the reasonable fees and expenses of its counsel incurred in connection with the preparation, negotiation and enforcement of this Agreement. A&M's standard hourly rates are as follows:

Managing Director	\$700
Senior Director	\$535 - \$585
Director	\$425 - \$495
Manager	\$350 - \$390
Associate/Analyst	\$275 - \$350



Administrator \$175

(d) All provisions in this Section 2 are in addition to any protections or remedies afforded to A&M at law or by statute.

3. Term.

This engagement will commence as of the date hereof and may be terminated for any reason by either the Bank or A&M by giving 15 days' written notice to the other party. In the event of termination, the Bank and the Company acknowledge and agree that any fees and expenses due to A&M shall be remitted promptly (including fees and expenses that accrued prior to but were invoiced subsequent to such termination). In any event, this engagement may be terminated immediately by A&M upon any invoice delivered by A&M remaining outstanding for seven days following delivery of the invoice by A&M.

4. Relationship of the Parties.

The parties intend that an independent contractor relationship will be created by this engagement letter. Neither A&M nor any of its personnel or subcontractors is to be considered an employee or agent of the Bank or the Company. The Bank and the Company acknowledge that A&M's engagement shall not constitute an audit, review or compilation, or any other type of financial statement reporting engagement that is subject to generally accepted accounting principles or the rules of any provincial, territorial or national professional or regulatory body. Accordingly, while the information gathered will be reviewed for reasonableness, A&M's work will not necessarily identify any errors or irregularities, if such exist, on the part of the Company or its officers or employees. Furthermore, A&M is entitled to rely on the accuracy and validity of the data disclosed to it or supplied to it by employees and representatives of the Company and the Bank. A&M is under no obligation to update data submitted to it or review any other areas unless specifically requested by the Bank to do so. Each of the Bank and the Company agrees and acknowledges that the services to be rendered by A&M may include the assistance in the preparation and review of projections, forecasts and other forward-looking statements, and numerous factors can affect the actual results of the Company's operations, which may materially and adversely differ from those projections, forecasts and other forward-looking statements. A&M makes no representation or guarantee that any business plan or restructuring alternative is the best course of action. A&M shall not be required to certify any financial statements or information or to provide representations with respect therewith in connection with any audit or securities law disclosure documents. For greater certainty, during the course of this engagement, A&M shall be acting as a consultant to the Bank in this matter and A&M shall not be assuming any decision making or other management responsibilities in connection with the affairs of the Company and A&M shall have no

responsibility for the affairs of the Company during this engagement. In addition, A&M shall not do anything or perform any act pursuant to which A&M assumes any possession or control of the property, assets, undertakings, premises or operations of the Company for any purpose whatsoever.

It is understood and agreed that notwithstanding this engagement, (a) the remedies available to the Bank under the terms of its agreements with the Company, including the security and guarantees held by the Bank, remain in full force and effect, and (b) none of the existing defaults of the Company are waived and all rights and remedies of the Bank are reserved and preserved. In particular, each of the undersigned acknowledges and agrees that notwithstanding the engagement of A&M hereunder, the Bank has not agreed to forbear or delay from enforcing any of its remedies as against the Company.

It is specifically acknowledged that the engagement of A&M hereunder by the Bank is not an act of enforcement of security by the Bank and that the Company remains solely responsible for the management and operations of its business during the course of this engagement. It is further acknowledged that the Company shall remain in sole and exclusive possession and control of its property, assets, undertakings and premises during the course of this engagement.

It is also understood and agreed that the Bank may, if it considers same necessary or appropriate, appoint A&M as trustee, receiver, receiver and manager, monitor, or agent for the purpose of realizing upon its security, under any statute or under any court order, and that A&M may (although it is not obligated), if necessary or desirable, accept any such appointment and that, notwithstanding anything in this Agreement to the contrary, including the provisions of Section 7, in the course of any such engagement, A&M may use the information acquired by it under this Agreement.

5. No Third Party Beneficiary.

The Bank and the Company acknowledge that all advice (written or oral) and any modeling, analysis or methodologies given or developed by A&M for the Bank and/or the Company in connection with this engagement is intended solely for the benefit and use of the Bank and/or the Company in considering the matters to which this engagement relates. The Bank and the Company agree that no such advice, modeling, analysis or methodologies shall be used for any other purpose or reproduced, disseminated, quoted or referred to at any time in any manner or for any purpose

other than accomplishing the tasks referred to herein without A&M's prior approval (which shall not be unreasonably withheld), except as required by law.

6. Conflicts.

A&M is not currently aware of any relationship that would create a conflict of interest with the Company or those parties-in-interest of which either party has made A&M aware. Because A&M is a consulting firm that serves clients on an international basis in numerous cases, both in and out of court, it is possible that A&M may have rendered or will render services to or have business associations with other entities or people which had or have or may have relationships with the Company, including other creditors of the Company. In the event the terms of this engagement are accepted, A&M will not represent, and A&M has not represented, the interests of any such entities or people in connection with this matter.

7. Confidentiality.

A&M shall keep as confidential all non-public information received from either the Bank or the Company in conjunction with this engagement, except: (i) confidential information obtained by A&M and delivered to the Bank in connection with this engagement; (ii) as required by legal proceedings; or (iii) as reasonably required in the performance of this engagement. The Company specifically authorizes the Bank and A&M to divulge such information pursuant to any court proceeding commenced by or to which the Bank and/or A&M is a party or in connection with the exercise of any of the Bank's remedies against the Company including, without limitation, enforcing the security held by the Bank from the Company or to any potential assignee of the Bank's debt and security.

8. Non-Solicitation.

Each of the Bank and the Company, on behalf of itself, its affiliates and any person (as such term is defined under the *Canada Business Corporations Act*) which may acquire all or substantially all of its assets, agrees that, until two years subsequent to the termination of this Agreement, it will not solicit, recruit, hire or otherwise engage any employee of A&M or its affiliates who worked on this engagement while employed by A&M or its affiliates ("**Solicited Person**"). Should either the Bank or the Company, including any of their respective affiliates or any person who acquires all or substantially all of their respective assets, extend an offer of employment to or otherwise engage any Solicited Person and should such offer be accepted, A&M shall be entitled to a fee from the party extending such offer equal to the Solicited Person's hourly client billing rate at the time of the offer multiplied by 4,000 hours for a Managing Director, 3,000 hours for a Senior

Director and 2,000 hours for any other A&M employee. The fee shall be payable at the time of the Solicited Person's acceptance of employment or engagement.

9. Indemnification and Limitation on Liability.

The indemnification provisions, attached hereto as Exhibit A, are incorporated herein by reference and the termination of this Agreement or this engagement shall not affect those provisions, which shall survive termination. Furthermore, all those provisions contained in Exhibit A are in addition to any protections or remedies afforded to A&M at law or by statute.

As to the services the Bank has requested and A&M has agreed to provide as set forth in this Agreement, the total aggregate liability of A&M under this Agreement to the Bank and its successors and assigns, shall be limited to the actual damages incurred by the Bank or its successors or assigns, respectively. In no event will A&M or any of its affiliates be liable to the Bank or their successors or assigns for consequential, special or punitive damages, including loss of profit, data, business or goodwill. In no event shall A&M incur any liability to the Company (including its estates), its successors and assigns. Further, in no event shall the total aggregate liability of A&M under this Agreement to the Bank, the Company and their successors and assigns, exceed the total amount of fees received and retained by A&M hereunder. Notwithstanding the foregoing, A&M, as advisor to the Bank is not providing any services to the Company and accordingly owes no duty to the Company.

10. Miscellaneous.

Depending on future developments the spread of the Coronavirus has the potential to affect the services provided under this Agreement. Travel, work place and mobility restrictions (to include measures reasonably mandated by A&M with respect to its employees and personnel) may restrict travel to the Company and other work sites as well as limit access to facilities, infrastructure, information and personnel of A&M, the Company or others. Such circumstances may adversely affect the timetable or content of A&M's deliverables and completion of the scope of services included in this Agreement. A&M will discuss with the Bank if A&M believes that the services may be impacted in this way. The Company accepts and acknowledges that A&M employees and personnel may attend at the Company's locations or physically interact with the Company's employees and personnel in connection with the services, unless A&M or the Company decide that this should not be the case.

This Agreement (together with the attached indemnity provisions): (a) shall be governed and construed in accordance with the laws of the Province of Alberta applicable therein without giving effect to such province's rules concerning conflicts of laws that might provide for any other choice of law; (b) incorporates the entire understanding of the parties with respect to the

subject matter hereof; (c) may not be amended or modified except in writing executed by all parties hereto; (d) may be executed by facsimile and in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same agreement; and (e) notwithstanding anything herein to the contrary, A&M may reference or list the Bank's and/or the Company's name and/or a general description of the services in A&M's marketing materials, including, without limitation, on A&M's website.

If the foregoing is acceptable to you, kindly sign the enclosed copy to acknowledge your agreement with its terms.

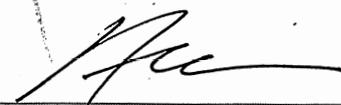
Very truly yours,
Alvarez & Marsal Canada ULC



By: _____
Orest Konowalchuk
Title: Managing Director

Accepted and agreed:
Royal Bank of Canada

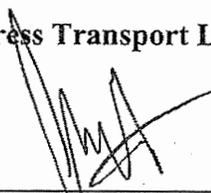
By:



Mr. Arnold Masson
Senior Manager

People Express Transport Ltd.

By:



Mr. Charanpreet S. Brar
President

Accepted and agreed:
Royal Bank of Canada

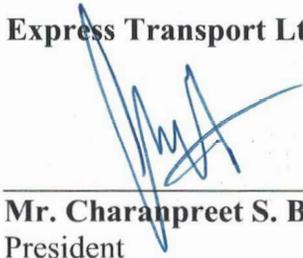
By:



Mr. Arnold Masson
Senior Manager

People Express Transport Ltd.

By:



Mr. Charanpreet S. Brar
President

EXHIBIT A
Indemnity Provisions

- A. The Company agrees to jointly and severally indemnify and hold harmless each of A&M, its affiliates and their respective shareholders, managers, members, employees, agents, representatives and subcontractors (each, an "**Indemnified Party**" and collectively, the "**Indemnified Parties**") against any and all losses, claims, damages, liabilities, penalties, obligations, disbursements and expenses, including the costs (fees and disbursements) for counsel or others (including employees of A&M, based on their then current hourly billing rates) in investigating, preparing or defending any action or claim, whether or not in connection with litigation in which any Indemnified Party is a party, or enforcing the Agreement (including these indemnity provisions), as and when incurred, caused by, relating to, based upon or arising out of (directly or indirectly) the Indemnified Parties' acceptance of or the performance or nonperformance of their obligations under the Agreement; provided, however, such indemnity shall not apply to any such loss, claim, damage, liability or expense to the extent it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from such Indemnified Party's gross negligence or willful misconduct. The Company also agrees that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company for or in connection with the engagement of A&M, except to the extent for any such liability for losses, claims, damages, liabilities or expenses that are found in a final judgment by a court of competent jurisdiction (not subject to further appeal) to have resulted primarily and directly from such Indemnified Party's gross negligence or willful misconduct. The Company further agrees that it will not, without the prior consent of an Indemnified Party, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which such Indemnified Party seeks indemnification hereunder (whether or not such Indemnified Party is an actual party to such claim, action, suit or proceeding) unless such settlement, compromise or consent includes an unconditional release of such Indemnified Party from all liabilities arising out of such claim, action, suit or proceeding.
- B. These indemnification provisions shall be in addition to any liability which the Company may otherwise have to the Indemnified Parties. In the event that, at any time whether before or after termination of the engagement or the Agreement, as a result of or in connection with the Agreement or A&M's and its personnel's role under the Agreement, A&M or any Indemnified Party is required to produce any of its personnel (including former employees) or for examination, discovery, deposition or other written, recorded or oral presentation, or A&M or any of its personnel (including former employees) or any other Indemnified Party is required to produce or otherwise review, compile, submit, duplicate, search for, organize or report on any material within such Indemnified Party's possession or control pursuant

to a subpoena or other legal (including administrative) process, the Company will reimburse the Indemnified Party for its out of pocket expenses, including the reasonable fees and expenses of its counsel, and will compensate the Indemnified Party for the time expended by its personnel based on such personnel's then current hourly rate.

- C. If any action, proceeding or investigation is commenced to which any Indemnified Party proposes to demand indemnification hereunder, such Indemnified Party will notify the Company with reasonable promptness; provided, however, that any failure by such Indemnified Party to notify the Company will not relieve the Company from its obligations hereunder, except to the extent that such failure shall have actually prejudiced the defense of such action. The Company shall promptly pay expenses reasonably incurred by any Indemnified Party in defending, participating in, or settling any action, proceeding or investigation in which such Indemnified Party is a party or is threatened to be made a party or otherwise is participating in by reason of the engagement under the Agreement, upon submission of invoices therefor, whether in advance of the final disposition of such action, proceeding, or investigation or otherwise. Each Indemnified Party hereby undertakes, and each of the Company hereby accepts its undertaking, to repay any and all such amounts so advanced if it shall ultimately be determined that such Indemnified Party is not entitled to be indemnified therefor. If any such action, proceeding or investigation in which an Indemnified Party is a party is also against the Company, each of the Company, as the case may be, may, in lieu of advancing the expenses of separate counsel for such Indemnified Party, provide such Indemnified Party with legal representation by the same counsel who represents the Company, provided such counsel is reasonably satisfactory to such Indemnified Party, at no cost to such Indemnified Party; provided, however, that if such counsel or counsel to the Indemnified Party shall determine that due to the existence of actual or potential conflicts of interest between such Indemnified Party and the Company such counsel is unable to represent both the Indemnified Party and either the Company, then the Indemnified Party shall be entitled to use separate counsel of its own choice, and the Company shall promptly advance its reasonable expenses of such separate counsel upon submission of invoices therefor. Nothing herein shall prevent an Indemnified Party from using separate counsel of its own choice at its own expense. The Company will be liable for any settlement of any claim against an Indemnified Party made with the Company's written consent, which consent shall not be unreasonably withheld.
- D. In order to provide for just and equitable contribution if a claim for indemnification pursuant to these indemnification provisions is made but it is found in a final judgment by a court of competent jurisdiction (not subject to further appeal) that such indemnification may not be enforced in such case, even though the express provisions hereof provide for indemnification, then the relative fault of the Company on the one hand, and the Indemnified Parties, on the other hand, in connection with the statements, acts or omissions which resulted in the losses, claims, damages, liabilities and costs giving rise to the

indemnification claim and other relevant equitable considerations shall be considered; and further provided that in no event will the Indemnified Parties' aggregate contribution for all losses, claims, damages, liabilities and expenses with respect to which contribution is available hereunder exceed the amount of fees actually received by the Indemnified Parties pursuant to the Agreement. No person found liable for a fraudulent misrepresentation shall be entitled to contribution hereunder from any person who is not also found liable for such fraudulent misrepresentation.

- E. Neither termination of the Agreement nor termination of A&M's engagement nor the filing of a petition or application under the *Companies' Creditors Arrangement Act* or the *Bankruptcy and Insolvency Act* (Canada) (nor the conversion of an existing case to a different form of proceeding, including a receivership) shall affect these indemnification provisions, which shall hereafter remain operative and in full force and effect.
- F. The rights provided herein shall not be deemed exclusive of any other rights to which the Indemnified Parties may be entitled under the certificate of incorporation or by-laws of the Company, any policy of insurance, any other agreements, any vote of shareholders or disinterested directors of the Company, any applicable law or otherwise.

Consented to, accepted and agreed:

Alvarez & Marsal Canada ULC

By: 

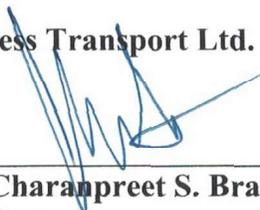
Orest Konowalchuk
Title: Managing Director

Royal Bank of Canada

By: 

Mr. Arnold Masson
Senior Manager

People Express Transport Ltd.

By: 

Mr. Charanpreet S. Brar
President



Consented to, accepted and agreed:

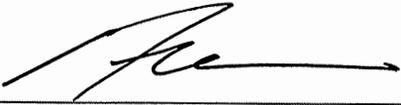
Alvarez & Marsal Canada ULC

By:

Orest Konowalchuk
Title: Managing Director

Royal Bank of Canada

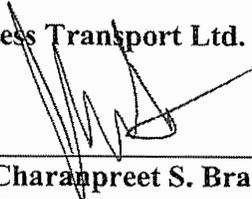
By:



Mr. Arnold Masson
Senior Manager

People Express Transport Ltd.

By:



Mr. Charanpreet S. Brar
President

This is Exhibit "B"
referred to in the Affidavit of
ARNOLD MASSON
sworn this 14th day of April, 2021

R Kay

A Commissioner for Oaths/Notary Public
in and for Alberta

Richard Kay
My Commission Expires September 21, 2022

People Express Transport Ltd.
Preliminary Diligence and Documentation Request
Alvarez & Marsal Canada ULC
March 10, 2021

Information and Documentation	Priority	Date to be Delivered to A&M	Individual(s) Responsible	Provided?	Date Provided	Quality	A&M Comments
PHASE 1							
(I) Monthly Borrowing Limit Certificate ("MBLC") - supporting documentation							
Supporting documentation, schedules and financial information with respect to all reported figures included in the MBLCs provided by the Company to RBC for the months ended September 30, 2020 through and including January 31, 2021.	A	March 12, 2021					
Detailed listing in <u>excel</u> of aged accounts receivable (to the invoice level) and holdback accounts receivable including details of any disputed amounts and/or provisions for doubtful accounts.	A	March 12, 2021					
Detailed listing in <u>excel</u> of accounts payable by entity (to the invoice level) with the following information for each creditor: - amount outstanding; - details of potential or asserted lien (including garage keeper liens) and/or trust claims; - identification of any amounts due to related parties or non-arm's length entities; - a summary of any amounts owed to Canada Revenue Agency in respect of unremitted payroll source deductions and GST; and - details of any contingent liabilities	A	March 12, 2021					
If applicable, listing of all inventory, including: description, location, original cost, estimated fair market value, copies of any recent appraisals or other indications of value	C	March 16, 2021					
(II) Priority Payables							
Most recent statements of account from CRA for GST, corporate taxes and payroll deductions. Additionally, most recent statements for any provincial/state jurisdictions outside of Alberta (i.e.. HST, PST).	A	March 12, 2021					
Copies of most recent corporate tax returns.	C	March 16, 2021					
If applicable, a schedule of employee pension plans, funded status, accrued obligations and funding requirements.	B	March 15, 2021					
Copies of most recent Workers Compensation Board ("WCB") balances.	A	March 12, 2021					
Schedule of rent obligations by location, copies of all leases, listing of any amounts outstanding with regard to leasing facility/land (overdue rent), and evidence of payment last three months of rental payments.	A	March 12, 2021					
Listing of any other accrued liabilities (federal trust claims, liens and other priority amounts) including description, amount and basis of calculation.	B	March 15, 2021					
(III) Employee Payroll							
Copies of all recent and historical notice of assessments or any other notices from CRA with respect to source deductions (EI, CPP, incomes taxes, etc.).	A	March 12, 2021					
Copies of all payroll reports (for September 2020 to current) for employees/contractors and evidence of corresponding remittances made to CRA for each payroll period. Need to see evidence that each payroll cheque has cleared the bank	A	March 12, 2021					
List of all employees and contractors including: - Name and address; - position/title; - employer entity; - location of work; - salary/wage and benefits; - hiring date; and - if applicable, independent contractor agreements	B	March 15, 2021					

(IV) Fixed Assets							
Listing of all equipment broken down by major category and showing owned vs. leased, including: - Description; - Location (province/state, jurisdiction, terminal, division); - Original cost; - Estimated fair market value; - Equipment finance or lease arrangement including principal outstanding; and - Copies of any recent appraisals or other indications of value.	B	March 15, 2021					
Current GPS tracking report identifying current location of units with GPS devices.	B	March 15, 2021					
Listing of parts inventory, including: - Description; - Location; - Original cost; - Estimated fair market value; and - Copies of any recent appraisals or other indications of value.	C	March 16, 2021					
Details of intercompany accounts including related party and intercompany guarantees, if any (name, amount, nature of debts).	C	March 16, 2021					
Details of any investments and/or government subsidies.	C	March 16, 2021					
Documentation of any outstanding liens that have been filed against any of the Company assets.	A	March 12, 2021					
(V) Short-Term Liquidity							
Short-term cash flow forecast to March 31, 2021 that will show the Company's forecast cash receipt collections and forecast disbursements required to operate the Company over the next month	C	March 16, 2021					
Bank reconciliation for opening cash that supports the opening cash balance in the short term cash flow forecast.	C	March 16, 2021					
Bank reconciliations for September 2020 through January 2021.	A	March 12, 2021					

This is Exhibit "C"
referred to in the Affidavit of
ARNOLD MASSON
sworn this 14th day of April, 2021

R Kay

A Commissioner for Oaths/Notary Public
in and for Alberta

Richard Kay
My Commission Expires September 21, 2022

People Express Transport Ltd.
Preliminary Diligence and Documentation Request
Alvarez & Marsal Canada ULC
March 10, 2021
 Updated: April 14, 2021

Information and Documentation	Priority	Date to be Delivered to A&M	Individual(s) Responsible	Provided?	A&M Comments
PHASE 1					
(I) Monthly Borrowing Limit Certificate ("MBLC") - supporting documentation					
Supporting documentation, schedules and financial information with respect to all reported figures included in the MBLCs provided by the Company to RBC for the months ended September 30, 2020 through and including January 31, 2021.	A	March 12, 2021		Yes	Margining report for September 2020 through to January 2021 have been provided
Detailed listing <u>in excel</u> of aged accounts receivable (to the invoice level) and holdback accounts receivable including details of any disputed amounts and/or provisions for doubtful accounts.	A	March 12, 2021		Partly	-Excel listing of AR by invoice level at January 31, 2021. -documentation on holdbacks, disputed and/or provision listing provided. - require detailed AR listing by invoice level for each borrowing base period (September 2020 to December 31, 2020), only January 2021 has been provided to date.
Detailed listing <u>in excel</u> of accounts payable by entity (to the invoice level) with the following information for each creditor: - amount outstanding; - details of potential or asserted lien (including garage keeper liens) and/or trust claims; - identification of any amounts due to related parties or non-arm's length entities; - a summary of any amounts owed to Canada Revenue Agency in respect of unremitted payroll source deductions and GST; and - details of any contingent liabilities	A	March 12, 2021		Partly	-Excel listing of AP by entity as at February 28, 2021 -require AP listing broken down at invoice level. -Require any documentation or status of current or potential liens. -require information regarding any related party transaction / non-arms length
If applicable, listing of all inventory, including: description, location, original cost, estimated fair market value, copies of any recent appraisals or other indications of value.	C	March 16, 2021		Yes	- parts inventory list provided with description, cost and location - require any recent appraisals conducted on inventory, if applicable
(II) Priority Payables					
Most recent statements of account from CRA for GST, corporate taxes and payroll deductions. Additionally, most recent statements for any provincial/state jurisdictions outside of Alberta (i.e.. HST, PST).	A	March 12, 2021		Yes	-CRA screenshot provided showing account balance. -Alberta corporate tax account balance provided -require any information pertaining to HST/PST, if applicable
Copies of most recent corporate tax returns.	C	March 16, 2021		Yes	- NOA provided for 2019
If applicable, a schedule of employee pension plans, funded status, accrued obligations and funding requirements.	B	March 15, 2021		No	
Copies of most recent Workers Compensation Board ("WCB") balances.	A	March 12, 2021		Yes	- Statement from WCB provided for 2020
Schedule of rent obligations by location, copies of all leases, listing of any amounts outstanding with regard to leasing facility/land (overdue rent), and evidence of payment last three months of rental payments.	A	March 12, 2021		No	-Yard lease agreement provided -require proof of payment of rent -require rent/lease schedule and outstanding amounts, if applicable -require listing of rent obligations by location

Listing of any other accrued liabilities (federal trust claims, liens and other priority amounts) including description, amount and basis of calculation.	B	March 15, 2021		No	
(III) Employee Payroll					
Copies of all recent and historical notice of assessments or any other notices from CRA with respect to source deductions (EI, CPP, incomes taxes, etc.).	A	March 12, 2021		Yes	-screen shots CRA payroll account provided
Copies of all payroll reports (for September 2020 to current) for employees/contractors and evidence of corresponding remittances made to CRA for each payroll period. Need to see evidence that each payroll cheque has cleared the bank.	A	March 12, 2021		Partly	-excel documents provided showing payment runs and cheque register -2020 bank remittances provided -payroll reports provided showing gross and net payroll obligations per pay period, inclusive of payroll remittances. - require proof of payment for 2021 payroll periods along with reconciliation to bank for employee payment
List of all employees and contractors including: - Name and address; - position/title; - employer entity; - location of work; - salary/wage and benefits; - hiring date; and - if applicable, independent contractor agreements	B	March 15, 2021		Partly	- listing of employee names and positions has been provided - require hiring date, wage/salary and benefits information
(IV) Fixed Assets					
Listing of all equipment broken down by major category and showing owned vs. leased, including: - Description; - Location (province/state, jurisdiction, terminal, division); - Original cost; - Estimated fair market value; - Equipment finance or lease arrangement including principal outstanding; and - Copies of any recent appraisals or other indications of value.	B	March 15, 2021		Partly	-require description along with leased vs. owned information, and original cost
Current GPS tracking report identifying current location of units with GPS devices.	B	March 15, 2021		Partly	- listing of GPS locations of certain units provided - require information regarding make, model and SIN of asset with location
Listing of parts inventory, including: - Description; - Location; - Original cost; - Estimated fair market value; and - Copies of any recent appraisals or other indications of value.	C	March 16, 2021		Yes	- parts inventory list provided with description, cost and location - require any recent appraisals conducted on inventory, if applicable
Details of intercompany accounts including related party and intercompany guarantees, if any (name, amount, nature of debts).	C	March 16, 2021		No	
Details of any investments and/or government subsidies.	C	March 16, 2021		No	
Documentation of any outstanding liens that have been filed against any of the Company assets.	A	March 12, 2021		No	
(V) Short-Term Liquidity					
Short-term cash flow forecast to March 31, 2021 that will show the Company's forecast cash receipt collections and forecast disbursements required to operate the Company over the next month.	C	March 16, 2021		No	
Bank reconciliation for opening cash that supports the opening cash balance in the short term cash flow forecast.	C	March 16, 2021		No	

Bank reconciliations for September 2020 through January 2021.	A	March 12, 2021		Partly	-system generated bank recs provided -require bank statements, at transaction level, from September 2020 through to January 2021 for support
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This is Exhibit "D"
referred to in the Affidavit of
ARNOLD MASSON
sworn this 14th day of April, 2021

R Kay

A Commissioner for Oaths/Notary Public
in and for Alberta

Richard Kay
My Commission Expires September 21, 2022



March 19, 2021

Via Email: scchimuk@mcleod-law.com

McLeod Law LLP
300, 14505 Bannister Road SE
Calgary, AB T2X 3J3

dmarechal@cassels.com
tel: +1 403 351 2922
fax: +1 403 648 1151
file # 33337-817

Attention: Scott Chimuk

Dear Sirs:

Re: Credit Facilities between Royal Bank of Canada (“RBC”) and People Express Transport Ltd. (“PETL”)

We are writing further to the Forbearance Agreement dated March 8, 2021 between RBC and PETL, among others (the “**Forbearance Agreement**”) and the Commitment Deadline provided for therein. Terms not otherwise defined in this correspondence shall have the meaning ascribed to them in the Forbearance Agreement.

As you are aware, the Commitment Deadline has now passed, and RBC has not received a Commitment from PETL in accordance with the terms of the Forbearance Agreement. As such, the Monitor’s engagement has automatically converted to the Phase II activities described in the Engagement Letter. We also understand from the Monitor that PETL has not yet complied with the Phase I deliverables described in the Engagement Letter. This is the case notwithstanding a telephone call with yourself, the Monitor, Cassels, RBC and PETL on March 10, 2021 to discuss deliverables and repeated follow-up requests by both the Monitor and our firm, which included emails from the Monitor on March 12, 15 and 16, 2021 and emails from us on March 10 and 17, 2021. Given that PETL is in arrears in its reporting requirements under the Engagement Letter and has failed to meet the Commitment Deadline, RBC remains extremely concerned about the viability of PETL’s operations and RBC’s security.

We are writing to advise you that PETL’s failure to provide the Monitor with the Phase I deliverables prior to the commencement of Phase II constitutes a breach under Sections 7.2(c) and 10.1(b), (d), (f) and (q) the Forbearance Agreement, among others. As such, RBC requires that PETL immediately provide the Monitor with the outstanding phase I deliverables (the “**Outstanding Deliverables**”), a complete list of which is enclosed. Please be advised that in the event that PETL does not provide the Monitor with the Outstanding Deliverables in form and content satisfactory to the Monitor acting in its sole discretion on or before 5:00 pm MT on Monday, March 22, 2021, RBC will proceed to place all of PETL’s accounts on deposit only and will cut off all other credit currently being provided to PETL.

Finally, given that we have now entered Phase II under the Engagement Letter, the Monitor will be providing PETL with an additional list of information required along with deadlines by which such information must be provided. RBC expects that PETL’s management will make themselves available to meet with the Monitor (whether virtually or otherwise) in order to ensure that the Monitor is being provided with all necessary information. The Monitor will reach out to PETL directly to arrange such a meeting. Please be advised that

PETL's failure to produce the Phase II deliverables on the timeline established by the Monitor will be considered a further breach by PETL under the Forbearance Agreement.

RBC expressly reserves its rights to proceed with the enforcement of its rights and remedies under its security at any time, without further notice to you.

Yours truly,

Cassels Brock & Blackwell LLP

Danielle Marechal

Danielle Marechal
Partner

cc: RBC, Monitor

DM/rk
LEGAL*52628565.2

People Express Transport Ltd.
Preliminary Diligence and Documentation Request
Alvarez & Marsal Canada ULC
March 10, 2021
 Updated: March 13, 2021

Information and Documentation	Priority	Date to be Delivered to A&M	Individual(s) Responsible	Provided?	A&M Comments
PHASE 1					
(I) Monthly Borrowing Limit Certificate ("MBLC") - supporting documentation					
Supporting documentation, schedules and financial information with respect to all reported figures included in the MBLCs provided by the Company to RBC for the months ended September 30, 2020 through and including January 31, 2021.	A	March 12, 2021		Yes	Margining report for September 2020 through to January 2021 have been provided
Detailed listing in excel of aged accounts receivable (to the invoice level) and holdback accounts receivable including details of any disputed amounts and/or provisions for doubtful accounts.	A	March 12, 2021		Partly	-Excel listing of AR by invoice level at January 31, 2021. -documentation on holdbacks, disputed and/or provision listing provided. - require detailed AR listing by invoice level for each borrowing base period (September 2020 to December 31, 2020)
Detailed listing in excel of accounts payable by entity (to the invoice level) with the following information for each creditor: - amount outstanding; - details of potential or asserted lien (including garage keeper liens) and/or trust claims; - identification of any amounts due to related parties or non-arm's length entities; - a summary of any amounts owed to Canada Revenue Agency in respect of unremitted payroll source deductions and GST; and - details of any contingent liabilities	A	March 12, 2021		Partly	-Excel listing of AP by entity -require AP listing broken down at invoice level. -Require any documentation or status of current or potential liens. -require information regarding any related party transaction / non-arms length
If applicable, listing of all inventory, including: description, location, original cost, estimated fair market value, copies of any recent appraisals or other indications of value.	C	March 16, 2021		Yes	- parts inventory list provided with description, cost and location - require any recent appraisals conducted on inventory, if applicable
(II) Priority Payables					
Most recent statements of account from CRA for GST, corporate taxes and payroll deductions. Additionally, most recent statements for any provincial/state jurisdictions outside of Alberta (i.e.. HST, PST).	A	March 12, 2021		Yes	-CRA screenshot provided showing account balance. -Alberta corporate tax account balance provided -require any information pertaining to HST/PST, if applicable
Copies of most recent corporate tax returns.	C	March 16, 2021		Yes	- NOA provided for 2019
If applicable, a schedule of employee pension plans, funded status, accrued obligations and funding requirements.	B	March 15, 2021		No	
Copies of most recent Workers Compensation Board ("WCB") balances.	A	March 12, 2021		Yes	- Statement from WCB provided for 2020
Schedule of rent obligations by location, copies of all leases, listing of any amounts outstanding with regard to leasing facility/land (overdue rent), and evidence of payment last three months of rental payments.	A	March 12, 2021		No	-Yard lease agreement provided -require proof of payment of rent -require rent/lease schedule and outstanding amounts, if applicable -require listing of rent obligations by location
Listing of any other accrued liabilities (federal trust claims, liens and other priority amounts) including description, amount and basis of calculation.	B	March 15, 2021		No	
(III) Employee Payroll					
Copies of all recent and historical notice of assessments or any other notices from CRA with respect to source deductions (EI, CPP, incomes taxes, etc.).	A	March 12, 2021		Yes	-screen shots CRA payroll account provided

Copies of all payroll reports (for September 2020 to current) for employees/contractors and evidence of corresponding remittances made to CRA for each payroll period. Need to see evidence that each payroll cheque has cleared the bank.	A	March 12, 2021		Partly	-excel documents provided showing payment runs and cheque register -2020 bank remittances provided - require proof of payment for 2021 payroll periods along with reconciliation to bank/CRA for employee payment and remittances -require payroll reports that shows gross and net payroll obligations per pay period, inclusive of payroll remittances (third party report, if applicable).
List of all employees and contractors including: - Name and address; - position/title; - employer entity; - location of work; - salary/wage and benefits; - hiring date; and - if applicable, independent contractor agreements	B	March 15, 2021		Partly	- listing of employee names and positions has been provided - require hiring date, wage/salary and benefits information
(IV) Fixed Assets					
Listing of all equipment broken down by major category and showing owned vs. leased, including: - Description; - Location (province/state, jurisdiction, terminal, division); - Original cost; - Estimated fair market value; - Equipment finance or lease arrangement including principal outstanding; and - Copies of any recent appraisals or other indications of value.	B	March 15, 2021		No	
Current GPS tracking report identifying current location of units with GPS devices.	B	March 15, 2021		Partly	- listing of GPS locations of certain units provided - require information regarding make, model and SIN of asset with location
Listing of parts inventory, including: - Description; - Location; - Original cost; - Estimated fair market value; and Copies of any recent appraisals or other indications of value.	C	March 16, 2021		Yes	- parts inventory list provided with description, cost and location - require any recent appraisals conducted on inventory, if applicable
Details of intercompany accounts including related party and intercompany guarantees, if any (name, amount, nature of debts).	C	March 16, 2021		No	
Details of any investments and/or government subsidies.	C	March 16, 2021		No	
Documentation of any outstanding liens that have been filed against any of the Company assets.	A	March 12, 2021		No	
(V) Short-Term Liquidity					
Short-term cash flow forecast to March 31, 2021 that will show the Company's forecast cash receipt collections and forecast disbursements required to operate the Company over the next month.	C	March 16, 2021		No	
Bank reconciliation for opening cash that supports the opening cash balance in the short term cash flow forecast.	C	March 16, 2021		No	
Bank reconciliations for September 2020 through January 2021.	A	March 12, 2021		Partly	-system generated bank recs provided -require bank statements, at transaction level, from September 2020 through to January 2021 for support

This is Exhibit "E"
referred to in the Affidavit of
ARNOLD MASSON
sworn this 14th day of April, 2021

R / Kay

A Commissioner for Oaths/Notary Public
in and for Alberta

Richard Kay
My Commission Expires September 21, 2022

Kay, Richard

Subject: FW: Peoples' disclosure

From: Scott Chimuk <scchimuk@mcleod-law.com>

Sent: Tuesday, March 23, 2021 11:50 AM

To: Konowalchuk, Orest <okonowalchuk@alvarezandmarsal.com>; Marechal, Danielle <dmarechal@cassels.com>; Riglin, Cassie <criglin@alvarezandmarsal.com>; Ranjeet Khurana <RKhurana@peoplexpress.ca>; tanya@peoplexpress.ca; Gurbaj@peoplexpress.ca; Charanpreet Brar <Preet@peoplexpress.ca>; Oliver, Jeffrey <joliver@cassels.com>; Krol, Bryan <bkrol@alvarezandmarsal.com>; Arnold Masson (arnold.masson@rbc.com) <arnold.masson@rbc.com>

Cc: Teri-lynn Sexsmith <TSexsmith@mcleod-law.com>

Subject: RE: Peoples' disclosure

All,

By way of update my client has a signed term sheet which will take out the RBC loan in its entirety. Please contact me as it may make sense to set up a call on this.

Regards,

Scott C. Chimuk | Partner



McLeod Law LLP | [Web](#) | [Bio](#)

Direct 403 873 3756 | **Main** 403 278 9411 | **Fax** 403 271 1769

300, 14505 Bannister Road SE, Calgary AB, T2X 3J3

Our [COVID-19 Resources](#) are available to you, with the updates and valuable guidance to help businesses and individuals navigate their challenges in this new environment.

CONFIDENTIALITY NOTICE

This e-mail message and any attachments are confidential and are intended only for the person(s) or organization(s) named above. The information contained in this e-mail message and any attachments is protected by solicitor/client privilege. If you are not the intended recipient of this message, you are prohibited from disseminating, distributing, disclosing, reading, reproducing or otherwise using this communication. If you have received this communication in error, please return it to the sender and delete all records of this e-mail message and any attachments from your computer. Thank you.

This is Exhibit "F"
referred to in the Affidavit of
ARNOLD MASSON
sworn this 14th day of April, 2021

R Kay

A Commissioner for Oaths/Notary Public
in and for Alberta

Richard Kay
My Commission Expires September 21, 2022

March 19, 2021

People Express Transport Ltd.

4220, 67 Avenue NE
Calgary, Alberta
T3J 4H3

Dear Mr. Charanpreet Brar, Gurbaj Sandhu and Gurpreet Brar:

eCapital Freight Factoring, Inc. (“eCapital”) is pleased to present the following proposal (“Proposal”). **Please bear in mind that this is a Proposal and not a commitment to lend funds to the Seller.** eCapital’s Proposal is contingent upon the performance of our final due diligence and the execution of formal loan documents. The proposed structure is based on the information provided to eCapital at this time and is subject to modification in eCapital’s sole discretion based on the results of its credit and due diligence review and final credit approval by eCapital. All other terms and conditions not specified herein will be stated in eCapital’s loan agreement and other loan documents.

APPLICANT: People Express Transport Ltd. (referred to as the “Seller”).

CREDIT FACILITY: Up to \$13,000,000 (the “Credit Facility”) comprised of a \$6,000,000 ASSET Legered Line of Credit (the “Revolver”) and a Term Loan supported by equipment in the principal amount of up to \$7,000,000 (the “Term Loan”). Collectively and with any and all other debt or obligations of any type or kind to eCapital (the “Obligations”).

THE REVOLVER: Comprehensive Receivables Management with funding availability including; professional accounts receivable management, credit checking and invoice consulting. The Seller will have real time online access with password to include reports on detailed aging, purchases & advances, availability, and check images. A facility to upload invoice data will be made available.

PURPOSE: To provide working capital and payoff existing facility(s) with RBC.

GUARANTEES: Personal guarantees from all corporate owners and significant members of management (the “Personal Guarantors”). Cross Corporate Guarantees from all related and affiliated companies (the “Corporate Guarantors”). The Personal Guarantors and Corporate Guarantors will be collectively known as the Guarantors (the “Guarantors”). The Guarantors shall jointly and severally guaranty all the Obligations of the Seller.

COLLATERAL: The Obligations will be secured by a first security interest, as evidenced by a perfected General Security Agreement (GSA), in all assets of the Seller and all subsidiaries, parents and affiliated legal entities and such other collateral as the parties may agree. Perfection in all cash accounts of the **Seller** will occur in form and substance acceptable to eCapital, including but not limited to full notification of the account debtors.

RELATED PARTY DEBT, LOANS AND DISTRIBUTIONS:

All current and future obligations to the parents, subsidiaries, affiliates, owners, managers and other related parties (the “Affiliated Parties”) shall be fully subordinated to the Obligations. All loans, distributions of any kind and payments

under any management agreements to the Affiliated Parties shall be at eCapital's discretion, not to be unreasonably withheld.

**AVAILABILITY
AND ADVANCES:**

Up to 100% of eligible accounts receivable; ineligible accounts receivable to be determined in eCapital's sole discretion (see Eligible Account section below). Total advances on accounts receivables are not to exceed \$6,000,000.

Full eligibility criteria for accounts receivables categories to be determined during due diligence.

The sum of the foregoing will be the Availability (the "Availability") under the Factoring Facility.

ELIGIBLE ACCOUNTS:

Eligible Accounts Receivable are generally invoices (along with required supporting documentation) related to credit worthy Commercial clients billed in arrears and, due and payable within 90 days of invoice date, or 60 days past due date. Work performed is free and clear of any and all liens, and any subcontractors utilized by customer are paid in full.

RECOURSE:

Recourse to customer at 90 days.

TERM LOAN:

Up to 75% of the Orderly Liquidation Value (the "OLV") of equipment ("The Lending Value on Equipment"), all as determined by approved third party appraisers. Total advances on the Term Loan are not to exceed \$7,000,000.

The term loan(s) will amortize over 60 equal monthly installments but will be coterminous with the Factoring Facility.

The Lending Value on Equipment shall be reduced by one-point five percent (1.5%) of the then current Lending Value on Equipment per month starting on date hereof to account for depreciation of the Motor Vehicles and Equipment.

PRICING:

Pricing will include the following:

- An administration fee of zero-point seven five percent (0.75%) charged at time of purchase.
- Prime plus five percent (5.00%) on the funds employed under the Revolver supported by accounts receivable. "Prime" being the Prime rate as published by the Scotiabank.
- Prime plus nine-point five five percent (9.55%) on the Term Loan. "Prime" being the Prime rate as published by the Scotiabank. At no time shall the interest rate on the Term Loan be less than 12% per annum
- Other fees may include, but are not limited to, wire fees of \$30 and ACH \$0

FACILITY FEE:

A one-time fee of one percent (1.00%) of the credit facility earned and payable upon first funding.

TERM:

24 months from the date of closing (the "Closing Date").

PREPAYMENT PENALTY:	Prepayment Penalty of 3.0% of Credit Facility is terminated in in the first 12 months and 0.5% if terminated in next 12 months. Notwithstanding the Customer may terminate this contract without penalty upon sixty (60) days prior written notice should they secure a suitable credit facility from a Schedule one Canadian Bank or Canadian Credit Union sufficient to buy out the amounts outstanding from the Company.
COLLECTION/FLOAT DAYS:	All receipts from customers will be directed to eCapital. Seller shall receive immediate credit for valid funds deposited/received by eCapital.
GOOD FAITH DEPOSIT:	<p>A deposit in the amount of \$25,000 (the “<u>Good Faith Deposit</u>”) shall be used by eCapital for out of pocket expenses related to the due diligence of the Credit Facility and shall be due and payable upon execution of this Proposal.</p> <p>If the Credit Facility closes any unused portion of the Good Faith Deposit shall be applied in the following order:</p> <ul style="list-style-type: none">• To any shortage on the Good Faith Deposit• To the Closing Fee or• To the Obligations <p>If the Factoring Facility is approved by eCapital but the facility does not close due to an action or inaction by the Seller or Guarantors or the Seller elects to not close the Factoring Facility then the Good Faith Deposit shall be retained by eCapital.</p> <p>If the Factoring Facility is not approved by eCapital any unused portion of the Good Faith Deposit shall be applied in the following order:</p> <ul style="list-style-type: none">• To any shortage on the Good Faith Deposit• To any costs associated with the closing of the Credit Facility• Refunded to the Seller
DUE DILIGENCE COSTS:	Seller is liable for the payment of all expenses incurred by eCapital in reviewing and/or closing the proposed transaction and shall reimburse eCapital for all such expenses exceeding the amount of the Good Faith Deposit upon request. These costs are to be paid by Seller whether or not the Credit Facility closes. The Seller’s obligations under this section shall survive the termination and/or expiration of this Proposal.
REPORTING:	Seller shall forward, as requested, all pertinent information request by eCapital. eCapital reserves the right to request, and the Seller hereby grants eCapital the right, to obtain information it deems necessary to verify invoices and to collect payments.
CONDITIONS:	Satisfactory conclusion of customary and usual due diligence for a transaction of this type, size and complexity. Including appraisals as outlined above.
FACILITY CLOSING DATE:	The Factoring Facility must close by April 1 st , 2021 (the “Closing Date”) or a date mutually agreed by all parties.
FINANCIAL COVENANTS:	None

INSURANCE: Seller agrees to provide adequate insurance, including personal property, real estate and general liability naming eCapital as additional insured/loss payee.

EXPIRATION: If this proposal has not been accepted by you and the Good Faith Deposit has not been delivered to eCapital by close of business on March 22nd, 2021, this Proposal will terminate, and the terms set forth herein will be of no further force and effect.

NONDISCLOSURE:

This is a confidential document. By accepting this proposal, the Customer hereby agrees not to disclose the contents herein. Provided, however, that the Customer may disclose any such information in circumstances in which it is reasonably necessary to do so, to an employee, advisor, or attorney, so long as such party is made aware, and agrees to be bound, by the nondisclosure commitment contained herein.

This document does not purport to summarize all the terms, conditions, covenants, representations, warranties or other provisions that are to be included in the Agreements. The actual terms and conditions upon which the Company might extend Funds are subject to due diligence, formal credit approval, and satisfactory execution and delivery of the agreements noted above.

eCapital Freight Factoring, Inc.

By:  _____

Name: James Poston

Title: Chief of Sales

ACCEPTED AND AGREED
People Express Transport Ltd.

By: _____
Authorized Signatory

Name: _____

Title: _____

This is Exhibit "G"
referred to in the Affidavit of
ARNOLD MASSON
sworn this 14th day of April, 2021

R Kay

A Commissioner for Oaths/Notary Public
in and for Alberta

Richard Kay

My Commission Expires September 21, 2022



April 1, 2021

Via Email: scchimuk@mcleod-law.com

McLeod Law LLP
300, 14505 Bannister Road SE
Calgary, AB T2X 3J3

dmarechal@cassels.com
tel: +1 403 351 2922
fax: +1 403 648 1151
file # 33337-817

Attention: Scott Chimuk

Dear Sirs:

Re: Credit Facilities between Royal Bank of Canada (“RBC”) and People Express Transport Ltd. (“PETL”)

We are writing further to our telephone call with PETL, the Monitor, e-Capital and yourself on March 31, 2021 at 2:00 pm. Terms not otherwise defined herein shall have the meaning ascribed to them in the Forbearance Agreement dated March 8, 2021 between RBC and PETL, among others.

In order to provide RBC with time to consider the refinancing proposed by e-Capital, RBC will agree to adjourn the April 7, 2021 court date to the earliest available Court date during the week of April 19, 2021 (the “**Adjournment Date**”) on the following terms and conditions:

1. On or before 4:00 pm MT on April 1, 2021 (the “**Authorization Deadline**”), PETL shall irrevocably authorize and direct e-Capital and its representatives to provide the Monitor and RBC with any and all information, documents, access and records provided by PETL to e-Capital, whether in relation to e-Capital’s proposed refinancing of the Obligations or otherwise (the “**e-Capital Authorization**”).
2. PETL shall provide, or shall have e-Capital provide, RBC and the Monitor with the following information (in form and content satisfactory to RBC and the Monitor in their sole discretion) as soon as reasonably practical but in any event no later than 5:00 pm on Monday, April 5, 2021 (the “**Information Deadline**”):
 - (a) A complete and detailed fixed asset listing, which shall include without limitation the location, cost, fair market value, leasing/financing obligations, kms and condition of each asset;
 - (b) A complete list of all employees of PETL, the number and quantum of payrolls that have been missed by PETL as well as 2021 payroll reports showing gross and net payroll obligations of PETL;
 - (c) Evidence of all payroll remittances made since last provided to RBC;
 - (d) Most current AR and AP aging report to invoice level as well as any AR and AP files provided to e-Capital for their diligence work; and

- (e) Copies of all bank statements for any bank accounts held with financial institutions other than RBC;

(collectively, the “**Requested Information**”).

3. In event that the:

- (a) e-capital Authorization is not provided prior to the Authorization Deadline; or
- (b) Requested Information is not provided prior to the Information Deadline;

RBC shall be entitled to immediately and without further notice to PETL of any kind seek the pronouncement of the Consent Receivership Order without opposition from PETL on an emergency basis and in advance of the Adjournment Date.

- 4. PETL shall fully cooperate with any and all information and documents requests from the Monitor without delay.
- 5. The Forbearance Agreement shall not be formally extended, and RBC reserves its rights to seek the immediate enforcement of its Security should any of the foregoing terms and conditions not be complied with.

The above offer shall remain open until 2:00 pm MT on April 1, 2021. We trust the foregoing is in order and look forward to your reply.

Yours truly,

Cassels Brock & Blackwell LLP

Danielle Marechal

Danielle Marechal
Partner

cc: RBC, Monitor

DM/rk
LEGAL*52760850.1

This is Exhibit "H"
referred to in the Affidavit of
ARNOLD MASSON
sworn this 14th day of April, 2021

R Kay

A Commissioner for Oaths/Notary Public
in and for Alberta

Richard Kay
My Commission Expires September 21, 2022

Kay, Richard

From: Tanya Singh <Tanya@peoplexpress.ca>
Sent: Thursday, April 08, 2021 2:08 PM
To: Konowalchuk, Orest; Scott Chimuk; Krol, Bryan; Charanpreet Brar; Ranjeet Khurana; Gurbaj Sandhu
Cc: Marechal, Danielle; Oliver, Jeffrey; Riglin, Cassie; Hilton, Trevor
Subject: Re: People Express Ltd. - Questions on Data

Good Afternoon to all of you,

Please see the answers below in red that we were able to make without Ranjeet. Thank you

We are in the midst of reviewing the material that has been sent by People as well as E-Capital, and have a few questions with regard to the following:

- The accounts receivable listing has a number of line items that are classified as “Other Receivables.” Could you please explain to us what these “Other Receivables” are made up of and provide us a detailed GL specifically for this class of AR dating from September 2020 to February 2021? **As far as the GL goes that defiantly will have to come from Ranjeet when he returns. But as far as the "Other Receivables" go they are made up off, Owner Operators that owe us money for things like Insurance, Prorate, Prepass, and repairs from our shop.**
- We noted a substantial amount is owing from Altalink Logistics Ltd. Could you please confirm the relationship of this party? **This is a related company (sister company) to People Express. Is this a related party receivable? Yes**
- Are there any other related party receivables that we should be aware of? **No**
- In reviewing the payroll registry, we noted that cheques cut as listed within the September through to January “Payment Files” do not reconcile with the payroll registry. Do you have supporting documentation that show amounts within the payroll registry were in fact paid to the employees? **Up to December 31, 2020 there is no difference between CRA and our records as per the provided documents earlier.**

Tanya Singh
Operations Manager
People Express Transport Ltd.
and
AltaLink Logistics Ltd.
PH: 403-285-4800 ext. 221
Direct: 587-430-3756
fax: 403-285-4812



CANADA / U.S BONDED CARRIER

From: Konowalchuk, Orest <okonowalchuk@alvarezandmarsal.com>

Sent: Thursday, April 8, 2021 1:46 PM

To: Tanya Singh <Tanya@peoplexpress.ca>; Scott Chimuk <scchimuk@mcleod-law.com>; Krol, Bryan <bkrol@alvarezandmarsal.com>; Charanpreet Brar <Preet@peoplexpress.ca>; Ranjeet Khurana <RKhurana@peoplexpress.ca>; Gurbaj Sandhu <Gurbaj@peoplexpress.ca>

Cc: Danielle Marechal (dmarechal@casselsbrock.com) <dmarechal@casselsbrock.com>; joliver@casselsbrock.com <joliver@casselsbrock.com>; Riglin, Cassie <criglin@alvarezandmarsal.com>; Hilton, Trevor <thilton@alvarezandmarsal.com>

Subject: RE: People Express Ltd. - Questions on Data

Thank you Tanya. As we wait on final word from Mr. Khurana, if any of the other senior management can provide their comments to bullet points #1 and #2 (in Bryan’s email) that would be helpful. For instance, we are trying to get a sense what is in these accounts and if there are related party transactions (i.e. what is the nature of the ‘other receivables’ and the relationship to ‘Altalink Logistics’ or others?).

Regards,
Orest

From: Tanya Singh <Tanya@peoplexpress.ca>

Sent: Thursday, April 08, 2021 1:11 PM

To: Konowalchuk, Orest <okonowalchuk@alvarezandmarsal.com>; Scott Chimuk <scchimuk@mcleod-law.com>; Krol, Bryan <bkrol@alvarezandmarsal.com>; Charanpreet Brar <Preet@peoplexpress.ca>; Ranjeet Khurana <RKhurana@peoplexpress.ca>; Gurbaj Sandhu <Gurbaj@peoplexpress.ca>

Cc: Danielle Marechal (dmarechal@casselsbrock.com) <dmarechal@casselsbrock.com>; joliver@casselsbrock.com; Riglin, Cassie <criglin@alvarezandmarsal.com>; Hilton, Trevor <thilton@alvarezandmarsal.com>

Subject: Re: People Express Ltd. - Questions on Data

[EXTERNAL EMAIL]

Good Afternoon,

Orest, internal accountant(Ranjeet Khurana) is away sick and when he returns, he will be able to call our external accounting firm and get the appropriate responses is my understanding.

Thank you

Tanya Singh
Operations Manager
People Express Transport Ltd.
and
AltaLink Logistics Ltd.
PH: 403-285-4800 ext. 221
Direct: 587-430-3756
fax: 403-285-4812



From: Konowalchuk, Orest <okonowalchuk@alvarezandmarsal.com>
Sent: Thursday, April 8, 2021 1:07 PM
To: Scott Chimuk <scchimuk@mcleod-law.com>; Tanya Singh <Tanya@peoplexpress.ca>; Krol, Bryan <bkrol@alvarezandmarsal.com>; Charanpreet Brar <Preet@peoplexpress.ca>; Ranjeet Khurana <RKhurana@peoplexpress.ca>; Gurbaj Sandhu <Gurbaj@peoplexpress.ca>
Cc: Danielle Marechal (dmarechal@casselsbrock.com) <dmarechal@casselsbrock.com>; joliver@casselsbrock.com <joliver@casselsbrock.com>; Riglin, Cassie <criglin@alvarezandmarsal.com>; Hilton, Trevor <thilton@alvarezandmarsal.com>
Subject: RE: People Express Ltd. - Questions on Data

Hi Scott,
Could you clarify. Is the Company waiting on their "external accountant" to give this explanation or its "internal (CFO) accountant" for this information.
Regards,
Orest

From: Scott Chimuk <scchimuk@mcleod-law.com>
Sent: Thursday, April 08, 2021 11:57 AM
To: Tanya Singh <Tanya@peoplexpress.ca>; Krol, Bryan <bkrol@alvarezandmarsal.com>; Charanpreet Brar <Preet@peoplexpress.ca>; Ranjeet Khurana <RKhurana@peoplexpress.ca>; Gurbaj Sandhu <Gurbaj@peoplexpress.ca>
Cc: Konowalchuk, Orest <okonowalchuk@alvarezandmarsal.com>; Danielle Marechal (dmarechal@casselsbrock.com) <dmarechal@casselsbrock.com>; joliver@casselsbrock.com; Riglin, Cassie <criglin@alvarezandmarsal.com>; Hilton,

Trevor <thilton@alvarezandmarsal.com>

Subject: RE: People Express Ltd. - Questions on Data

[EXTERNAL EMAIL]

All,

By way of update my client's accountant is the only person who can answer this information. I've been advised that he was away from the office both yesterday and now today. As such I wanted to let everyone know that my client is looking into this request however they are waiting for their accountant to come back so that they can adequately respond.

Regards,

Scott C. Chimuk | Partner



McLeod Law LLP | [Web](#) | [Bio](#)

Direct 403 873 3756 | **Main** 403 278 9411 | **Fax** 403 271 1769

300, 14505 Bannister Road SE, Calgary AB, T2X 3J3

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From: Tanya Singh <Tanya@peoplexpress.ca>

Sent: Tuesday, April 6, 2021 3:13 PM

To: Krol, Bryan <bkrol@alvarezandmarsal.com>; Charanpreet Brar <Preet@peoplexpress.ca>; Ranjeet Khurana <RKhurana@peoplexpress.ca>; Gurbaj Sandhu <Gurbaj@peoplexpress.ca>

Cc: Konowalchuk, Orest <okonowalchuk@alvarezandmarsal.com>; Scott Chimuk <scchimuk@mcleod-law.com>; Danielle Marechal (dmarechal@casselsbrock.com) <dmarechal@casselsbrock.com>; joliver@casselsbrock.com; Riglin, Cassie <criglin@alvarezandmarsal.com>; Hilton, Trevor <thilton@alvarezandmarsal.com>

Subject: Re: People Express Ltd. - Questions on Data

Good Afternoon to all of you,

Bryan, these are questions for our accountant - Ranjeet Khurana.

Ranjeet, please respond to Bryan's questions below asap.

Thank you

Tanya Singh

Operations Manager
People Express Transport Ltd.
and
AltaLink Logistics Ltd.
PH: 403-285-4800 ext. 221
Direct: 587-430-3756
fax: 403-285-4812



From: Krol, Bryan <bkrol@alvarezandmarsal.com>
Sent: Tuesday, April 6, 2021 3:07 PM
To: Tanya Singh <Tanya@peoplexpress.ca>; Charanpreet Brar <Preet@peoplexpress.ca>; Ranjeet Khurana <RKhurana@peoplexpress.ca>; Gurbaj Sandhu <Gurbaj@peoplexpress.ca>
Cc: Konowalchuk, Orest <okonowalchuk@alvarezandmarsal.com>; Scott Chimuk <scchimuk@mcleod-law.com>; Danielle Marechal (dmarechal@casselsbrock.com) <dmarechal@casselsbrock.com>; joliver@casselsbrock.com <joliver@casselsbrock.com>; Riglin, Cassie <criglin@alvarezandmarsal.com>; Hilton, Trevor <thilton@alvarezandmarsal.com>
Subject: People Express Ltd. - Questions on Data

Tanya, et al.,

We are in the midst of reviewing the material that has been sent by People as well as E-Capital, and have a few questions with regard to the following:

- The accounts receivable listing has a number of line items that are classified as “Other Receivables.” Could you please explain to us what these “Other Receivables” are made up of and provide us a detailed GL specifically for this class of AR dating from September 2020 to February 2021?
- We noted a substantial amount is owing from AltaLink Logistics Ltd. Could you please confirm the relationship of this party? Is this a related party receivable?
- Are there any other related party receivables that we should be aware of?
- In reviewing the payroll registry, we noted that cheques cut as listed within the September through to January “Payment Files” do not reconcile with the payroll registry. Do you have supporting documentation that show amounts within the payroll registry were in fact paid to the employees?

Please let me know if you require any further clarification on the above points.

Thank you,

Bryan Krol

Director

Alvarez & Marsal Canada

Suite 1110, 250 6th Ave. S.W.

Calgary, AB T2P 3H7

Direct: +1 403 538 7523

Mobile: +1 587 227 2559

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This is Exhibit "I"
referred to in the Affidavit of
ARNOLD MASSON
sworn this 14th day of April, 2021

R Kay

A Commissioner for Oaths/Notary Public
in and for Alberta

Richard Kay
My Commission Expires September 21, 2022

Kay, Richard

From: Oliver, Jeffrey <joliver@cassels.com>
Sent: Thursday, April 08, 2021 2:10 PM
To: Scott Chimuk
Cc: Konowalchuk, Orest; Riglin, Cassie; Krol, Bryan; Arnold Masson (Arnold.Masson@rbc.com); Manski, Juergen; Marechal, Danielle; Randy Mitchell
Subject: With Prejudice - RBC and PETL [IWOV-LEGAL.033337-00817]

“With Prejudice”

Scott,

Further to our recent discussion, RBC has determined that it is unwilling to accept the ECapital refinancing offer. The basis for that is several fold. First, RBC is of the view that the value contained within the offer is insufficient. Your client was provided time under the Forbearance Agreement to obtain refinancing that was sufficient to repay RBC in full, and obviously the ECapital offer falls far short of that. Second, your client has been consistently slow in providing information to A&M in relation to this matter, and in fact only meaningfully complied with its reporting obligations under the Forbearance Agreement last Thursday prior to the Easter long weekend, and only after our office had to threaten an emergency receivership application in order to obtain compliance. There are also still outstanding inquiries from Tuesday that remain unanswered, and it is unclear why company management cannot answer at least some of those questions.

As we discussed, based on the information that has been provided to A&M to date, it is evident that your client’s reluctance in providing the requested information is because its content is troubling. Among other things, it appears that your client has been utilizing a bank account with ATB, which is a clear attempt to direct RBC’s security (ie. receivables) from its control. Further, it also appears that a significant amount (close to half) owed to your client in accounts receivables, if legitimate, were ineligible for margining purposes. These issues, along with your client’s inability to be transparent in its dealings with RBC and its failure to comply with its obligations generally under the Forbearance Agreement, have resulted in RBC’s complete loss of faith in management.

As we also discussed, notwithstanding the foregoing, RBC is willing in good faith to provide your client with one final opportunity to attempt to find refinancing to repay RBC in an amount that is in excess of the ECapital offer. As RBC has no faith in management and insufficient transparency into your client’s business, the key elements of this offer are non-negotiable. In light of these issues, RBC may interpret your client’s refusal of this offer or failure to respond to this offer as evidence that RBC should be concerned about the safety and security of its collateral, and as such reserves the right to apply on an emergency basis to enter the Consent Receivership Order provided by your client to our firm prior to the currently scheduled April 20, 2021 court date.

In any event, even if RBC does not proceed on an emergency basis, if this offer is rejected or expires, RBC will proceed at the very latest to enter the Consent Receivership Order on April 20, 2021.

In summary, RBC is willing to grant additional time to your client and **not** enter the Consent Receivership Order if the company agrees with the below referenced proposal by no later than 4:00 P.M. (MT) on April 9, 2021, and then complies strictly with the timelines and obligations below:

- Your client shall file a Notice of Intention to Make a Proposal in Bankruptcy under the BIA by no later than April 13, 2021 (or such other date as mutually agreed to by RBC and your client). A&M shall be the proposal trustee thereunder. At the same time, your client shall consent to the appoint of A&M as interim receiver under the BIA pursuant to a Court Order that is substantially similar to the receivership order your client already consented to,

except that the Order will expire within 30 days of its pronouncement, as required by the BIA. The interim receivership will assist your client in its messaging to stakeholders, as will the commencement of the BIA proposal process.

- The interim receivership order will permit A&M, should they choose to exercise their powers, among other things, to:
 - to exercise complete control over the company and its assets. However, the intention will be that company management will continue to be the “face” of the business to customers and third parties, under the direction of the interim receiver, except where that is not practical or appropriate.
 - to borrow funds from RBC on a priority basis
 - to generally supervise an orderly wind down of the business, so that if the proceeding ends within 30 days, trucks, drivers and customer goods are not all over North America, with A&M having little information regarding ongoing operations. In turn, A&M is also entitled to permit the company to continue to operate if they determine that it is economically justifiable and appropriate to do so.
- Subject to the below, the company shall have the benefit of the initial 30 day stay period under the BIA proposal and interim receivership to seek alternate financing/transactions to present to RBC. If RBC is of the view, in its sole and absolute discretion, that such offers are likely to yield an outcome that is improved over what it will obtain in a liquidation, RBC will likely consent to the extension of the stay of proceedings in order to permit such refinancing to be pursued. Alternatively, if no further or better offer is obtained or if RBC does not otherwise consent, the company will not apply to extend the stay of proceedings, it will become bankrupt and RBC will apply to convert the interim receiver into a fully empowered receiver under the BIA.
- As RBC’s s. 244 notices have expired, RBC will not be caught by the stay of proceedings created both by the BIA proposal and the Interim Receivership Order. RBC is entitled to apply to appoint a Receiver at any time should it be concerned with matters as they progress.
- The advantages of this approach to the Company are:
 - It provides time to bring another offer to the table
 - It allows the company to be adequately funded in the short term through a receiver, including ensuring that drivers are paid, not left stranded, etc. Your client is clearly undercapitalized, and RBC will only advance further funds to the company through a receiver or interim receiver.
 - Your client is able to “save face” with certain stakeholders as being part of an orderly wind down compared to a receivership.
 - Receivable recovery may be improved, potentially reducing guarantee exposure. Guarantee exposure will also be reduced through the increased efficiency of an orderly wind down.
 - RBC will consider such co-operation in a positive fashion when addressing the guarantees.

In summary, at this stage of the company’s economic lifecycle, it needs to act in the interests of all of its stakeholders (and in particular RBC). This offer allows your client to have additional time to bring refinancing to the table, the benefit of a stay of proceedings to prevent customers from terminating contracts due to insolvency related defaults, and provides RBC with the critical oversight of A&M to manage operations and commence an orderly winddown to avoid the risk to drivers, customers and the public of an un-coordinated shut down. Further, this alternative is far better for your client than a receivership, which is the only other avenue under which this will proceed.

Please let me know if you have any questions. We look forward to hearing from you prior to 4 p.m (MT) tomorrow.

Cassels | **JEFFREY OLIVER** *(he/him/his)*
t: +1 403 351 2921
e: joliver@cassels.com

Cassels Brock & Blackwell LLP | cassels.com
Suite 3810, Bankers Hall West, 888 3rd Street SW

Calgary, AB T2P 5C5 Canada
Services provided through a professional corporation

This is Exhibit "J"
referred to in the Affidavit of
ARNOLD MASSON
sworn this 14th day of April, 2021

R Kay

A Commissioner for Oaths/Notary Public
in and for Alberta

Richard Kay
My Commission Expires September 21, 2022

Kay, Richard

Subject: FW: With Prejudice - RBC and PETL [IWOV-LEGAL.033337-00817]

From: Scott Chimuk <scchimuk@mcleod-law.com>

Sent: Monday, April 12, 2021 11:58 AM

To: Oliver, Jeffrey <joliver@cassels.com>; Marechal, Danielle <dmarechal@cassels.com>

Cc: Randy Mitchell <rmitchell@mcleod-law.com>; Teri-lynn Sexsmith <TSexsmith@mcleod-law.com>

Subject: RE: With Prejudice - RBC and PETL [IWOV-LEGAL.033337-00817]

“With Prejudice”

Jeff,

We are writing to advise that my client’s are rejecting RBC’s proposal.

People’s Offer

My client is prepared to make the following offer: People’s is agreeable to appointing a Trustee for the purpose of submitting an NOI. Said Trustee would be provided with the powers to monitor and report to the Court but not to administer the operations of the corporation during the course of the 30 day period and any extension thereafter as may be ordered by the Court. The NOI would be submitted within one week of RBC accepting this offer. The consent order will not be filed and all further steps will happen in accordance with the NOI procedures set out in the BIA or as otherwise ordered by the Court.

Consent Order

Pursuant to Cassel’s letter of April 1, 2021 all demands have been complied with. A court date has been set for April 20, 2021. Accordingly the consent order cannot be filed or dealt with until that time. If People’s offer is rejected People’s intends to immediately apply for a temporary stay of the appointment of any trustee for 30 days pending the resolution of the NOI process. This application will be brought on the April 20 court date.

If RBC takes the position that this is an emergency requiring a date before April 20, 2021 then we are agreeable to working with RBC to obtain an earlier date notwithstanding the fact that we reject any suggestion that there is an emergency requiring an earlier date.

Please advise if RBC is willing to accept People’s offer.

If you have any questions do not hesitate to let me know.

Regards,

Scott C. Chimuk | Partner



McLeod Law LLP | [Web](#) | [Bio](#)

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300, 14505 Bannister Road SE, Calgary AB, T2X 3J3

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From: Oliver, Jeffrey <joliver@cassels.com>

Sent: Thursday, April 8, 2021 2:10 PM

To: Scott Chimuk <scchimuk@mcleod-law.com>

Cc: Konowalchuk, Orest <okonowalchuk@alvarezandmarsal.com>; Riglin, Cassie <criglin@alvarezandmarsal.com>; Krol, Bryan <bkrol@alvarezandmarsal.com>; Arnold Masson (Arnold.Masson@rbc.com) <Arnold.Masson@rbc.com>; Manski, Juergen <juergen.manski@rbc.com>; Marechal, Danielle <dmarechal@cassels.com>; Randy Mitchell <rmitchell@mcleod-law.com>

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Please let me know if you have any questions. We look forward to hearing from you prior to 4 p.m (MT) tomorrow.



JEFFREY OLIVER *(he/him/his)*

t: +1 403 351 2921

e: joliver@cassels.com

Cassels Brock & Blackwell LLP | cassels.com
Suite 3810, Bankers Hall West, 888 3rd Street SW
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