

PURCHASE AGREEMENT
(SK RETAIL LIQUOR STORE PERMIT)

THIS AGREEMENT made as of June ____, 2021

AMONG:

SLGA RETAIL INC.

(the "**Vendor**")

AND:

(the "**Purchaser**")

WHEREAS:

- A. The Vendor owns the right and interest in and to the Retail Store Permit (as hereinafter defined); and
- B. The Vendor desires to sell, transfer or assign its interest in and to the Retail Store Permit to the Purchaser subject to the terms and conditions of this Agreement.

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

ARTICLE 1
INTERPRETATION

1.01 DEFINITIONS

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (a) "**Agreement**" means this agreement, the schedule(s) attached to it, if any, and all amendments made hereto by written agreement among the parties hereto;
- (b) "**Approving Authority**" means the Saskatchewan Liquor and Gaming Authority;
- (c) "**Auction Closing Date**" means the date upon which the auction conducted by the Vendor in relation to the opportunity relating to the Retail Store Permit closes;
- (d) "**Business Day**" means a day other than a Saturday, Sunday or statutory holiday in the Province of Saskatchewan;

- (e) "**Closing Date**" means the date upon which the Purchaser's application to the Approving Authority to effect the issuance of the Retail Store Permit in the name of the Purchaser is approved by the Approving Authority;
- (f) "**Initial Deposit**" has the meaning ascribed in Section 2.03(a);
- (g) "**Liquor**" means any beer, wine, spirits or other alcoholic beverage approved for sale by the Approving Authority under the Retail Store Permit;
- (h) "**Payment Default**" has the meaning set out in section 2.04;
- (i) "**Purchase Price**" has the meaning set out in Section 2.02;
- (j) "**Retail Store Permit**" means "Retail Store Permit" No. _____ issued by the Approving Authority in the name of the Vendor; and
- (k) "**SLGA Retail Inc.**" means the subsidiary of SLGA responsible for the retailing of beverage alcohol;
- (l) "**Time of Closing**" means 12:00 p.m. (Saskatchewan time) on the Closing Date.

ARTICLE 2

SALE AND PURCHASE

2.01 INTEREST TO BE SOLD AND PURCHASED

Upon and subject to the terms and conditions hereof, the Vendor shall absolutely sell, assign, transfer and set over to the Purchaser all of the right, title and interest of the Vendor in and to the Retail Store Permit, free of any lien, encumbrance, security agreement, debt or obligation. For greater certainty, the Purchaser is purchasing the Vendor's interest in and to the Retail Store Permit only and is not purchasing any business, any inventory, equipment, accounts receivable, debts or any of the Vendor's right, title or interest in, to or under any other asset other than the ability to apply to the Approving Authority in relation to the issuance of the Retail Store Permit as expressly defined herein.

2.02 PURCHASE PRICE

The Purchaser shall pay the Vendor for the interest in and to Retail Store Permit the sum of \$● (the "**Purchase Price**"), such Purchase Price payable in accordance with section 2.03 of this Agreement.

2.03 PAYMENT OF PURCHASE PRICE

The Purchase Price shall be paid by the Purchaser to the Vendor as follows:

- (a) 25% of the Purchase Price shall be payable on or before the date that is thirty (30) days following the Auction Closing Date (the "**Initial Deposit**");
- (b) An additional 50% of the Purchase Price shall be payable on or before the date that is twelve (12) months following the Auction Closing Date; and

- (c) The balance of the Purchase Price shall be payable on or before the earlier of (i) the date that is eighteen (18) months following the Auction Closing Date and (ii) the Closing Date.

All payments relating to the Purchase Price shall be made by way of delivery to the Vendor on or before the dates provided for in Section 2.03 herein of a certified cheque, solicitor's trust cheque, bank draft or wire transfer.

2.04 FAILURE TO MAKE PAYMENT

In the event that any payment required by section 2.03 herein is not paid and satisfied by the Purchaser on or before the date required for such payment (a "**Payment Default**"), the Vendor shall have the right, after providing five (5) days written notice to the Purchaser of such default and within which time the Purchaser has failed to remedy such default to terminate this Agreement. Upon the termination of this Agreement: (i) the Retail Store Permit shall fully vest and remain in the name of Vendor free and clear of all tenancies, liens, charges, security interests, options, mortgages, rights of first refusal and encumbrances of any kind whatsoever and free of claims or litigation in respect thereof (ii) any payments that have been provided by the Purchaser to the Vendor shall be forfeited to the Vendor; and (iii) the Vendor may seek any other remedies that may be available to the Vendor under the laws of the Province of Saskatchewan.

2.05 TITLE

Upon the execution of this Agreement and subject to the receipt of all payments contemplated by section 2.03 herein, the Vendor shall convey to the Purchaser all interest in and to the Retail Store Permit free and clear of all tenancies, liens, charges, security interests, options, mortgages, rights of first refusal and encumbrances of any kind whatsoever and free of claims or litigation in respect thereof.

2.06 ADJUSTMENTS

There will be no adjustments to the Purchase Price on or after the execution of this Agreement.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.01 VENDOR'S REPRESENTATIONS AND WARRANTIES

The Vendor represents and warrants to the Purchaser as of the date of this Agreement that the Vendor:

- (a) has the full power, authority, right and capacity to own and dispose of the Retail Store Permit, to enter into this Agreement and to complete the transactions contemplated hereby and to duly observe and perform all of its covenants and obligations herein set forth;
- (b) the Vendor is the sole registered and beneficial owner of the Retail Store Permit;
- (c) the Vendor is the holder of the Retail Store Permit with good title, free and clear of all tenancies, liens, charges, security interests, options, mortgages, rights of first refusal, encumbrances and any other rights of others; and
- (d) the Vendor is the licensee under the Retail Store Permit and the Vendor will have ceased to operate under the Retail Store Permit and shall have the right to sell and transfer its interest in and to the

Retail Store Permit to the Purchaser as contemplated by this Agreement, subject to the Purchaser obtaining the necessary consents from the Approving Authority;

- (e) the Vendor is not a non-resident of Canada within the meaning of the Income Tax Act of Canada; and
- (f) the Vendor has the full power, authority, right and capacity to enter into this Agreement and to complete the transactions contemplated hereby and to duly observe and perform all of his covenants and obligations herein set forth.

3.02 PURCHASER'S REPRESENTATIONS AND WARRANTIES

The Purchaser represents and warrants to the Vendor that:

- (a) the Purchaser has good and sufficient power, authority and right to enter into and deliver this Agreement and to complete the transactions to be completed by the Purchaser contemplated by this Agreement; and
- (b) this Agreement, when executed and delivered to the Vendor, will be a valid and binding obligation of the Purchaser enforceable in accordance with its terms.

3.03 JOINT ACKNOWLEDGEMENT

The Purchaser and the Vendor acknowledge and agree that, notwithstanding any provision in this Agreement, the Purchaser will need to apply to the Approving Authority for the issuance of a new Retail Store Permit in the Purchaser's name in order to sell Liquor from a retail liquor store.

ARTICLE 4 **COVENANTS**

4.01 COVENANTS OF THE VENDOR

In order to fully apprise the Purchaser of the status of the Retail Store Permit, the Vendor hereby authorizes and directs all municipal, provincial, federal and other authorities having jurisdiction over the Retail Store Permit to provide the Purchaser with such information, certificates, clearances and statements relating thereto or to the Vendor as the Purchaser may in writing request, including, without limitation, the statutory liens or potential statutory liens affecting the Retail Store Permit, all at the expense of the requesting party. Without limiting the generality of the foregoing, the Vendor agrees to execute within two (2) Business Days of request being made any specific authorizations that may be required to permit the Purchaser to obtain such information, certificates, clearances and statements from such authorities having jurisdiction.

4.02 COVENANTS OF THE PURCHASER

The Purchaser will apply within 90 calendar days of the Auction Closing Date ● to the Approving Authority to effect the issuance of the Retail Store Permit in the name of the Purchaser. In the event that the Purchaser does not submit the necessary documentation to the Approving Authority within ninety days of the Auction

Closing Date, the Vendor shall have the right, after providing five (5) days written notice to the Purchaser of such default and within which time the Purchaser has failed to remedy such default to terminate this Agreement. Upon the termination of this Agreement: (i) the Retail Store Permit shall fully vest and remain in the name of Vendor free and clear of all tenancies, liens, charges, security interests, options, mortgages, rights of first refusal and encumbrances of any kind whatsoever and free of claims or litigation in respect thereof (ii) any payments that have been provided by the Purchaser to the Vendor shall be forfeited to the Vendor and (iii) the Vendor may seek any other remedies that may be available to the Vendor under the laws of the Province of Saskatchewan.

4.03 VENDOR TO COOPERATE DURING APPLICATION PROCESS

With respect to the application to issue the Retail Store Permit which is referred to in Section 4.02, the Vendor acknowledges and agrees that the Purchaser will be making all applications and obtaining the approval of the Approving Authority to have the Retail Store Permit issued in the name of the Purchaser following the execution of this Agreement.

ARTICLE 5 **CLOSING AND COMPLETION ARRANGEMENTS**

5.01 DELIVERIES

The Vendor shall deliver the following documents within a reasonable period of time following the execution of this Agreement duly signed, declared, and executed (in registrable form where required) in accordance with their respective terms:

- (a) such documentation that may be reasonably required by the Purchaser to support an application to the Approving Authority to effect the issuance of the Retail Store Permit in the name of the Purchaser; and
- (b) all other releases, deeds, transfers, assignments, acts, things and assurances as may be required in the reasonable opinion of the Purchaser's solicitors for more perfectly and absolutely assigning, transferring, conveying, assuring to and vesting in the Purchaser all interest in and to the Retail Store Permit, free and clear of all tenancies, liens, charges, security interests, options, mortgages, rights of first refusal and encumbrances of whatever kind.

5.02 TRANSFER OF POSSESSION

Subject to compliance with the terms and conditions hereof, the transfer of possession of the Vendor's interest in and to the Retail Store Permit shall be deemed to take effect as at the execution of this Agreement.

ARTICLE 6 **CONDITIONS SUBSEQUENT**

6.01 Conditions Subsequent

Notwithstanding anything else herein contained, this Agreement and the obligations of the parties shall be subject to the following conditions subsequent:

- (a) The Purchaser satisfying the good character requirements of the Approving Authority pursuant to section 59.1 of *The Alcohol and Gaming Regulation Act, 1997* (Saskatchewan) as part of the application submitted by the Purchaser to the Approving Authority to effect the issuance of the Retail Store Permit in the name of the Purchaser;

(The “**Conditions Subsequent**”).

The Conditions Subsequent are for the exclusive benefit of the Purchaser. In the event that the Conditions Subsequent is not satisfied, fulfilled or performed then this Agreement shall be null and void. In the event this Agreement becomes null and void, the Vendor and the Purchaser shall be each released from all obligations under this Agreement and the Vendor shall refund the Purchase Price or any portion thereof that has been paid to the Vendor to the Purchaser within ten Business Days.

ARTICLE 7 **GENERAL**

7.01 FURTHER ASSURANCES

Each of the parties hereto shall from time to time execute and deliver all such further documents and instruments and do all acts and things as any other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

7.02 TIME OF THE ESSENCE

Time shall be of the essence of this Agreement.

7.03 COMMISSIONS

Each of the parties hereto covenants and agrees that there are no brokerage fees or commissions payable to any person in respect of the sale and purchase of the interest in and to the Retail Store Permit other than the buyer’s premium payable pursuant to the auction process, which fee or commission shall be paid exclusively by the Purchaser without deduction from the Purchase Price.

7.04 BENEFIT OF THE AGREEMENT

This Agreement shall enure to the benefit of and be binding upon the respective heirs, personal representatives, executors, successors and permitted assigns of the parties hereto.

7.05 ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement or incorporated by reference herein.

7.06 AMENDMENTS AND WAIVER

No modification of or amendment to this Agreement shall be valid or binding unless set forth in writing

and duly executed by the parties hereto and no waiver of any breach of any term or provision of this Agreement shall be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, shall be limited to the specific breach waived.

7.07 ASSIGNMENT

This Agreement shall not be assigned by the Vendor without the written consent of the Purchaser, such consent may be arbitrarily withheld. This Agreement may be assigned by the Purchaser without the consent of the Vendor, provided however such assignment shall not release the Purchaser from its obligations hereunder.

7.08 NOTICES

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery or by facsimile to the recipient as follows:

To the Vendor:

To the Purchaser:

or to such other address, individual or electronic communication number as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by facsimile, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day.

7.09 GOVERNING LAW

This Agreement shall be governed by and construed exclusively in accordance with the laws of the Province of Saskatchewan and the laws of Canada applicable therein.

7.10 ATTORNMENT

For the purpose of all legal proceedings this Agreement shall be deemed to have been performed in the Province of Saskatchewan and the courts of the Province of Saskatchewan shall have exclusive jurisdiction to entertain any action arising under this Agreement. The parties hereto each hereby attorns to the exclusive jurisdiction of the courts of the Province of Saskatchewan.

7.11 COUNTERPARTS AND ELECTRONIC EXECUTION

For the convenience of the parties, this Agreement may be executed in separate counterparts and each separate executed counterpart shall, for all purposes be deemed an original, all of which when taken together, will constitute one and the same instrument. This Agreement may be executed by the parties and transmitted electronically and if so executed and transmitted, this Agreement will be for all purposes effective as if the parties had delivered an executed original Agreement.

7.12 INDEPENDENT LEGAL ADVICE

Each party to this Agreement severally acknowledges and agrees that the Purchaser has given such party the opportunity to seek, and has recommended that, such party obtain, independent legal advice with respect to the transactions contemplated by this Agreement. Each such party hereby represents and warrants to the Purchaser that it has sought independent legal advice or waives such advice.

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IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the day and year first written above.

SLGA RETAIL INC.

Per: _____
Authorized Signatory

**

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory