

OFFER TO PURCHASE
(THE "AGREEMENT")

303 COLUMBIA STREET, VANCOUVER, BC

THIS OFFER TO PURCHASE made the 29th day of April 2021.

To: CORBEL COMMERCIAL INC. (THE "PURCHASER'S AGENT")

Between: 129 GAINFUL VENTURE LTD. (THE "PURCHASER")

And: SEVEN ESTATE LTD. INC. NO 277834 (THE "VENDOR")

We the undersigned hereby offer to purchase those lands and premises municipally described as 303 Columbia Street, Vancouver, B.C. and having a legal description and more particularly known as:

PID: 015-691-276, 015-691-241

LOT 16 & 17 BLOCK 8 DISTRICT LOT 196 PLAN 184

G.K. (HEREINAFTER CALLED THE "LANDS")



On the following terms and conditions:

1. PURCHASE PRICE

The PURCHASE PRICE shall be the sum of ~~FOURTEEN MILLION~~ ~~SIXTEEN~~ ~~FIVE HUNDRED THOUSAND~~ ~~DOLLARS (\$14,000,000.00)~~ payable as follows: *G.K. \$16,500,000.00*

- (a) DEPOSIT: Within 2 business days of acceptance of this Agreement, the sum of TWO HUNDRED THOUSAND DOLLARS (\$200,000.00) shall be paid to Corbel Commercial Inc., to be held in trust as stakeholder on behalf of the parties, pending completion of the sale and purchase of the Lands or other termination of this Agreement;
- (b) SECOND DEPOSIT: A further portion of the purchase price, namely FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) shall be paid to Corbel Commercial Inc., within 2 business days from the removal and or waiver of the subject conditions referred to in Clause 3, to be held in trust as stakeholder on behalf of the parties, pending completion of the sale and purchase of the Lands;
- (c) BALANCE OF PURCHASE PRICE: The balance of the purchase price shall be payable by way of cash or solicitor's certified trust cheque at the Closing Date as herein provided; and
- (d) Purchase price to include any buildings, improvements, all related intellectual property rights, Liquor and Food primary licenses, Chattels, Furniture, equipment, fixtures, appurtenances, attachments necessary for the day to day to operation of the Lands, Building and the New Columbia Hotel.

2. VENDOR RESPONSIBILITIES

The Vendor covenants to deliver to the Purchaser within Five (5) business days from the acceptance date of this Agreement, the following, if available or in the possession or control of the Vendor:

- (a) Copies of all leases, including a tenancy schedule, if any;



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- (b) Copies of all service, operation, management, maintenance, employment, or other contracts pertaining to the operation of the Lands that may become the responsibility of the Purchaser from the date of closing;
- (c) Statements of the operating expenses and revenues for the Lands for the last 3 years, and
- (d) Any surveys, building plans, site plans, development plans, floor plans, building condition reports, hazardous materials assessments and environmental reports in the possession or control of the Vendor.

3. CONDITIONS PRECEDENT

This Agreement is subject to the following conditions precedent being satisfied or waived by the Purchaser on or before ~~the first business day that is FORTY-FIVE (45) days after the Purchaser's receipt of all the items outlined in Clause 2~~ (the "Subject Removal Date"):

- (a) The Purchaser being satisfied in its sole discretion with its review of the title to the Lands and all the items outlined in Clause 2; and
- (b) The Purchaser obtaining a report on the environmental condition of the Lands and the building, which is satisfactory to the Purchaser in its sole discretion;
- (c) The Purchaser obtaining a satisfactory building condition report on the Lands and the building which is satisfactory to the Purchaser in its sole discretion.
- (d) The Purchaser verifying, and being satisfied with the number of Single Room Occupancy units within the Lands and Building namely the New Columbia Hotel.

If the Purchaser fails to notify the Vendor in writing that these conditions precedent have been satisfied or waived within the time specified, or by such time as may be subsequently agreed, then this Agreement will become null, and void and the deposit will be returned in its entirety to the Purchaser.

These conditions precedents are for the sole benefit of the Purchaser. The Purchaser has the right to waive one or all of the Conditions Precedent, at its sole discretion, within the time stipulated and proceed with the transaction herein contemplated.

4. CLOSING

The closing shall take place at the office of the Purchaser's solicitor on ~~the First Business Day, following SIXTY (60) Days from the Condition Removal Date~~ (the "Closing Date"). The Purchaser shall have Vacant Possession of the Lands, subject to encumbrances referred to on Schedule "A" following payment of the balance of the purchase price to the Vendor or the Vendor's solicitor on the Closing Date. All adjustments both incoming and outgoing with respect to rent, taxes, utilities, and other items normally adjusted between a Vendor and a Purchaser with respect to the Lands, shall be made as of 12:01 am on the Closing Date.

The obligation of the Purchaser to complete the purchase and sale transaction herein contemplated will be subject to the condition that all of the obligations herein of the Vendor will have been performed by the Vendor in accordance with this Agreement except as may be waived in writing by the Purchaser, and that all representations, warranties, covenants and agreements in this Agreement or any document delivered in connection with the transactions herein contemplated will be true and correct at and as of the Closing Date as though such representations, warranties, covenants and agreements were made at and as of the Closing Date.

If the Purchaser fails or refuses to complete the purchase and sale herein contemplated after all the conditions precedent have been satisfied or waived, the First Deposit & Second Deposit thereon shall be forfeited to the Vendor as liquidated damages as a genuine pre-estimate of its damages for full and final settlement of any claim which the Vendor may have against the Purchaser however, without prejudice to any other rights and remedies which the Purchaser may have at law or in equity; or

JUNE 25th 2021

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EXCEPT FOR THE MAIN LEVEL COMMERCIAL SPACE.

AUGUST 25th 2021

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VENDOR

If the Vendor fails or refuses to complete the purchase and sale herein, the deposits thereon shall forthwith be refunded to the Purchaser upon demand by the Purchaser, however, without prejudice to any other rights and remedies which the Purchaser may have at law or in equity

5. VENDOR REPRESENTATIONS AND WARRANTIES

The Vendor hereby represents and warrants to the Purchaser as representations and warranties that are true at the date hereof and will be true at the Closing Date:

- (a) the Vendor is not a non-resident of Canada within the meaning of the Income Tax Act;
- (b) the Vendor will be on the Closing Date the sole registered and legal owner of the Lands free and clear of all liens, claims, judgments, charges, caveats, and encumbrances whatsoever except the Permitted Encumbrances (subject to the provisions of this Agreement related to clearing title of the Vendor's financial encumbrances), and that the Vendor has the full right and authority to sell the Lands and to transfer and assign valid title to the Lands to the Purchaser;
- (c) the Vendor is duly incorporated under the laws of the Province of British Columbia, and is in good standing with respect to the filing of annual returns;
- (d) there are no tenancies affecting the Lands as at the date hereof or as at the Closing Date, and the Vendor shall provide the Purchaser with vacant possession of the Lands on the Closing Date; *F.C.L. - EXCEPT FOR THE MAIN LEVEL COMMERCIAL SPACE*
- (e) to the best of its knowledge and information, all documents and instruments required to be delivered or made available to the Purchaser hereunder will be complete and accurate in all material respects as of the date of such delivery or communication to the Purchaser; *F.C.L. - EXCEPT FOR THE MAIN LEVEL COMMERCIAL SPACE*
- (f) from and after the date of this Agreement, the Vendor will carry on its business within the building in the ordinary course, and will cause the Lands to be properly kept, repaired, maintained and insured at the Vendor's cost and expense so that on the Closing Date, the Purchaser will acquire the Lands in substantially the same condition and state of repair as of the date of this Agreement, subject to reasonable wear and tear and save as otherwise provided for herein;
- (g) from and after the Subject Removal Date, the Vendor will not prior to the Closing Date enter into any new leases, modify any existing leases and rental agreements, or enter into any financial commitments for the Lands which would be binding upon the Purchaser;
- (h) on or before the Closing Date, the Vendor will terminate all contracts which are not assignable to and assumable by the Purchaser or which the Purchaser has advised the Vendor on or before the Subject Removal Date it will not assume;
- (i) in the best of its knowledge and information, the Vendor is not in default under any of its obligations arising out of any of the Permitted Encumbrances or the contracts;
- (j) the Lands are and will be free and clear of all liens, charges, and encumbrances at the time of Closing save and except the Permitted Encumbrances outlined on Schedule "A";
- (k) on the Closing Date, all amounts for labour and materials related to any work carried out by or on behalf of the Vendor on the Lands shall be fully paid for;

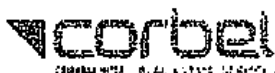
F.C.L.
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- (l) there are no collective agreements or proceedings under the Labour Code of British Columbia involving the Vendor or its employees which would become an obligation of, or become binding upon, the Purchaser on its acquisition of the Lands;
- (m) there are no actions, suits or proceedings pending or threatened against the Lands or the Vendor which could affect the right of the Purchaser to own, occupy and obtain revenue from the Lands;
- (n) the Vendor has not knowingly withheld any facts relating to the Lands which could be material to an Intending Purchaser thereof;
- (o) to the best of the Vendor's knowledge, the Lands and building are not subject to any outstanding work order or notice of defect or non-compliance from any federal, provincial, civic, or municipal board or official or like authority;
- (p) to the best of the Vendor's knowledge, the building is wholly within the boundaries of the Lands and the location and existence of the building does not infringe the provisions of any easement, right-of-way or encumbrance registered against or otherwise affecting the Lands and there are no improvements on any adjoining lands, whether public or private that encroach on the Lands;
- (q) except to the extent disclosed in any material delivered to the Purchaser pursuant to section 2, to the best of the Vendor's knowledge, the Lands have not been used for the manufacturing, processing, storage or dumping of any hazardous or toxic substance or special waste or other waste which is defined in or regulated pursuant to the *Waste Management Act* (British Columbia); and
- (r) except to the extent disclosed in any material delivered to the Purchaser pursuant to section 2, to the best of the Vendor's knowledge, the Lands and building are free of any explosives, radioactive materials, asbestos, urea formaldehyde foam insulation, hydrocarbon contaminants, underground storage tanks, pollutants, hazardous, corrosive or toxic substances, special waste or any other substance which is defined in or regulated pursuant to the *Waste Management Act* (British Columbia), nor have any environmentally hazardous materials been used or stored in or on the Lands, which could result in violation of any laws or regulations.

The Vendor acknowledges that the Purchaser is relying on the foregoing representations, warranties, covenants, and agreements in connection with the purchase by the Purchaser of the Lands.

6. GENERAL

- (a) Time shall be of the essence of this Agreement.
- (b) This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.
- (c) It is understood that there are no representations, warranties, guarantees, promises or agreements other than those contained in this Agreement.
- (d) Authorization - The Vendor hereby authorizes the Purchaser and its representatives, consultants, and agents to meet with or correspond with the appropriate statutory or governmental authorities for the purpose of verifying the accuracy of the warranties and representations of the Vendor contained in this Agreement, including without limitation, compliance with laws, regulations, bylaws and assessments. The Vendor shall promptly at the Purchaser's request execute and deliver any authorizations reasonably required by the Purchaser



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to authorize the statutory or governmental authority to release such information to the Purchaser

AMEX BROADWAY
WEST REALTY

Clk. (1)



(l) Expert Advice - The parties to this Agreement acknowledge that Corbet Commercial Inc and ~~Amex Broadway~~ and its representatives so named in this Offer have recommended that they obtain advice from their legal counsel prior to signing this document. The Parties further acknowledge that no information provided by the real estate brokerage or its representatives is to be construed as expert legal, tax or environmental advice.

Inspection & Access - The Purchaser shall, during the period following acceptance of this Agreement by the Vendor, up to the Closing Date, have the right to have reasonable access to the Lands to conduct its due diligence on the Lands, provided that such access will:

- i. be at reasonable times scheduled by the Vendor at the Purchaser's request, which request must be provided to the Vendor at least 24 hours prior to the Purchaser wanting access to the Lands;
- ii. cause no material disruption to the tenants or occupants of the Lands, and
- iii. be done at the Purchaser's sole risk and expense

(m) FINTRAC - FINTRAC is the Financial Transactions and Reporting Analysis Center of Canada. Bill C-24 has passed and came into effect June 23, 2008 and relates to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act to which the real estate industry is bound by. The Vendor and Purchaser acknowledge and agree that the Agent is bound by the above legislation and will assist the Agent in being compliant with the relevant legislation. This includes providing the Agent with proof of identity of individuals and/or Corporations pertaining to this transaction. The Agent will keep all such materials and information private and confidential at all times as required by regulatory and corporate privacy requirements.

(n) Execution by counterpart and facsimile - This Offer may be executed in as many counterparts as may be necessary and delivered by facsimile, and each of which so signed will be deemed to be any original, as such copies together will constitute one and the same instrument.

7. LIABILITY OF DAMAGE TO LANDS

The Lands shall be at the risk of the Vendor until the Closing Date, and thereafter at the risk of the Purchaser.

In the event of damage in excess of Five Hundred Thousand Dollars (\$500,000.00) to the Lands occurring before the Closing Date by reason of fire, tempest, lightning, earthquake, flood or other Act of God, fire, explosion, riot, civil commotion, insurrection of war, then the Purchaser may, at its option given by written notice to the Vendor within ten (10) days of having receiving notice of the damage:

- (a) Cancel this Agreement in which case the Deposit (to the extend paid) shall be returned to the Purchaser; or
- (b) Close the sale and require the Vendor to assign to the Purchaser the proceeds, if any, of any insurance claim.

If the Purchaser elects to complete the purchase of the Lands, then the Closing Date shall be the later of the Closing Date as provided in this Agreement or the 10th Business Day following such election.

8. CLOSING DOCUMENTS

The Vendor will convey the Lands to the Purchaser by delivering to the Purchaser at or before the Closing Date a freehold transfer (the "Transfer") in registrable form. The Purchaser shall bear the cost of the conveyance, and the Vendor shall bear the cost of clearing title of any charges.

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At least three business days prior to the day of closing the Purchaser shall cause its solicitors to prepare and deliver to the Vendor all documents reasonably required by the Vendor's solicitors to complete this transaction in accordance with its terms including the Transfer, a statement of adjustments, an assignment of the Vendor's interest in any outstanding guarantees, warranties or indemnities with respect to the Lands, any documents and certificates referred to herein and such other documents as may be reasonably necessary for more perfectly and absolutely transferring, assuring and vesting title to the Lands in the Purchaser as contemplated hereby.

If the Vendor has existing financial charges to be cleared from title the Vendor, while still required to clear such charges, may wait to pay and discharge existing financial charges until immediately after receipt of the purchase price, but in this event, the Purchaser shall pay the purchase price to a lawyer or notary in trust, on undertakings to pay and discharge the financial charges and remit the balance, if any to the Vendor.

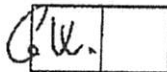
If the Purchaser is relying upon a new mortgage to finance the purchase price the Purchaser, while still required to pay the purchase price on the Closing date, may wait to pay the purchase price to the Vendor until after the transfer and new mortgage documents have been lodged for registration in the appropriate Land Title office, but only if, before such lodging, the Purchaser has: (a) made available for tender to the Vendor that portion of the purchase price not secured by the new mortgage, and (b) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration, and (c) made available to the Vendor, a lawyer's or notary's undertaking to pay the purchase price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds.

9. SITE PROFILE

The Purchaser hereby waives, to the extent permitted by law, any requirement for the Vendor to obtain or provide to the Purchaser a "site profile" or any other environmental report for the Lands under the Waste Management Amendment Act, 1993 of British Columbia or any regulation in respect thereto.

10. DISCLOSURE

The Vendor and the Purchaser acknowledge and agree that:



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A. The Vendor has received, read and understood RECBC form entitled "Disclosure of Representation in Trading Services" and hereby confirm that the Vendor has an agency relationship with _____ and _____.

B. The Purchaser has received, read, and understood RECBC form entitled "Disclosure of Representation in Trading Services" and hereby confirm that the Purchaser has an agency relationship with Marc Saul and Corbel Commercial Inc.

AMEX WEST BROADWAY REALTY



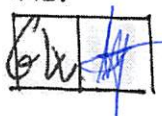
11. COMMISSION **THE PURCHASER SHALL BE RESPONSIBLE FOR COMMISSION PAYABLE TO CORBEL**

~~The Vendor shall be responsible for the commission payable to Corbel Commercial Inc. (Marc Saul) equal to One and a Half Percent (1.5%) of the final Sales Price plus applicable GST upon the successful completion of this transaction.~~

**CORBEL
INC.**

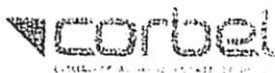
12. CONSIDERATION

For good and valuable consideration of TEN Dollars (\$10.00) hereby given by the Purchaser and received by the Vendor, the Vendor hereby agrees that its acceptance of this Agreement will not be withdrawn or revoked before the Subject Removal Date.



13. BINDING AGREEMENT

Upon acceptance by both the Purchaser and the Vendor this Offer shall constitute a binding agreement for the purchase and sale of the Lands on the terms and conditions contained herein.




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14. GST

In addition to the Purchase Price, the applicable Goods and Services Tax ("GST") imposed under the Excise Tax Act (Canada) (the "Act") will be paid by the Purchaser. On or before the Closing Date, the Purchaser may confirm to the Vendor's Lawyer or Notary that it is registered for the purposes of Part IX of the Act and will provide its registration number. If the Purchaser does not confirm that it is a registrant under Part IX of the Act on or before the Closing Date, then the Purchaser will pay the applicable GST to the Vendor on the Closing Date and the Vendor will then remit the GST as required by the Act. All taxes payable pursuant to the Social Service Tax Act arising out of the Purchase of the Lands, will be paid by the Purchaser and evidence of such payment will be provided to the Vendor.

15. ASSIGNMENT

It is understood and agreed that the Purchaser shall have the right to assign its rights and obligations under this agreement or direct a transfer of the Lands to another party, but in such case the Purchaser shall remain liable in respects to its obligations hereunder.

16. VACANT POSSESSION OF THE RESIDENTIAL PORTION OF THE LANDS.

The Vendor hereby warrants to the Purchaser that the upper floor residential portion of the Lands (the "Residential Portion") shall not be subject to any leases, agreement to lease, employment contracts, and that the Purchaser shall have vacant possession of the Residential Portion of the Lands on the Closing Date. The Purchaser shall leave the Residential Portion of the Lands in a sanitary, neat, tidy, safe and empty condition free from all nuisances, debris, and rubbish to the Purchaser on the Closing Date.

GU. THE PURCHASER SHALL ASSUME THE MAIN LEVEL COMMERCIAL SPACE LEASE.

17. DATE OF ACCEPTANCE

A GU. MAY

Handwritten initials in a circle and a signature.

This Agreement to Purchase or Counter Offer to Purchase is irrevocable and shall be open for acceptance by both the Vendor and Purchaser up until 6:00 pm on ~~April 7th~~ 7th, 2021 and, upon acceptance by the Vendor and Purchaser, will constitute a binding agreement for the purchase and sale of the said Lands on the terms and conditions contained herein. In the event that this Agreement to Purchase or Counter Offer to Purchase is not accepted by the Vendor and Purchaser on or before the aforesaid time and date, then this Agreement shall be null and void and the deposit together with any accrued interest shall be returned to the Purchaser in full.

COPIE

Handwritten initials in a box labeled INITIAL.

IN WITNESS WHEREOF the Purchaser has executed this Agreement the day and year first above written.

129 GAINFUL VENTURE LTD. (THE "PURCHASER")




Authorized Signatory

Witness

(Name and Title)

THE VENDOR HEREBY ACCEPTS the above Agreement on the terms and conditions set out above, this
4th day of April 2021. *BU*

MAV 

SEVEN ESTATE LTD. INC. NO 277834 (THE "VENDOR")



Authorized Signatory

Witness

(Name and Title)


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SCHEDULE "A"

PERMITTED ENCUMBRANCES

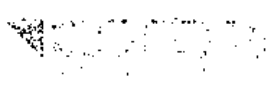
Legal Notations:

HERETO IS ANNEXED PARTY WALL AGREEMENT 80026H OVER LOT 15 SEL 80025H

Charges, Liens, and Interests:

The subsisting conditions, provisos, restrictions, exceptions, and reservations, including royalties contained in the original grant or contained in any other grant or disposition from the Crown, registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities

G.A. THE MAIN LEVEL COMMERCIAL LEASE




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