



No. S1913345
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

VANCOUVER CITY SAVINGS CREDIT UNION

Petitioner

AND:

356746 HOLDINGS INC. doing business as
THE GEORGE DAWSON INN
507016 B.C. LTD.
LUXOR HOLDINGS INC.
UMEDALLI THOBANI also known as
UMEDALI THOBANI and TONY THOBANI
THE ESTATE OF AMINA THOBANI
MANOHAR ALEXANDER SAVUNDRANAYAGAM
BLUESHORE LEASING LTD.
ROYNAT INC.
1156600 B.C. LTD.

Respondents

IN THE MATTER OF THE RECEIVERSHIP OF

356746 HOLDINGS INC. dba GEORGE DAWSON INN

**SECOND REPORT OF THE COURT-APPOINTED
RECEIVER AND MANAGER,
D. MANNING & ASSOCIATES INC.**

APRIL 7, 2021

D. MANNING & ASSOCIATES INC.
COURT-APPOINTED RECEIVER AND MANAGER OF THE
ASSETS, UNDERTAKINGS AND PROPERTY OF
356746 HOLDINGS INC. dba GEORGE DAWSON INN
Suite 520 – 625 Howe Street
Vancouver, B.C. V6C 2T6
(604) 683-8030, Fax (604) 683-8327
www.manning-trustee.com

1) INTRODUCTION

This is the Second Report of D. Manning & Associates Inc. as Receiver and Manager (“the Receiver”) of the Assets, Undertakings and Property of 356746 Holdings Inc. dba George Dawson Inn (“GDI” or “the Company”), Umedalli Thobani, Luxor Holdings Inc. and 507016 B.C. Ltd. (“the Business Entities”). Our First Report was dated July 16, 2020.

GDI is the owner and operator of an 80 room Hotel located at 11705 – 8th Street, Dawson Creek, British Columbia V1G 4N9 (“the Hotel”). It was also the owner and operator of a Quality Inn Hotel located at 3863 - 2 Ave West, Prince Albert, Saskatchewan S6W 1A1 (“the Prince Albert Hotel”) over which D. Manning & Associates Inc. was not appointed Receiver.

2) SUMMARY OF OPERATIONS

The Receiver’s Summary of Operations of the Hotel is attached as **Schedule “A”** to this Report.

3) LISTING AGREEMENT

On August 11, 2020, the Receiver entered into an Exclusive Sales Listing Agreement with CBRE Limited (“CBRE”) for the marketing and sale of the Hotel, with the following terms:

Term:	6 calendar months (expiring February 11, 2021), renewable
Commission:	3.5%
Commission if outside broker:	4.5% to be shared at Listing Agent’s discretion
Holdover Period:	90 days

This Exclusive Sales Listing Agreement with CBRE has since been extended for another six (6) calendar months, to August 10, 2021.

4) CBRE LIMITED MARKETING REPORT

CBRE’s Marketing Report dated March 25, 2021 is attached as **Schedule “B”** and summarizes all of their marketing activities and feedback from prospective purchasers since August 11, 2020.

5) OFFERS RECEIVED BY CBRE LIMITED

In October 2020, Holloway Lodging submitted a Letter of Intent (“LOI”) at \$1,200,000 which was rejected by the Receiver. Holloway Lodging verbally increased their offer to \$1,500,000 which was similarly rejected.

Mr. Mario Laudisio submitted a LOI on February 1, 2021 at \$2,750,000, subject to a 45 day conditional period with an initial \$100,000 deposit and a further second deposit of \$400,000 after removal of all subjects. The LOI was rejected by the Receiver, which countered at \$3,300,000 (45 day conditional period and \$100,000 initial deposit, and a further second deposit of \$400,000 after removal of all subjects) on February 12, 2021. This counter-offer was accepted by Mr. Laudisio on February 15, 2021.

Mr. Laudisio toured the Hotel on February 22 and 23, 2021, and on February 27, 2021, he requested a reduced price of \$2,250,000, based on projected renovations necessary to bring the Hotel up to competitive standards. The Receiver rejected the price reduction and refunded Mr. Laudisio's initial deposit.

On March 11, 2021, Mr. Laudisio made a new offer of \$2,750,000, unconditional and with a deposit of \$1,000,000. The Receiver countered with a full Agreement of Purchase and Sale with a price of \$3,000,000 on March 16, 2021. Mr. Laudisio countered further at \$2,800,000, unconditional with a \$1,000,000 deposit.

On March 17, 2021, Max Explore Development Inc. ("**Max Explore**") submitted a LOI at \$2,480,000, unconditional with a \$500,000 deposit.

On March 17, 2021, the Receiver accepted the full Agreement of Purchase and Sale with Mr. Mario Laudisio, for \$2,800,000, unconditional and only subject to Court approval, with the \$1,000,000 deposit due March 24, 2021.

On March 18, 2021, Max Explore submitted a revised LOI at \$2,880,000 (with an increase in the purchase price of \$400,000), unconditional with a \$500,000 deposit, which was not accepted by the Receiver and we asked CBRE to advise Max Explore to submit their Offer through the Competitive Bid Process.

Mr. Laudisio's \$1,000,000 deposit was paid to Owen Bird Law Corporation ("**Owen Bird**") on March 24, 2021.

CBRE has advised Max Explore of the Receiver's acceptance of the Mario Laudisio Offer and the Competitive Bid Process as described below, and will continue to market the Hotel in order to encourage more Offers to present for the Competitive Bid Process.

The Mario Laudisio Offer excludes the following items from the purchase in paragraph 1.1(h):

- (i) all cash, bank balances, monies in possession of banks and other depositories, term or time deposits and similar cash items of, owned or held by or for the account of the Vendor as of the Closing Date;
- (ii) all GST refunds or returns owned or held by or for the account of the Vendor as of the Closing Date;
- (iii) the corporate, financial, taxation and other records (including minute books) of the Vendor or 356746 not pertaining primarily to the Hotel Property;
- (iv) all income taxes recoverable (*note: none expected*);
- (v) all wage subsidy claims;
- (vi) all Canada Emergency Rent Subsidy claims;
- (vii) all insurance premium refunds or similar refunds;
- (viii) all proceeds, refunds or payouts pertaining to any life insurance policy;
- (ix) all Receivables;

- (x) Inventory, which shall be dealt with in the manner described in Section 5.5 (*of the Agreement of Purchase and Sale*) hereof; and
- (xi) Third Party Owned Assets, as listed on Schedule "E" (*of the Agreement of Purchase and Sale*).

All above amounts are to be determined.

6) COMPETITIVE BID PROCESS

The Receiver has prepared an e-mail blast, attached as **Schedule "C"**, to be sent by CBRE (and by the Receiver) to prospective purchasers, explaining the Receiver's Competitive Bid Process.

The Receiver will also post an advertisement on its Web site (www.manning-trustee.com).

The application to approve the sale of the Hotel is set to be heard in Court on Thursday, April 29, 2021, at 9:45 by TEAMS or Teleconference. The hearing will consider approval of an offer for the sale of the Hotel in the amount of \$2,800,000, with a closing date of 10 business days following Court approval.

Any competitive bids must be received by our counsel, Owen Bird Law Corporation, by noon on Tuesday, April 27, 2021, in compliance with the competitive bid process. If a compliant competitive bid is received, then Owen Bird will tell the original offeror that they have until 4:00 pm Tuesday (that day), April 27, 2021 to submit a higher offer.

Applicable deposit cheques must be confirmed received by Owen Bird (although they could be sent to the Receiver).

7) PROPERTY ASSESSMENT

The 2020 Property Assessment Review Panel has upheld the 2020 assessed value of the Hotel Land and Buildings of \$5,720,600. The Receiver is appealing this decision through its agent Altus Group Limited ("**Altus**"); the appeal process has been greatly delayed by the COVID-19 situation.

The 2021 Property Assessment Review Panel has upheld the 2021 assessed value of the Hotel Land and Buildings at \$5,164,000. The deadline to appeal their decision is April 30, 2021 and the Receiver intends to file an appeal through Altus, unless Altus can reach a resolution with B.C. Assessment before April 30, 2021.

8) SECURED AND PRIORITY CREDITORS

2021 property taxes are estimated at \$57,000 assuming a May 14, 2021 closing.

Vancity's estimated balance assuming a May 14, 2021 closing is \$2,431,310.26, including Receiver and Manager's borrowings plus interest, but not Receiver and Manager's further costs or legal fees, which will be deducted from the net sale proceeds of the Hotel. Note that CBRE Limited's real estate commission will be 4.5% of gross sale proceeds, if the sale of the Hotel has an outside broker, which is the case, under Mr. Laudisio's Offer.

The balance owing on the second mortgage to Manohar Alexander Savundranayagam as at February 9, 2021 was \$145,220.43 and the balance owing on the third mortgage to Manohar Alexander Savundranayagam as at February 9, 2021 was \$46,600, both plus interest.

Conexus Credit Union holds a Judgment against the Hotel in the amount of \$1,386,920.63 as at February 6, 2020, plus interest and costs.

The Employer Health Tax owing is \$7,859.55 for the year 2019 and \$3,041.36 for the year 2020, for a total of \$10,900.91 as of March 23, 2021, plus interest.

CWB National Leasing advised that the payout amount for their Hotel door locks lease as at May 14, 2021 will be \$31,615.97.

BlueShore Financial's final payout balance under their equipment lease will be \$39,371.76 assuming a May 14, 2021 closing..

The Wage Earner Protection Program statement dated November 21, 2020 shows a balance owing of \$2,536.17 for holiday pay, plus interest.

After the closing of the sale, a condition of which is the termination of all employees, the Receiver's estimated severance pay owing to employees (including Canada Pension Plan premiums, Employment Insurance premiums and WorkSafeBC premiums), is \$28,000.00.

A Canada Revenue Agency statement dated December 1, 2020 shows pre-Receiver'ship Goods and Services Tax owing for the period ended April 20, 2020 at \$10,285.50 plus interest.

A Ministry of Finance statement dated November 23, 2020 shows pre-Receiver'ship Provincial Sales Tax for the period ended April 30, 2020 of \$33,663.86 plus interest.

Pre-receivership WorkSafeBC premiums as at April 20, 2020 total \$6,592 plus interest.

9) DISTRIBUTIONS

Distributions to creditors will depend entirely on the ultimate Court-approved sale price of the Hotel, and the amounts of adjustments and final amounts owing to secured, priority and statutory secured creditors, and final operating, Receivership and legal costs, both still to be determined.

10) INTERIM STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

The Receiver's Interim Statement of Cash Receipts and Disbursements, with notes, for the period April 20, 2020 to April 5, 2021 is attached as **Schedule "D"**, showing an Adjusted Cash Balance as of that date of \$68,061.47.

11) RECEIVER AND MANAGER'S RECOMMENDATIONS

The Receiver makes the following recommendations:

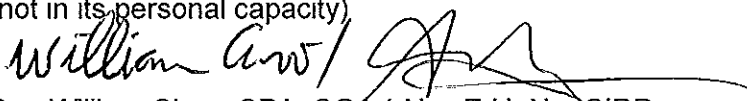
- 1) Continue to operate the Hotel until the completion of a sale;
- 2) Continue to collect Accounts Receivable;

- 3) Monitor Altus' appeals of the 2020 and 2021 Property Assessments;
- 4) Follow up on wage subsidy and rent subsidy claims (filing and assessment);
- 5) Dealing with creditor and stakeholder enquiries;
- 6) Pay operating costs to maintain and preserve the Hotel where funds are available, and pay Receivership costs;
- 7) Monitor CBRE's marketing activities pursuant to the Competitive Bid Process;
- 8) Following the deadline for competitive bids, review the Offers and make a recommendation for acceptance of an Offer;
- 9) Apply for Court approval on the accepted Offer and obtain a Vesting Order;
- 10) Provide information on the Vendor's Statement of Adjustments items to Owen Bird;
- 11) Complete the sale of the Hotel;
- 12) Prepare and provide to all employees a Letter of Termination of Employee, advise them of the sale of the Hotel, and payment of termination pay, and issue Records of Employment;
- 13) Cancel the Receiver's utility and service provider accounts and pay final invoices;
- 14) Apply for insurance premium refund after completion of the sale of the Property and cancel insurance coverage;
- 15) Pay all outstanding property taxes and utility charges to the City of Dawson Creek from sale proceeds on the Hotel;
- 16) Pay all other priority and statutory secured creditors as required;
- 17) Make a distribution to Vancity of surplus funds, to be applied against repayment of Receiver's borrowings plus accrued interest, and then their mortgage;
- 18) After Vancity is paid the remaining funds against its mortgage to the Company up to the balance owing to them plus legal costs accrued and interest owing, and pay out surplus funds, if any, as directed by the Court;
- 19) Assign the Receiver's right, title and interest in the Canada Life insurance policy on the life of Umedalli Thobani, as directed by the Court;
- 20) Apply for the Receiver's discharge and passing of accounts.

Should you have any questions, please contact either of the writers at (604) 683-8030 or at alex.ng@manning-trustee.com

Yours truly,

D. MANNING & ASSOCIATES INC.
COURT-APPOINTED RECEIVER AND MANAGER OF THE
ASSETS, UNDERTAKINGS AND PROPERTY OF
356746 HOLDINGS INC. dba GEORGE DAWSON INN
(not in its personal capacity)


Per: William Choo, CPA, CGA / Alex E.H. Ng, CIRP

Attachments

cc. Mr. Alan Frydenlund, Owen Bird Law Corporation
Ms. Heather Frydenlund, Owen Bird Law Corporation

SCHEDULE "A"

RECEIVER'S SUMMARY OF OPERATIONS

George Dawson Inn

Summary of Operations

The George Dawson Inn has, historically, had a large portion of their business from large companies servicing resource services such as oil and gas in maintenance or development.

When COVID arrived in March/April of 2020, it was debated if the hotel should close or remain open. The decision to remain open was based upon industry logic; a closed hotel not only loses the business they currently have, but also loses any opportunity to book future business. It is important to recognize that hotels sell not only for short-term, but for dates far into the future. If a hotel is closed, new and existing clients will not be able to make reservations, and will soon find another property who will take a reservation. This availability to make a reservation is key to future success.

Through-out the last year since Covid began, the hotel consistently had 15 to 30 rooms used by workers from resource services. We know that the majority of regular customers were holding back on reservations, while waiting for COVID to ease. The hotel committed to remain open until clients could return to work. There was, and still is, good potential for future business on the books.

With the easing of restrictions in June of 2020 we anticipated an increase in business. Business did pick up for the summer. However, when the second wave of COVID hit in the Fall of 2020, business was, once again, slow.

There was optimism for increased sales as hotel clients continued to indicate that in the next 30-45 days they would be back. However, the spread of COVID did not slow down. The recovery kept being put back another month, and then again another month. Throughout the Fall and Winter of 2020, we kept hearing from the companies that they were coming. They told us that there was a lot of work that was put off due to COVID that still needed to be completed. They, like us were very frustrated.

Once the new year began, we saw an up-swing in business. The hotel is currently operating at approximately 60 rooms per night. In our opinion, unless another COVID wave hits, this should continue and even increase in the next few months.

SCHEDULE "B"

CBRE LIMITED MARKETING REPORT
DATED MARCH 25, 2021

MEMORANDUM – GEORGE DAWSON INN – MARKETING REPORT

TO: William Choo and Alex Ng, D. Manning & Associates Inc., in its capacity as court appointed receiver and manager of the Assets, Undertakings and Properties of 356746 Holdings Inc. dba "George Dawson Inn" and not in its personal capacity (the "Receiver")

FROM: Greg Kwong - CBRE Limited | CBRE Hotels

DATE: March 25, 2021

CBRE Hotels is pleased to provide our Comprehensive Marketing Update for the George Dawson Inn (the "Hotel") for the entire marketing period which commenced on August 11, 2020.

The listing agreement was fully executed on August 11, 2020 and subsequently extended on February 10, 2021 for a further six months. To begin the sales process in August, CBRE collated information and prepared property flyers (copy attached), a confidential information memorandum, web-marketing email campaign, populated an online data room and prepared transaction documents such as the Letter of Intent (LOI) and the Agreement of Purchase and Sale (APS). The first email blast went out the last week of August to over 600 qualified potential investors.

September 2020

- Email campaign was launched. Information page was sent out to over 600 qualified hotel investors (locally, nationally and internationally).
- Follow up phone call and email discussions were held over the subsequent three weeks with another follow up email campaign launched in late September.
- Marketing summary provided to D. Manning & Associates Inc. at the end of the month.

October 2020

- Follow up phone call and email discussions continued to be held. The initial campaign resulted in seven (7) potential investors who signed the Confidentiality Agreement (CA) and were granted access to the online data room.
- One potential investor (Holloway Lodging) submitted a LOI at \$1,200,000 and was presented to the Receiver. Offer was subsequently rejected by the various stakeholders and no counter-offer was returned. Holloway verbally increased their offer to \$1,500,000 but that too was rejected.

- Ramada Franchise offered to do a Property Improvement Plan (PIP) to convert to a Ramada Hotel and Suites.
- Marketing summary provided to D. Manning & Associates Inc. at the end of the month.

November 2020

- Follow up phone and email campaign were continued.
- Nine potential investors are now in the data room going through the financial information. Three of these investors subsequently drop off as the hotel did not meet their investment parameters.
- One investor tours the hotel.
- Marketing Ad is placed in Western Investor magazine which results in some phone enquiries but no signed CAs.
- Marketing summary provided to D. Manning & Associates Inc. at the end of the month.

December 2020

- Ten potential investors have now signed the CA and received access to the data room. Five investors passed on the investment with another five still in the data room.
- Follow up phone and email campaign were continued.
- Feedback from most investors was that the hotel needed over \$1,000,000 of renovations.
- Some investors have approached various banks for financing. Nothing was available at acceptable levels.
- No property tours were held mostly due to inclement weather and Covid-19 protocols.
- Marketing summary provided to D. Manning & Associates Inc. at the end of the month.

January 2021

- Property tour scheduled and cancelled by Mario Laudisio (ML),
- Another email campaign was sent out and more direct canvassing was conducted.
- Thirteen investors have now entered the data room with seven going through continued due diligence.

- Wyndham Corporation submits a proposal to brand the hotel a Ramada Limited. Renovations would be required.
- Marketing summary provided to D. Manning & Associates Inc. at the end of the month.

February 2021

- LOI submitted by ML on February 1, 2021 at \$2,750,000 subject to a 45-day conditional period with a \$100,000 deposit.
- This LOI was rejected and was countered at \$3,300,000 (45-day conditional period and \$500,000 deposit) by the Receiver on February 12, 2021. This counteroffer was accepted on February 15, 2021 by ML.
- ML tours the property on February 22-23 and after a week requests a reduced price of \$2,250,000 on February 27, 2021. This price is based on a review of the projected renovations that are required to bring the hotel up to competitive standards. Hotel management is in agreement with the renovations required.
- This counter offered price is not acceptable to the Receiver and the initial deposit is returned to ML.
- Discussions with other potential investors continue as well as another email marketing blast is issued. This initiative results in a few phone inquiries but no more registrations in the data room.
- Marketing summary provided to D. Manning & Associates Inc. at the end of the month.

March 2021

- Data room now has fourteen (14) investors having viewed the data room. Seven are still actively viewing the data room but three are expressing real interest. Property tours are conducted with Mr. Akanshu Popli (private investor), Patty Guo (representative for Max Explore Development Inc. (Max Explore)).
- Subsequent negotiations with ML as well as discussions with other potential investors are conducted and on March 11, 2021 ML requests a revised price of \$2,750,000, unconditional and a deposit of \$1,000,000.
- This offer is countered by the Receiver with a full Agreement of Purchase and Sale at \$3,000,000 on March 16, 2021. This offer is countered by ML at \$2,800,000 unconditional with a \$1,000,000 deposit.
- On March 17, 2021, Max Explore submits a LOI at \$2,480,000, unconditional with a \$500,000 deposit.
- The full Agreement of Purchase and Sale with ML at \$2,800,000 is accepted by the Receiver on Wednesday March 17, 2021. The deposit of \$1,000,000 is due and payable on Wednesday March 24, 2021.

- Max Explore submitted a Letter of Intent on March 18, 2021 at \$2,880,000, unconditional with a \$500,000 deposit.
- The deposit of \$1,000,000 from ML is received in full by Owen Bird Law Corporation on March 24th, 2021.
- Receiver sends a full Agreement of Purchase and Sale document to CBRE Limited to be forwarded to Max Explore on March 25, 2021 and CBRE informs them of the Competitive Bid Process and the Court Hearing to be determined.
- CBRE continues to market the property to encourage more offers to present for the Competitive Bid Process.

Hotel Investment Market Update

The Western Canada Hotel investment market has been subdued over the course of the listing period for the George Dawson Inn. The Covid-19 pandemic has severely impacted the lodging business with hotel operational results seeing the most dramatic decrease over the past year (see attached CBRE Hotel Market Update). This downturn has resulted in a severe restriction in available hotel financing in any form. Hotel lenders are working with their existing customers to refinance, blend and extend, defer and/or whatever they can do to help with delinquent payments.

Only a handful of comparable hotels traded since August 2020 and they are summarized below:

HOTEL NAME	LOCATION	# OF ROOMS	PRICE	PRICE/DOOR
Cactus Tree Inn	Oliver BC	32	\$1,534,500	\$48,000
Kootenay Country Inn	Cranbrook BC	37	\$1,100,000	\$29,700
Ramada by Wyndham	Sherwood Park AB	63	\$2,175,000	\$34,500
Super 8 by Wyndham	Edmonton AB	103	\$5,075,000	\$49,300
Hampton Inn by Hilton	St. Paul	78	\$3,000,000 (no transfer of title yet)	\$38,460

We will now be proceeding with the notification to potential buyers of the competitive bid process. In addition, we will continue to market the property to prospective investors so that a fulsome set of investors submit their intentions prior to the Competitive Bid deadline date and the Court Hearing date.

Schedules attached:

- CBRE market report
- Investment flyer

CBRE Hotels



Greg Kwong

Regional Managing Director

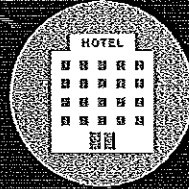
CBRE HOTELS

The World's Leading Hotel Experts.

December 2020

NATIONAL MARKET REPORT

TRENDS IN THE CANADIAN HOTEL INDUSTRY



NATIONAL MARKET REPORT • A MONTHLY PROFESSIONAL PUBLICATION

REPORT OF ROOMS OPERATIONS
BY LOCATION
MONTH OF DECEMBER 2020*

Location	Occupancy Percentage			Average Daily Rate			Revenue Per Available Room		
	2020	2019	**Point Change	2020	2019	Variance	2020	2019	Variance
ATLANTIC CANADA	17.3%	39.4%	-22.1	\$95.27	\$120.66	-21.0%	\$16.51	\$47.53	-65.3%
NEWFOUNDLAND	19.8%	38.2%	-18.4	\$96.72	\$115.03	-15.9%	\$19.14	\$43.89	-56.4%
St. John's	18.9%	39.1%	-20.2	\$93.42	\$114.25	-18.2%	\$17.62	\$44.65	-60.5%
PRINCE EDWARD ISLAND	17.2%	27.7%	-10.4	\$77.05	\$110.89	-30.5%	\$13.29	\$30.67	-56.7%
NOVA SCOTIA	18.4%	42.8%	-24.4	\$93.41	\$122.66	-23.8%	\$17.15	\$52.48	-67.3%
Halifax/Dartmouth	15.3%	44.7%	-29.5	\$91.82	\$127.09	-27.8%	\$14.01	\$56.86	-75.4%
Other Nova Scotia	26.5%	38.3%	-11.8	\$95.80	\$110.82	-13.5%	\$25.40	\$42.44	-40.2%
NEW BRUNSWICK	15.1%	38.1%	-22.9	\$97.10	\$116.10	-16.4%	\$14.70	\$44.20	-66.7%
Moncton	12.8%	41.5%	-28.7	\$96.79	\$120.20	-19.5%	\$12.38	\$49.83	-75.1%
Other New Brunswick	16.5%	36.3%	-19.8	\$97.24	\$113.62	-14.4%	\$16.01	\$41.22	-61.2%
CENTRAL CANADA	23.2%	52.6%	-29.4	\$109.43	\$153.71	-28.8%	\$25.39	\$80.80	-68.6%
QUEBEC	17.1%	53.4%	-36.3	\$130.95	\$170.27	-23.1%	\$22.40	\$90.98	-75.4%
Greater Quebec City	14.6%	56.4%	-41.8	\$128.53	\$171.18	-24.9%	\$18.74	\$96.48	-80.6%
Other Quebec	23.5%	47.4%	-23.9	\$148.09	\$195.82	-24.4%	\$34.79	\$92.81	-62.5%
Greater Montreal	14.6%	55.6%	-41.0	\$117.74	\$159.12	-26.0%	\$17.16	\$88.49	-80.6%
Downtown Montreal	8.6%	52.3%	-43.7	\$132.91	\$172.44	-22.9%	\$11.48	\$90.26	-87.3%
Montreal Airport/Laval	22.9%	64.6%	-41.8	\$111.43	\$145.57	-23.5%	\$25.47	\$94.09	-72.9%
ONTARIO	25.2%	52.3%	-27.1	\$104.77	\$148.19	-29.3%	\$26.39	\$77.48	-65.9%
Greater Toronto Area (GTA)	22.9%	59.0%	-36.2	\$99.27	\$164.17	-39.5%	\$22.69	\$96.91	-76.6%
Downtown Toronto	8.9%	62.2%	-53.3	\$150.68	\$215.17	-30.0%	\$13.45	\$133.89	-90.0%
Toronto Airport	23.7%	62.0%	-38.3	\$99.74	\$144.14	-30.8%	\$23.61	\$89.37	-73.6%
GTA West	29.0%	56.2%	-27.2	\$85.51	\$125.66	-32.0%	\$24.83	\$70.67	-64.9%
GTA East/North	39.0%	54.9%	-15.9	\$90.87	\$130.68	-30.5%	\$35.47	\$71.81	-50.6%
Eastern Ontario	25.9%	40.8%	-14.9	\$101.80	\$117.67	-13.5%	\$26.36	\$47.99	-45.1%
Kingston	20.6%	40.7%	-20.0	\$100.31	\$117.15	-14.4%	\$20.71	\$47.62	-56.5%
Other Eastern Ontario	28.6%	40.8%	-12.3	\$102.35	\$117.94	-13.2%	\$29.24	\$48.17	-39.3%
Ottawa	22.4%	54.3%	-31.9	\$112.92	\$149.19	-24.3%	\$25.32	\$81.01	-68.7%
Downtown Ottawa	17.7%	56.0%	-38.3	\$128.60	\$163.50	-21.3%	\$22.76	\$91.55	-75.1%
Ottawa West	28.4%	55.1%	-26.7	\$102.26	\$130.73	-21.8%	\$29.06	\$72.04	-59.7%
Ottawa East	25.5%	45.0%	-19.5	\$100.42	\$124.73	-19.5%	\$25.58	\$56.15	-54.4%
Southern Ontario	26.3%	47.7%	-21.4	\$102.71	\$128.71	-20.2%	\$26.98	\$61.39	-56.1%
London	30.3%	48.1%	-17.7	\$86.78	\$111.06	-21.9%	\$26.31	\$53.38	-50.7%
Windsor	30.8%	52.6%	-21.7	\$95.52	\$123.31	-22.5%	\$29.45	\$64.81	-54.6%
Kitchener/Waterloo/Cambridge/Guelph	26.3%	50.8%	-24.5	\$93.45	\$122.73	-23.9%	\$24.56	\$62.29	-60.6%
Hamilton/Brantford	38.9%	50.0%	-11.1	\$108.95	\$122.57	-11.1%	\$42.40	\$61.26	-30.8%
Niagara Falls	20.4%	48.4%	-28.0	\$120.15	\$145.03	-17.2%	\$24.55	\$70.22	-65.0%
Other Niagara Region	25.0%	36.5%	-11.5	\$87.51	\$117.79	-25.7%	\$21.84	\$42.95	-49.1%
Other Southern Ontario	27.9%	41.6%	-13.6	\$96.25	\$112.57	-14.5%	\$26.89	\$46.82	-42.6%
Central Ontario	28.4%	44.1%	-15.7	\$129.40	\$149.10	-13.2%	\$36.78	\$65.76	-44.1%
North Eastern Ontario	32.9%	43.8%	-10.9	\$107.36	\$121.00	-11.3%	\$35.30	\$52.95	-33.3%
North Bay	38.5%	35.3%	3.2	\$101.66	\$116.50	-12.7%	\$39.10	\$41.07	-4.8%
Sudbury	31.2%	51.6%	-20.5	\$109.43	\$123.36	-11.3%	\$34.10	\$63.67	-46.4%
North Central Ontario	24.9%	33.6%	-8.8	\$91.30	\$104.28	-12.4%	\$22.72	\$35.07	-35.2%
Sault Ste. Marie	24.9%	33.6%	-8.8	\$91.30	\$104.28	-12.4%	\$22.72	\$35.07	-35.2%
North Western Ontario	38.4%	50.2%	-11.8	\$117.71	\$124.61	-5.5%	\$45.23	\$62.55	-27.7%
Thunder Bay	36.8%	55.2%	-18.4	\$118.17	\$123.97	-4.7%	\$43.46	\$68.43	-36.5%

* Based on the operating results of 242,326 rooms (unweighted data)

** Please note that the variance between current and previous year occupancy is reported as a point change and not as a percentage variance.

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REPORT OF ROOMS OPERATIONS BY LOCATION MONTH OF DECEMBER 2020*

Location	Occupancy Percentage **Point Change			Average Daily Rate			Revenue Per Available Room		
	2020	2019	Change	2020	2019	Variance	2020	2019	Variance
WESTERN CANADA	22.6%	47.8%	-25.2	\$115.74	\$155.05	-25.4%	\$26.14	\$74.08	-64.7%
MANITOBA	20.0%	52.4%	-32.4	\$106.71	\$118.04	-9.6%	\$21.36	\$61.86	-65.5%
Winnipeg	18.1%	56.1%	-38.0	\$108.74	\$120.39	-9.7%	\$19.63	\$67.51	-70.9%
Brandon	18.6%	48.9%	-30.3	\$89.63	\$101.39	-11.6%	\$16.64	\$49.55	-66.4%
Other Manitoba	28.7%	40.8%	-12.0	\$109.61	\$119.84	-8.5%	\$31.51	\$48.84	-35.5%
SASKATCHEWAN	21.4%	43.2%	-21.8	\$96.79	\$113.99	-15.1%	\$20.70	\$49.23	-57.9%
Regina	19.8%	44.7%	-24.9	\$88.18	\$112.86	-21.9%	\$17.46	\$50.41	-65.4%
Saskatoon	20.8%	48.6%	-27.8	\$100.75	\$117.88	-14.5%	\$20.92	\$57.30	-63.5%
Other Saskatchewan	23.2%	37.0%	-13.9	\$98.86	\$110.17	-10.3%	\$22.89	\$40.81	-43.9%
ALBERTA (excl. Alta Resorts)	18.7%	39.9%	-21.1	\$98.12	\$119.73	-18.0%	\$18.38	\$47.71	-61.5%
Calgary	14.8%	43.4%	-28.5	\$91.47	\$125.63	-27.2%	\$13.57	\$54.49	-75.1%
Calgary Airport	18.1%	44.3%	-26.2	\$87.35	\$104.17	-16.1%	\$15.79	\$46.10	-65.8%
Downtown Calgary	7.9%	44.3%	-36.4	\$121.27	\$161.35	-24.8%	\$9.61	\$71.45	-86.6%
Calgary Northwest	21.0%	42.3%	-21.4	\$75.50	\$103.35	-26.9%	\$15.83	\$43.77	-63.8%
Calgary South	18.0%	40.0%	-22.0	\$85.15	\$115.86	-26.5%	\$15.35	\$46.37	-66.9%
Edmonton	19.3%	44.6%	-25.2	\$99.89	\$122.24	-18.3%	\$19.32	\$54.49	-64.5%
Downtown Edmonton	20.9%	48.0%	-27.1	\$127.00	\$150.81	-15.8%	\$26.56	\$72.43	-63.3%
Edmonton South	19.4%	40.8%	-21.3	\$82.82	\$103.53	-20.0%	\$16.10	\$42.19	-61.8%
Edmonton West	17.6%	46.9%	-29.3	\$88.09	\$110.78	-20.5%	\$15.51	\$51.99	-70.2%
Other Alberta	21.0%	34.2%	-13.2	\$100.28	\$112.33	-10.7%	\$21.06	\$38.39	-45.1%
Lethbridge	16.6%	35.4%	-18.8	\$86.53	\$107.65	-19.6%	\$14.40	\$38.10	-62.2%
Red Deer	16.3%	27.8%	-11.6	\$85.28	\$102.30	-16.6%	\$13.87	\$28.46	-51.3%
Other Alberta Communities	22.9%	34.7%	-11.8	\$103.44	\$114.12	-9.4%	\$23.65	\$39.57	-40.2%
Alberta Resorts	23.7%	50.9%	-27.2	\$226.12	\$308.54	-26.7%	\$53.67	\$157.16	-65.8%
BRITISH COLUMBIA	27.3%	56.2%	-28.8	\$126.13	\$183.76	-31.4%	\$34.49	\$103.25	-66.6%
Greater Vancouver	24.3%	67.9%	-43.6	\$121.03	\$175.66	-31.1%	\$29.45	\$119.35	-75.3%
Airport (Richmond)	30.3%	72.6%	-42.3	\$115.75	\$154.07	-24.9%	\$35.03	\$111.87	-68.7%
Downtown Vancouver	16.8%	68.5%	-51.7	\$144.23	\$204.61	-29.5%	\$24.27	\$140.19	-82.7%
Langley/Surrey	37.3%	56.8%	-19.4	\$99.21	\$119.48	-17.0%	\$37.05	\$67.83	-45.4%
Other Vancouver	32.8%	67.0%	-34.2	\$105.00	\$137.29	-23.5%	\$34.41	\$91.96	-62.6%
Vancouver Island	28.1%	55.1%	-27.1	\$118.99	\$142.01	-16.2%	\$33.41	\$78.30	-57.3%
Campbell River	44.8%	56.4%	-11.6	\$91.26	\$101.20	-9.8%	\$40.89	\$57.08	-28.4%
Greater Victoria	22.9%	58.0%	-35.0	\$120.51	\$147.16	-18.1%	\$27.65	\$85.30	-67.6%
Nanaimo	27.2%	54.0%	-26.8	\$118.73	\$126.11	-5.9%	\$32.33	\$68.09	-52.5%
Parksville/Qualicum Beach	36.1%	48.6%	-12.5	\$117.24	\$129.66	-9.6%	\$42.34	\$62.97	-32.8%
Other Vancouver Island	35.4%	48.9%	-13.6	\$128.12	\$150.43	-14.8%	\$45.33	\$73.61	-38.4%
Whistler Resort Area	28.0%	72.7%	-44.6	\$319.11	\$565.23	-43.5%	\$89.41	\$410.67	-78.2%
Other British Columbia	30.4%	40.1%	-9.7	\$106.08	\$121.48	-12.7%	\$32.23	\$48.74	-33.9%
Abbotsford/Chilliwack	37.1%	52.1%	-15.0	\$84.35	\$95.54	-11.7%	\$31.27	\$49.73	-37.1%
Kamloops	32.9%	37.0%	-4.0	\$89.14	\$100.33	-11.1%	\$29.36	\$37.10	-20.9%
Kelowna	24.2%	39.5%	-15.3	\$98.11	\$119.02	-17.6%	\$23.76	\$47.04	-49.5%
Penticton	15.2%	24.0%	-8.8	\$90.61	\$99.95	-9.3%	\$13.75	\$23.96	-42.6%
Prince George	44.3%	45.2%	-0.9	\$103.31	\$107.96	-4.3%	\$45.76	\$48.82	-6.3%
Other B.C. Communities	29.9%	40.0%	-10.1	\$117.12	\$134.30	-12.8%	\$35.06	\$53.71	-34.7%
NORTHWEST TERRITORIES	29.4%	67.4%	-38.0	\$145.79	\$145.87	-0.1%	\$42.82	\$98.31	-56.4%
YUKON	19.4%	42.1%	-22.7	\$105.37	\$126.43	-16.7%	\$20.42	\$53.19	-61.6%
CANADA	22.5%	49.4%	-26.9	\$111.59	\$152.46	-26.8%	\$25.09	\$75.33	-66.7%

* Based on the operating results of 242,326 rooms (unweighted data)

** Please note that the variance between current and previous year occupancy is reported as a point change and not as a percentage variance.

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NATIONAL MARKET REPORT • A MONTHLY PROFESSIONAL PUBLICATION

REPORT OF ROOMS OPERATIONS BY LOCATION TWELVE MONTHS ENDED DECEMBER 2020

Location	Occupancy Percentage			Average Daily Rate			Revenue Per Available Room		
	2020	2019	**Point Change	2020	2019	Variance	2020	2019	Variance
ATLANTIC CANADA	28.4%	61.2%	-32.8	\$110.98	\$138.15	-19.7%	\$31.52	\$84.60	-62.7%
NEWFOUNDLAND	25.5%	55.6%	-30.1	\$108.55	\$132.14	-17.9%	\$27.66	\$73.46	-62.3%
St. John's	23.8%	55.5%	-31.7	\$104.52	\$132.92	-21.4%	\$24.88	\$73.83	-66.3%
PRINCE EDWARD ISLAND	28.0%	57.9%	-29.9	\$107.24	\$154.68	-30.7%	\$30.04	\$89.56	-66.5%
NOVA SCOTIA	31.0%	66.3%	-35.3	\$110.75	\$145.71	-24.0%	\$34.35	\$96.57	-64.4%
Halifax/Dartmouth	29.2%	70.1%	-40.9	\$112.14	\$154.61	-27.5%	\$32.78	\$108.45	-69.8%
Other Nova Scotia	35.3%	57.9%	-22.5	\$107.98	\$122.25	-11.7%	\$38.14	\$70.74	-46.1%
NEW BRUNSWICK	26.9%	59.5%	-32.6	\$110.71	\$128.40	-13.8%	\$29.75	\$76.38	-61.1%
Moncton	28.2%	63.5%	-35.3	\$111.05	\$129.41	-14.2%	\$31.31	\$82.13	-61.9%
Other New Brunswick	26.2%	57.4%	-31.2	\$110.52	\$127.82	-13.5%	\$28.95	\$73.36	-60.5%
CENTRAL CANADA	33.3%	68.6%	-35.3	\$129.51	\$166.21	-22.1%	\$43.14	\$114.09	-62.2%
QUEBEC	28.7%	68.4%	-39.7	\$142.54	\$175.86	-18.9%	\$40.97	\$120.28	-65.9%
Greater Quebec City	28.3%	69.2%	-40.9	\$139.58	\$176.81	-21.1%	\$39.53	\$122.44	-67.7%
Other Quebec	36.0%	59.3%	-23.4	\$149.67	\$155.46	-3.7%	\$53.81	\$92.21	-41.6%
Greater Montreal	25.3%	72.7%	-47.4	\$138.48	\$183.93	-24.7%	\$35.06	\$133.72	-73.8%
Downtown Montreal	19.9%	71.4%	-51.5	\$150.25	\$209.65	-28.3%	\$29.89	\$149.69	-80.0%
Montreal Airport/Laval	33.3%	77.6%	-44.2	\$132.79	\$152.18	-12.7%	\$44.24	\$118.03	-62.5%
ONTARIO	34.8%	68.7%	-33.9	\$126.16	\$163.02	-22.6%	\$43.88	\$112.01	-60.8%
Greater Toronto Area (GTA)	31.8%	74.4%	-42.6	\$136.33	\$183.79	-25.8%	\$43.42	\$136.83	-68.3%
Downtown Toronto	22.0%	77.6%	-55.6	\$202.47	\$252.38	-19.8%	\$44.51	\$195.75	-77.3%
Toronto Airport	34.6%	77.5%	-43.0	\$132.51	\$155.64	-14.9%	\$45.83	\$120.69	-62.0%
GTA West	36.1%	72.1%	-35.9	\$107.32	\$134.33	-20.1%	\$38.79	\$96.83	-59.9%
GTA East/North	40.9%	70.0%	-29.1	\$109.70	\$138.76	-20.9%	\$44.85	\$97.17	-53.9%
Eastern Ontario	40.3%	61.1%	-20.8	\$115.64	\$131.22	-11.9%	\$46.66	\$80.18	-41.8%
Kingston	35.3%	62.9%	-27.7	\$116.99	\$139.80	-16.3%	\$41.27	\$87.99	-53.1%
Other Eastern Ontario	42.7%	60.1%	-17.5	\$115.13	\$126.56	-9.0%	\$49.11	\$76.12	-35.5%
Ottawa	35.4%	71.2%	-35.8	\$136.32	\$166.89	-18.3%	\$48.23	\$118.86	-59.4%
Downtown Ottawa	32.8%	73.0%	-40.2	\$154.53	\$184.90	-16.4%	\$50.64	\$135.00	-62.5%
Ottawa West	40.2%	71.0%	-30.7	\$119.96	\$147.06	-18.4%	\$48.26	\$104.37	-53.8%
Ottawa East	33.6%	64.7%	-31.1	\$115.67	\$131.85	-12.3%	\$38.81	\$85.28	-54.5%
Southern Ontario	32.6%	64.1%	-31.5	\$108.49	\$142.26	-23.7%	\$35.37	\$91.15	-61.2%
London	40.6%	65.0%	-24.3	\$98.76	\$120.96	-18.3%	\$40.12	\$78.57	-48.9%
Windsor	32.9%	60.6%	-27.7	\$108.24	\$120.83	-10.4%	\$35.66	\$73.26	-51.3%
Kitchener/Waterloo/Cambridge/Guelph	34.4%	65.4%	-31.0	\$105.65	\$129.66	-18.5%	\$36.35	\$84.85	-57.2%
Hamilton/Brantford	39.3%	66.5%	-27.2	\$111.26	\$131.20	-15.2%	\$43.77	\$87.24	-49.8%
Niagara Falls	27.5%	66.5%	-39.0	\$116.16	\$167.89	-30.8%	\$31.89	\$111.59	-71.4%
Other Niagara Region	30.3%	54.6%	-24.2	\$103.42	\$131.23	-21.2%	\$31.39	\$71.59	-56.2%
Other Southern Ontario	33.9%	58.8%	-24.9	\$104.81	\$119.58	-12.4%	\$35.58	\$70.32	-49.4%
Central Ontario	41.2%	57.9%	-16.7	\$145.28	\$150.38	-3.4%	\$59.88	\$87.08	-31.2%
North Eastern Ontario	42.6%	61.5%	-19.0	\$112.04	\$123.80	-9.5%	\$47.70	\$76.20	-37.4%
North Bay	42.8%	60.9%	-18.1	\$103.67	\$115.53	-10.3%	\$44.38	\$70.41	-37.0%
Sudbury	43.8%	65.9%	-22.1	\$112.68	\$124.42	-9.4%	\$49.30	\$81.97	-39.9%
North Central Ontario	39.1%	58.6%	-19.5	\$104.60	\$113.94	-8.2%	\$40.88	\$66.78	-38.8%
Sault Ste. Marie	39.1%	58.6%	-19.5	\$104.60	\$113.94	-8.2%	\$40.88	\$66.78	-38.8%
North Western Ontario	52.9%	69.5%	-16.6	\$123.68	\$129.86	-4.8%	\$65.40	\$90.22	-27.5%
Thunder Bay	49.5%	70.3%	-20.8	\$122.39	\$127.13	-3.7%	\$60.58	\$89.32	-32.2%

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NATIONAL MARKET REPORT • A MONTHLY PROFESSIONAL PUBLICATION

REPORT OF ROOMS OPERATIONS
BY LOCATION
TWELVE MONTHS ENDED DECEMBER 2020

Location	Occupancy Percentage ^{**}			Average Daily Rate			Revenue Per Available Room		
	2020	2019	Change	2020	2019	Variance	2020	2019	Variance
WESTERN CANADA	34.6%	62.2%	-27.6	\$131.53	\$164.08	-19.8%	\$45.50	\$102.09	-55.4%
MANITOBA	34.8%	67.5%	-32.8	\$117.20	\$125.42	-6.6%	\$40.73	\$84.68	-51.9%
Winnipeg	32.3%	70.3%	-38.0	\$117.63	\$128.09	-8.2%	\$38.05	\$90.10	-57.8%
Brandon	32.3%	61.4%	-29.0	\$102.14	\$111.93	-8.7%	\$33.02	\$68.70	-51.9%
Other Manitoba	44.8%	60.5%	-15.7	\$122.86	\$123.04	-0.1%	\$55.09	\$74.45	-26.0%
SASKATCHEWAN	32.3%	55.5%	-23.3	\$105.87	\$118.82	-10.9%	\$34.15	\$66.00	-48.3%
Regina	29.9%	57.1%	-27.1	\$102.85	\$119.73	-14.1%	\$30.80	\$68.33	-54.9%
Saskatoon	31.6%	60.7%	-29.1	\$110.58	\$124.92	-11.5%	\$34.92	\$75.84	-54.0%
Other Saskatchewan	34.6%	49.7%	-15.1	\$103.79	\$111.18	-6.6%	\$35.88	\$55.23	-35.0%
ALBERTA (excl. Alta Resorts)	29.6%	54.3%	-24.8	\$110.82	\$129.15	-14.2%	\$32.75	\$70.15	-53.3%
Calgary	25.7%	60.6%	-34.9	\$114.12	\$145.05	-21.3%	\$29.32	\$87.87	-66.6%
Calgary Airport	28.1%	60.6%	-32.5	\$99.62	\$116.57	-14.5%	\$27.99	\$70.62	-60.4%
Calgary Downtown	19.6%	62.2%	-42.6	\$157.48	\$193.20	-18.5%	\$30.89	\$120.14	-74.3%
Calgary Northwest	31.4%	61.3%	-29.9	\$92.46	\$118.79	-22.2%	\$29.07	\$72.86	-60.1%
Calgary South	28.3%	57.1%	-28.9	\$105.82	\$129.35	-18.2%	\$29.91	\$73.88	-59.5%
Edmonton	28.4%	56.1%	-27.7	\$112.25	\$126.53	-11.3%	\$31.91	\$71.01	-55.1%
Downtown Edmonton	24.7%	60.1%	-35.5	\$144.94	\$156.26	-7.2%	\$35.73	\$93.93	-62.0%
Edmonton South	28.8%	53.7%	-24.9	\$97.04	\$110.53	-12.2%	\$27.98	\$59.35	-52.9%
Edmonton West	30.3%	56.0%	-25.7	\$104.28	\$116.55	-10.5%	\$31.56	\$65.27	-51.7%
Other Alberta	32.8%	48.8%	-16.0	\$108.33	\$117.47	-7.8%	\$35.52	\$57.32	-38.0%
Lethbridge	28.0%	57.4%	-29.4	\$96.27	\$110.55	-12.9%	\$26.92	\$63.45	-57.6%
Red Deer	21.6%	43.6%	-22.0	\$96.69	\$108.80	-11.1%	\$20.86	\$47.40	-56.0%
Other Alberta Communities	35.0%	48.3%	-13.3	\$111.08	\$120.00	-7.4%	\$38.89	\$57.93	-32.9%
Alberta Resorts	38.7%	66.8%	-28.1	\$241.76	\$318.40	-24.1%	\$93.45	\$212.58	-56.0%
BRITISH COLUMBIA	40.2%	70.8%	-30.6	\$146.24	\$192.48	-24.0%	\$58.72	\$136.22	-56.9%
Greater Vancouver	36.1%	79.9%	-43.8	\$148.35	\$219.18	-32.3%	\$53.57	\$175.16	-69.4%
Airport (Richmond)	43.0%	82.2%	-39.2	\$138.61	\$184.23	-24.8%	\$59.57	\$151.35	-60.6%
Downtown Vancouver	29.1%	80.2%	-51.1	\$177.71	\$261.05	-31.9%	\$51.78	\$209.39	-75.3%
Langley/Surrey	44.5%	74.7%	-30.2	\$112.78	\$144.29	-21.8%	\$50.14	\$107.76	-53.5%
Other Vancouver	43.5%	79.3%	-35.7	\$123.34	\$172.05	-28.3%	\$53.71	\$136.41	-60.6%
Vancouver Island	41.6%	70.5%	-28.9	\$145.45	\$177.70	-18.1%	\$60.54	\$125.28	-51.7%
Campbell River	57.0%	74.7%	-17.7	\$110.72	\$125.50	-11.8%	\$63.11	\$93.72	-32.7%
Greater Victoria	36.9%	72.2%	-35.3	\$141.08	\$186.42	-24.3%	\$52.06	\$134.68	-61.3%
Nanaimo	44.6%	74.1%	-29.4	\$132.03	\$145.67	-9.4%	\$58.94	\$107.92	-45.4%
Parksville/Qualicum Beach	45.6%	59.9%	-14.3	\$159.15	\$168.08	-5.3%	\$72.52	\$100.63	-27.9%
Other Vancouver Island	49.3%	66.6%	-17.3	\$169.20	\$185.19	-8.6%	\$83.47	\$123.36	-32.3%
Whistler Resort Area	40.9%	70.0%	-29.2	\$311.85	\$328.62	-5.1%	\$127.44	\$230.13	-44.6%
Other British Columbia	43.9%	60.1%	-16.3	\$123.18	\$134.49	-8.4%	\$54.05	\$80.88	-33.2%
Abbotsford/Chilliwack	47.7%	73.4%	-25.7	\$95.09	\$116.79	-18.6%	\$45.38	\$85.73	-47.1%
Kamloops	41.7%	64.6%	-22.9	\$98.96	\$117.08	-15.5%	\$41.24	\$75.63	-45.5%
Kelowna	43.0%	65.7%	-22.7	\$142.13	\$159.10	-10.7%	\$61.17	\$104.60	-41.5%
Penticton	36.0%	51.9%	-15.9	\$157.48	\$153.13	2.8%	\$56.66	\$79.44	-28.7%
Prince George	51.0%	62.7%	-11.8	\$110.00	\$117.41	-6.3%	\$56.04	\$73.64	-23.9%
Other B.C. Communities	43.7%	56.3%	-12.5	\$127.14	\$135.68	-6.3%	\$55.60	\$76.36	-27.2%
NORTHWEST TERRITORIES	43.4%	63.4%	-20.0	\$153.65	\$147.95	3.9%	\$66.62	\$93.79	-29.0%
YUKON	35.2%	62.7%	-27.5	\$123.98	\$150.31	-17.5%	\$43.66	\$94.29	-53.7%
CANADA	33.6%	65.1%	-31.6	\$129.37	\$163.42	-20.8%	\$43.43	\$106.45	-59.2%

** Please note that the variance between current and previous year occupancy is reported as a point change and not as a percentage variance.

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NATIONAL MARKET REPORT • A MONTHLY PROFESSIONAL PUBLICATION

REGIONAL REPORT OF ROOMS OPERATIONS
BY PROPERTY SIZE, PROPERTY TYPE AND PRICE LEVEL
MONTH OF DECEMBER 2020*

ATLANTIC

CENTRAL

	Occupancy Percentage			Average Daily Rate		
	2020	2019	**Point Change	2020	2019	Variance
Property Size						
Under 50 rooms	19.3%	27.4%	-8.1	\$90.15	\$106.16	-15.1%
50-75 rooms	24.0%	35.2%	-11.2	\$85.62	\$99.80	-14.2%
76-125 rooms	18.8%	39.7%	-20.9	\$95.79	\$114.82	-16.6%
126-200 rooms	16.8%	42.1%	-25.3	\$100.34	\$131.97	-24.0%
201-500 rooms	10.6%	39.3%	-28.7	\$99.91	\$130.21	-23.3%
Over 500 rooms	N/A	N/A	N/A	N/A	N/A	N/A
Total	17.3%	39.4%	-22.1	\$95.27	\$120.66	-21.0%
Property Type						
Limited Service	20.8%	40.4%	-19.6	\$96.75	\$117.68	-17.8%
Full Service	13.4%	37.9%	-24.5	\$91.01	\$121.22	-24.9%
Suite Hotel	27.0%	50.0%	-23.0	\$98.65	\$136.05	-27.5%
Resort	N/A	N/A	N/A	N/A	N/A	N/A
Total	17.3%	39.4%	-22.1	\$95.27	\$120.66	-21.0%
Price Level						
Budget	19.7%	30.5%	-10.8	\$87.48	\$97.17	-10.0%
Mid-Price	16.9%	41.5%	-24.6	\$96.15	\$123.88	-22.4%
Upscale	14.5%	41.3%	-26.8	\$124.25	\$141.58	-12.2%
Total	17.3%	39.4%	-22.1	\$95.27	\$120.66	-21.0%

	Occupancy Percentage			Average Daily Rate		
	2020	2019	**Point Change	2020	2019	Variance
Property Size						
Under 50 rooms	27.2%	39.2%	-12.1	\$103.83	\$131.87	-21.3%
50-75 rooms	31.4%	45.4%	-14.0	\$97.53	\$113.53	-14.1%
76-125 rooms	30.2%	50.8%	-20.6	\$102.00	\$125.21	-18.5%
126-200 rooms	24.9%	52.7%	-27.8	\$101.87	\$138.84	-26.6%
201-500 rooms	16.2%	55.2%	-39.0	\$130.32	\$176.66	-26.2%
Over 500 rooms	12.2%	57.9%	-45.6	\$146.53	\$204.33	-28.3%
Total	23.2%	52.6%	-29.4	\$109.43	\$153.71	-28.8%
Property Type						
Limited Service	30.6%	48.9%	-18.3	\$94.13	\$113.29	-16.9%
Full Service	17.3%	53.5%	-36.3	\$114.08	\$165.56	-31.1%
Suite Hotel	33.4%	59.3%	-25.8	\$112.02	\$155.90	-28.1%
Resort	20.2%	52.2%	-32.0	\$244.03	\$272.97	-10.6%
Total	23.2%	52.6%	-29.4	\$109.43	\$153.71	-28.8%
Price Level						
Budget	28.4%	46.9%	-18.5	\$83.58	\$98.47	-15.1%
Mid-Price	24.4%	52.7%	-28.4	\$107.54	\$145.91	-26.3%
Upscale	11.8%	59.7%	-47.9	\$205.76	\$241.93	-15.0%
Total	23.2%	52.6%	-29.4	\$109.43	\$153.71	-28.8%

WESTERN

CANADA *

	Occupancy Percentage			Average Daily Rate		
	2020	2019	**Point Change	2020	2019	Variance
Property Size						
Under 50 rooms	29.3%	37.2%	-7.9	\$96.67	\$108.87	-11.2%
50-75 rooms	29.5%	44.3%	-14.8	\$94.17	\$108.69	-13.4%
76-125 rooms	25.2%	44.7%	-19.5	\$103.14	\$125.16	-17.6%
126-200 rooms	21.3%	47.5%	-26.2	\$109.96	\$134.09	-18.0%
201-500 rooms	17.4%	53.2%	-35.8	\$153.28	\$196.75	-22.1%
Over 500 rooms	10.5%	62.2%	-51.6	\$291.41	\$315.70	-7.7%
Total	22.6%	47.8%	-25.2	\$115.74	\$155.05	-25.4%
Property Type						
Limited Service	26.1%	42.1%	-16.0	\$94.09	\$108.67	-13.4%
Full Service	18.7%	51.1%	-32.4	\$118.29	\$152.62	-22.5%
Suite Hotel	25.0%	53.3%	-28.3	\$119.81	\$163.65	-26.8%
Resort	24.6%	54.6%	-30.0	\$234.30	\$361.41	-35.2%
Total	22.6%	47.8%	-25.2	\$115.74	\$155.05	-25.4%
Price Level						
Budget	29.6%	43.7%	-14.1	\$83.41	\$98.23	-15.1%
Mid-Price	22.0%	46.6%	-24.6	\$109.07	\$131.70	-17.2%
Upscale	16.3%	58.0%	-41.7	\$237.02	\$292.63	-19.0%
Total	22.6%	47.8%	-25.2	\$115.74	\$155.05	-25.4%

	Occupancy Percentage			Average Daily Rate		
	2020	2019	**Point Change	2020	2019	Variance
Property Size						
Under 50 rooms	28.3%	37.6%	-9.4	\$98.93	\$117.73	-16.0%
50-75 rooms	29.7%	43.8%	-14.1	\$94.84	\$109.82	-13.6%
76-125 rooms	26.7%	46.7%	-20.0	\$102.16	\$124.43	-17.9%
126-200 rooms	22.6%	49.5%	-26.9	\$105.27	\$136.27	-22.8%
201-500 rooms	16.4%	53.4%	-37.0	\$140.07	\$183.75	-23.8%
Over 500 rooms	11.8%	58.9%	-47.2	\$181.80	\$233.81	-22.2%
Total	22.5%	49.4%	-26.9	\$111.59	\$152.46	-26.8%
Property Type						
Limited Service	27.4%	44.6%	-17.2	\$94.29	\$111.35	-15.3%
Full Service	17.6%	51.4%	-33.9	\$114.70	\$157.96	-27.4%
Suite Hotel	30.2%	56.8%	-26.5	\$113.70	\$157.65	-27.9%
Resort	23.0%	53.3%	-30.4	\$236.20	\$331.59	-28.8%
Total	22.5%	49.4%	-26.9	\$111.59	\$152.46	-26.8%
Price Level						
Budget	28.3%	44.4%	-16.1	\$83.70	\$98.31	-14.9%
Mid-Price	22.6%	48.9%	-26.3	\$107.53	\$137.93	-22.0%
Upscale	13.9%	58.5%	-44.6	\$220.81	\$264.57	-16.5%
Total	22.5%	49.4%	-26.9	\$111.59	\$152.46	-26.8%

* Based on the operating results of 242,326 rooms (unweighted data)

** Please note that the variance between current and previous year occupancy is reported as a point change and not as a percentage variance.

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NATIONAL MARKET REPORT • A MONTHLY PROFESSIONAL PUBLICATION

REGIONAL REPORT OF ROOMS OPERATIONS
BY PROPERTY SIZE, PROPERTY TYPE AND PRICE LEVEL
TWELVE MONTHS ENDED DECEMBER 2020

ATLANTIC

CENTRAL

	Occupancy Percentage			Average Daily Rate		
	2020	2019	**Point Change	2020	2019	Variance
Property Size						
Under 50 rooms	27.0%	51.3%	-24.3	\$107.53	\$123.88	-13.2%
50-75 rooms	31.7%	57.0%	-25.3	\$98.68	\$113.18	-12.8%
76-125 rooms	29.8%	61.0%	-31.2	\$108.51	\$130.73	-17.0%
126-200 rooms	29.1%	64.1%	-35.0	\$114.73	\$143.90	-20.3%
201-500 rooms	22.2%	61.8%	-39.6	\$125.19	\$161.58	-22.5%
Over 500 rooms	N/A	N/A	N/A	N/A	N/A	N/A
Total	28.4%	61.2%	-32.8	\$110.98	\$138.15	-19.7%
Property Type						
Limited Service	31.3%	60.8%	-29.5	\$108.37	\$128.14	-15.4%
Full Service	24.6%	61.4%	-36.7	\$110.45	\$143.51	-23.0%
Suite Hotel	35.9%	72.7%	-36.7	\$118.66	\$156.75	-24.3%
Resort	N/A	N/A	N/A	N/A	N/A	N/A
Total	28.4%	61.2%	-32.8	\$110.98	\$138.15	-19.7%
Price Level						
Budget	27.6%	52.4%	-24.8	\$95.80	\$108.49	-11.7%
Mid-Price	28.5%	63.4%	-34.9	\$112.56	\$142.53	-21.0%
Upscale	29.5%	60.7%	-31.2	\$148.83	\$170.07	-12.5%
Total	28.4%	61.2%	-32.8	\$110.98	\$138.15	-19.7%

	Occupancy Percentage			Average Daily Rate		
	2020	2019	**Point Change	2020	2019	Variance
Property Size						
Under 50 rooms	37.9%	54.9%	-16.9	\$110.78	\$132.52	-16.4%
50-75 rooms	42.7%	62.4%	-19.7	\$108.64	\$121.16	-10.3%
76-125 rooms	39.4%	67.2%	-27.8	\$113.62	\$136.09	-16.5%
126-200 rooms	34.4%	68.9%	-34.5	\$120.79	\$149.91	-19.4%
201-500 rooms	27.9%	71.1%	-43.2	\$157.82	\$190.88	-17.3%
Over 500 rooms	21.7%	72.7%	-51.0	\$178.04	\$225.48	-21.0%
Total	33.3%	68.6%	-35.3	\$129.51	\$166.21	-22.1%
Property Type						
Limited Service	40.3%	65.0%	-24.7	\$105.07	\$122.89	-14.5%
Full Service	27.9%	70.4%	-42.5	\$141.78	\$184.67	-23.2%
Suite Hotel	40.6%	74.7%	-34.0	\$130.80	\$167.53	-21.9%
Resort	35.2%	57.7%	-22.5	\$237.77	\$221.17	7.5%
Total	33.3%	68.6%	-35.3	\$129.51	\$166.21	-22.1%
Price Level						
Budget	38.5%	62.6%	-24.1	\$93.56	\$106.54	-12.2%
Mid-Price	33.7%	69.8%	-36.1	\$127.46	\$160.54	-20.6%
Upscale	24.4%	72.8%	-48.5	\$222.02	\$261.10	-15.0%
Total	33.3%	68.6%	-35.3	\$129.51	\$166.21	-22.1%

WESTERN

CANADA

	Occupancy Percentage			Average Daily Rate		
	2020	2019	**Point Change	2020	2019	Variance
Property Size						
Under 50 rooms	40.3%	53.7%	-13.3	\$103.85	\$116.18	-10.6%
50-75 rooms	40.8%	57.9%	-17.1	\$108.14	\$126.08	-14.2%
76-125 rooms	37.7%	60.4%	-22.7	\$117.36	\$136.22	-13.8%
126-200 rooms	32.8%	62.2%	-29.4	\$123.91	\$149.09	-16.9%
201-500 rooms	28.9%	66.3%	-37.5	\$168.75	\$201.74	-16.4%
Over 500 rooms	25.4%	74.3%	-48.9	\$279.10	\$330.00	-15.4%
Total	34.6%	62.2%	-27.6	\$131.53	\$164.08	-19.8%
Property Type						
Limited Service	37.4%	57.3%	-19.9	\$105.44	\$121.52	-13.2%
Full Service	30.4%	65.2%	-34.8	\$135.89	\$174.00	-21.9%
Suite Hotel	39.5%	68.4%	-28.9	\$133.87	\$168.98	-20.8%
Resort	40.2%	66.0%	-25.7	\$249.62	\$290.66	-14.1%
Total	34.6%	62.2%	-27.6	\$131.53	\$164.08	-19.8%
Price Level						
Budget	39.0%	56.9%	-17.9	\$94.62	\$115.12	-17.8%
Mid-Price	34.1%	62.0%	-28.0	\$122.94	\$146.54	-16.1%
Upscale	31.2%	69.4%	-38.2	\$245.35	\$284.74	-13.8%
Total	34.6%	62.2%	-27.6	\$131.53	\$164.08	-19.8%

	Occupancy Percentage			Average Daily Rate		
	2020	2019	**Point Change	2020	2019	Variance
Property Size						
Under 50 rooms	39.1%	54.0%	-14.9	\$106.22	\$122.58	-13.3%
50-75 rooms	40.6%	59.5%	-18.9	\$107.60	\$122.96	-12.5%
76-125 rooms	37.7%	63.2%	-25.4	\$115.19	\$135.73	-15.1%
126-200 rooms	33.2%	65.5%	-32.3	\$121.78	\$149.05	-18.3%
201-500 rooms	28.0%	68.5%	-40.5	\$161.49	\$194.05	-16.8%
Over 500 rooms	22.6%	73.1%	-50.5	\$206.53	\$251.92	-18.0%
Total	33.6%	65.1%	-31.6	\$129.37	\$163.42	-20.8%
Property Type						
Limited Service	38.0%	60.6%	-22.7	\$105.51	\$122.67	-14.0%
Full Service	28.8%	67.6%	-38.9	\$137.32	\$177.86	-22.8%
Suite Hotel	40.0%	72.5%	-32.5	\$131.34	\$167.52	-21.6%
Resort	38.6%	62.9%	-24.4	\$245.18	\$269.70	-9.1%
Total	33.6%	65.1%	-31.6	\$129.37	\$163.42	-20.8%
Price Level						
Budget	38.0%	59.6%	-21.6	\$94.14	\$110.04	-14.4%
Mid-Price	33.4%	65.6%	-32.1	\$124.15	\$152.78	-18.7%
Upscale	27.7%	71.0%	-43.3	\$232.58	\$270.49	-14.0%
Total	33.6%	65.1%	-31.6	\$129.37	\$163.42	-20.8%

** Please note that the variance between current and previous year occupancy is reported as a point change and not as a percentage variance.

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Market Leading Professionals

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CBRE Hotels Valuation & Advisory Services

Nicole Nguyen

Director
647.943.3745
nicole.nguyen@cbre.com

Kirstin Hallett

Director
778.372.1942
kirstin.hallett@cbre.com

David Ferguson

Director
778.372.1941
david.ferguson@cbre.com

Cailin Sully-Daniels

Associate Director
778.372.4414
cailin.sullydaniels@cbre.com

Carol Lopes

Senior Analyst
778.372.1940
carol.lopes@cbre.com

Jamie Mills

Analyst
647.943.3747
jamie.mills@cbre.com

CBRE Tourism & Leisure Group

Fran Hohol

Senior Director
647.943.3743
fran.hohol@cbre.com

Rebecca Godfrey

Director
647.943.3744
rebecca.godfrey@cbre.com

Hildegard Snelgrove

Analyst
647.943.3748
hildegard.snelgrove@cbre.com

CBRE Hotels Brokerage

Mark Sparrow**

Executive Vice President
647.943.3666
mark.sparrow@cbre.com

Luke Scheer**

Executive Vice President
647.943.3673
luke.scheer@cbre.com

Greg Kwong*

Executive Vice President
403.750.0514
greg.kwong@cbre.com

Ryan Tran**

Vice President
647.943.3674
ryan.tran@cbre.com

* Broker

** Sales Representative

CBRE



GEORGE DAWSON INN

11705 8TH ST | DAWSON CREEK, BC

LIST PRICE: \$4 MILLION

INVESTMENT OPPORTUNITY

CBRE Hotels ("CBRE") has been retained as the exclusive advisor and agent to D. Manning & Associates Inc. as Receiver and Manager of the assets, undertaking and property of 356746 Holdings Inc. (the "Vendor") in its sale of the George Dawson Inn (the "Hotel" or "Property") in Dawson Creek, BC.

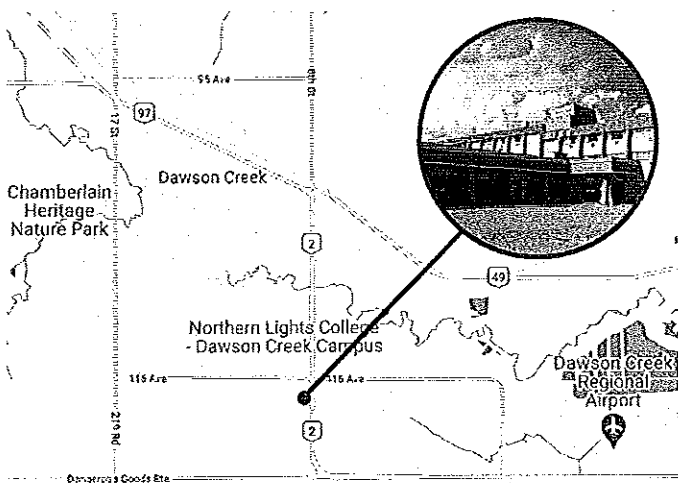
Dawson Creek is located on the eastern edge of the Peace Region in Northern British Columbia, Canada. Dawson Creek has a diverse economy relying on agriculture, oil and gas, forestry, and tourism. Major economic projects in the area have created a stable environment for businesses and entrepreneurs alike. The Coastal link pipeline starts in Dawson Creek and will supply 2 billion cubic feet of natural gas per day to the LNG Canada plant (the largest private investment ever made in Canada) once the project is completed. The contract is for 35 years and they estimate it will spend up to 5 Billion dollars per year upstream to fulfill the contract.

The George Dawson Inn has excellent visibility and access from Highway #2 on the hotel strip in Dawson Creek. Highway #2 leads to Grande Prairie (Southeast) and is the major thoroughfare that divides the city. The hotel is only a few minutes drive to Dawson Creek Regional Airport and is surrounded by a variety of major retailers.

The Hotel has been consistently maintained and features 80 guest rooms, a 110-seat gastro pub and 136-seat restaurant, approximately 4,686 square feet of meeting space (which can accommodate up to 350 people) and a vacant retail space formerly used as a liquor store.

PROPERTY OVERVIEW

INTEREST CONVEYED	Fee Simple
GUEST ROOMS	80
YEAR OPENED/ RENOVATED	1979/2012
SITE SIZE	2.9 acres
FOOD & BEVERAGE	136-seat dining room George Dawson Inn Restaurant 110-seat bar Georgia's
FUNCTION SPACE	Approx. 4,686 sq. ft.
OTHER AMENITIES	Business centre, fitness centre, honeymoon suite
PARKING	131 guest parking spaces
BRAND	Unbranded
MANAGEMENT	Unencumbered by any third-party management agreement
UNION	Non unionized

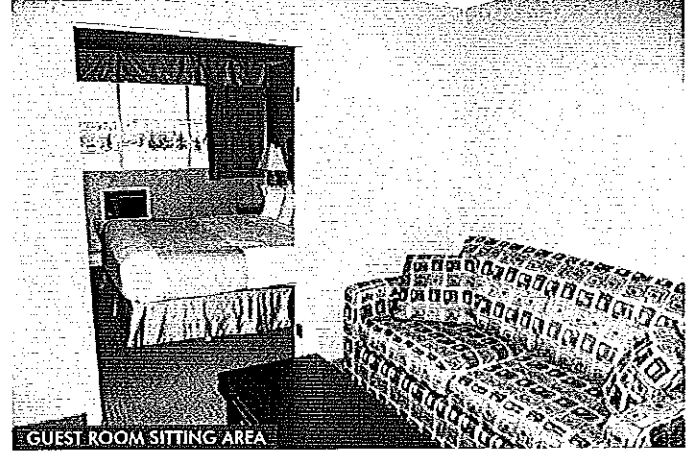
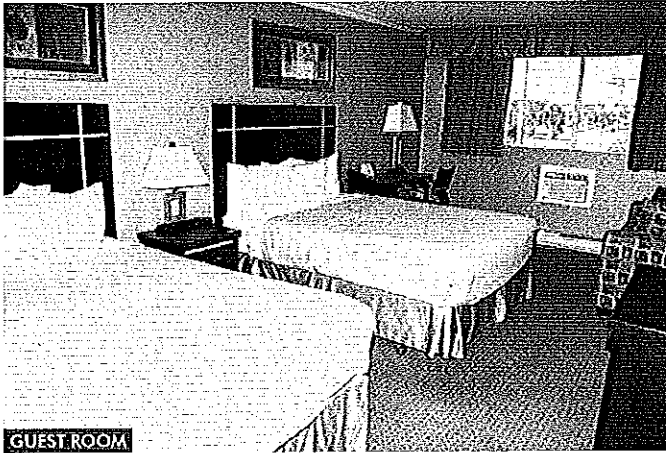


CALGARY
530 8 Ave SW Suite 500
Calgary, AB T2P 3S8

CBRE

GEORGE DAWSON INN

11705 8TH ST | DAWSON CREEK, BC



INVESTMENT HIGHLIGHTS

- » Approximately 2,458 SF of space previously occupied by a liquor store sits vacant at one end of the building and will need an alternate use as our understanding is the liquor store license was sold in November 2019. In the fiscal years ended July 2017 and 2018, this represented departmental profit (before wages and benefits) of approximately \$191,000 and \$120,000, respectively. One possible use for the space could be to expand the lounge, restaurant and/or meeting space to better accommodate social distancing requirements in the short-term.
- » The Hotel is the only unbranded property within its primary competitive set, and its topline performance is significantly below market. While a brand will require a property improvement plan to bring the Property to brand standards, there would be opportunity to tap into a stronger distribution and sales network and grow topline performance. While the Hotel does not participate in STR reporting, we are able to compare aggregate market trends available through CBRE Hotels Valuation &

Advisory. For comparison, the Hotel's ADR has fluctuated in the low to high \$90 range, while the market ADR grew from \$120 in 2016 to the mid-\$130 range in the past two years. Further, with reduced demand levels anticipated in the near term, this is an excellent time to reposition/renovate a property so it's ready when demand returns.

- » The receivership proceedings will allow for structural changes to the operations and facilitate potential costs savings for a new owner going forward such as the approximate \$130,000 in annual equipment lease costs. While we understand non-operating owner costs were normalized, it is possible additional savings could be realized such as reduced interest charges and more efficient staffing levels.
- » At 2.9 acres, the site has potential for redevelopment (subject to local zoning laws) for a new owner to consider other complementary uses in the future.

Dawson Creek Competitive Market Topline Trending - Calendar Year (1)

	YTD March					
	2016	2017	2018	2019	2019	2020
Occupancy	48.1%	83.3% 73.2%	67.7% -18.7%	55.4% -18.2%	63.3%	48.1% -24.0%
ADR	\$120.42	\$128.53 6.7%	\$135.79 5.6%	\$134.46 -1.0%	\$137.32	\$130.55 -4.9%
RevPAR	\$57.90	\$107.01 84.8%	\$91.91 -14.1%	\$74.47 -19.0%	\$86.95	\$62.83 -27.7%

Note: (1) The Competitive Market includes the Super 8 Motel, Stonebridge Hotel, Pomeroy Inn & Suites, Days Inn, Comfort Inn, Holiday Inn Express, Travelodge Dawson and the subject hotel.
Source: CBRE Hotels

George Dawson Inn Topline Trending - Calendar Year

	YTD June 11, 2020				
	2017	2018	2019	2019	2020
Occupancy	553.9%	62.9% 16.7%	52.9% -15.9%	N/A	35.0%
ADR	\$97.66	\$92.75 -5.0%	\$97.22 4.8%	N/A	\$90.34
RevPAR	\$52.64	\$58.34 10.8%	\$51.43 -11.8%	N/A	\$31.62

Source: 356746 Holdings Inc. dba George Dawson Inn

ADDITIONAL INFORMATION

To receive additional information, including the Confidential Information Memorandum and access to the data room, please execute the Confidentiality Agreement and return by email. We would be pleased to arrange a tour of the Hotel and address any inquiries regarding the sale.

TOM MORAN PREC
Re/Max Dawson Creek Realty
T 250 784 7090
tommoran@shaw.com

GREG KWONG*
T 403 750 0514
greg.kwong@cbre.com

* Broker
CBRE Limited, Real Estate Brokerage

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CBRE

CONFIDENTIALITY AGREEMENT

To: **D. Manning & Associates Inc., in its capacity as Receiver and Manager (the "Receiver") of 356746 Holdings Inc. dba George Dawson Inn and not in its personal or corporate capacity**

c/o **CBRE Limited ("CBRE")**
530 8 Ave SW Suite 500
Calgary, AB T2P 3S8

To the Attention of: **Greg Kwong**

greg.kwong@cbre.com

Re: **George Dawson Inn (the "Property"):**

The undersigned (the "Recipient") hereby acknowledges and agrees as follows:

1. CBRE agrees to provide the Recipient with information pertaining to the Property, including but not limited to, an Information Memorandum and information provided directly, verbally or written, or within a Data Room, which collectively constitutes confidential information proprietary to the Receiver (the "Confidential Information").
2. The Recipient shall not directly or indirectly disclose the Confidential Information or that any discussions are taking place, to any person, firm, corporation, partnership, association or other entity, except as hereinafter provided or otherwise required by law, and shall protect such Confidential Information from disclosure by exercising a standard of care sufficient to preserve its confidential nature.
3. The Recipient shall be permitted to disclose the Confidential Information to consultants, directors, officers, employees and agents of the Recipient as needed for the evaluation thereof provided that each are notified of the obligations contained herein and the Recipient remains fully responsible to CBRE and the Receiver for any breach of this Confidentiality.
4. The Recipient's right to receive information hereunder may be terminated by CBRE or the Receiver at any time upon written notice to the Recipient whereupon the Recipient shall remit and surrender to CBRE or destroy, without any cost to CBRE or the Receiver, the Confidential Information, and all notes and writings in respect thereof, which the Recipient, its consultants, directors, officers, employees and agents may have in their possession at that time.
5. The obligations imposed on the Recipient shall not apply to any information which is in the public domain or which is received by the Recipient in good faith from a third party which did not acquire such information directly or indirectly from CBRE or which has an independent right to such information.
6. The Recipient acknowledges that CBRE and the Receiver make no representations or warranties, expressed or implied, as to the accuracy, completeness or otherwise of the Confidential Information and that CBRE and the Receiver shall have no liability resulting from the use of such Confidential Information.
7. The Recipient hereby agrees to indemnify CBRE and the Receiver against any damages, liability or expense (including legal fees and disbursements) caused to CBRE or the Receiver, and arising from any breach by the Recipient of its obligations under the terms of this Agreement.
8. The Recipient acknowledges and agrees that it has had the opportunity to obtain independent legal advice as to the terms and conditions of this agreement and has either received same or expressly waived its right to do so.
9. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.
10. This Agreement shall not be assigned without the prior written consent of the parties hereto.
11. If any provision of this Agreement shall be held invalid or unenforceable, such validity or unenforceability shall attach only to such provision and shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Agreement in any jurisdiction.
12. This Agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, legal personal representatives, successors and permitted assigns.
13. The Recipient hereby acknowledges that the Property was not introduced by any other registered real estate agent or intermediary and agrees to work directly with CBRE.

Dated at _____, this ____ day of _____, 2020.

(Recipient Signature)

(Witness)

Name _____ Company _____

Address _____ Telephone/Fax _____ / _____

_____ Email _____

SCHEDULE "C"

E-MAIL BLAST FOR THE
COMPETITIVE BID PROCESS

Alex Ng

From: Alex Ng
Sent: Wednesday, March 24, 2021 2:31 PM
To: William Choo
Subject: FW: 356746 Holdings Ltd. (George Dawson Inn, 11705 8 Street, Dawson Creek, B.C.) - Competitive Bid Process
Attachments: Entered Receiver Order Made after Application.April 20-20 (01574492x9DEB..._.pdf; [COMPETITIVE BID TEMPLATE] Contract of Purchase and Sale For Dawson (01951239x9DEBD).docx; Competitive Bid Process - George Dawson Inn.docx

Attention: _____

Hello,

We are the Court-appointed Receiver and Manager of the assets, undertakings and property of 356746 Holdings Ltd., a company that owns and operates the George Dawson Inn, an operating 80 room Hotel located at 11705 8 Street, Dawson Creek, B.C.

The application to approve the sale of the Hotel is set to be heard in Court on Thursday, April 29, 2021, at 9:45 by TEAMS or Teleconference. The hearing will consider approval of an offer for the sale of the Hotel in the amount of \$2,800,000, with a closing date of 10 business days following Court approval.

We are seeking competitive bids on the Hotel in advance of the Court hearing. Any competitive bids must be received by our counsel, Owen Bird Law Corporation ("Owen Bird"), by NOON on Tuesday, April 27, 2021, in compliance with the attached competitive bid process. If a competitive bid is received, then (assuming that it is not a "Non-Compliant Offer"), Owen Bird will tell the original offeror that they have until 4:00 pm Tuesday (that day), April 27, 2021 to submit a higher offer.

The offers must be sent to Owen Bird, as per the attached by e-mail to (hfyrydenlund@owenbird.com) or by hand to the attention of Heather Frydenlund at Owen Bird, Suite 2900, 595 Burrard Street, Vancouver, B.C.

Applicable deposit cheques must be confirmed received by the Receiver (although they could be sent to Owen Bird).

You may tell any prospective purchaser the terms of the offer before the Court (including price, deposit, and closing date) and all offers should be in the form of the current offer (template attached).

All showings of the Property will be coordinated through the Receiver's listing agent, Mr. Greg Kwong of CBRE Limited, (403)585-3582 or (greg.kwong@cbre.com).

Please call or e-mail the writer at (604)683-8030 or (alex.ng@manning-trustee.com), or Heather Frydenlund of Owen Bird, (604)691-7532 or (hfyrydenlund@owenbird.com) with any questions.

We are attaching the following:

- 1) Receivership Order granting Conduct of Sale
- 2) Competitive Bid Process
- 3) Agreement of Purchase and Sale Template

We look forward to hearing from you.

Yours very truly,

D. MANNING & ASSOCIATES INC.
COURT-APPOINTED RECEIVER AND MANAGER OF THE ASSETS, UNDERTAKINGS AND PROPERTY OF
356746 HOLDINGS LTD.
(GEORGE DAWSON INN, 11705 8 STREET, DAWSON CREEK, B.C.)
(not in its personal capacity)

Per: Alex E.H. Ng, LIT, CIRP

=====
Alex E.H. Ng, B.A. (Hon's), LL.B, CIRP, LIT
Vice President and Licensed Insolvency Trustee
D. Manning & Associates Inc.
(604)683-8030, Fax (604)683-8327
alex.ng@manning-trustee.com
www.manning-trustee.com
=====



No. S1913345
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

Between

VANCOUVER CITY SAVINGS CREDIT UNION

Petitioner

and

356746 HOLDINGS INC. doing business as
THE GEORGE DAWSON INN
507016 B.C. LTD.
LUXOR HOLDINGS INC.
UMEDALLI THOBANI also known as
UMED THOBANI and TONY THOBANI
THE ESTATE OF AMINA THOBANI
MANOHAR ALEXANDER SAVUNDRANAYAGAM
BLUESHORE LEASING LTD.
ROYNAT INC.
1156600 B.C. LTD.

Respondents

RECEIVERSHIP ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE)
MADAM JUSTICE FITZPATRICK) MONDAY, THE 20TH DAY OF APRIL, 2020
)

ON THE APPLICATION of the Petitioner for an Order pursuant to Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended (the "LEA") appointing **D. Manning & Associates Inc.** as Receiver and Manager (in such capacity, the "Receiver") without security, of all of the assets, undertakings and property of **356746 HOLDINGS INC.** (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, coming on for hearing, by teleconference, this day at Vancouver, British Columbia.

AND ON READING the Affidavits #1 and #2 of Frank Seminara sworn November 22, 2019 and November 26, 2019, and Affidavit #1 of Alan A. Frydenlund QC sworn November 22, 2019, the Affidavit #1 of Alex En Hwa Ng sworn April 6, 2020 and the consent of D. Manning & Associates Inc. to act as the Receiver; AND ON HEARING Alan A. Frydenlund QC, Counsel for Vancouver City Savings Credit Union, John Fiddick, Counsel for 356746 Holdings Inc. and Umedalli Thobani and Daniel Shouldice, Counsel for Conexus Credit Union, and no one else appearing, although duly served.

THIS COURT ORDERS AND DECLARES that:

APPOINTMENT

1. Pursuant to Section 243(1) of the BIA and Section 39 of the LEA, D. Manning & Associates Inc. is appointed Receiver, without security, of all of the assets, undertakings and property of the Debtor, including, but not limited to, doing business as The George Dawson Inn and located at 11705- 8th Street, Dawson Creek, British Columbia and wherever situated including all proceeds, excluding the Quality Hotel & Conference Centre, (the "Property").

RECEIVER'S POWERS

2. The Receiver is 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 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 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, changing locks and security codes, relocation of Property, engaging independent security personnel, taking physical inventories and placing insurance coverage;
 - (c) to manage, operate and carry on the business of the Debtor, including the authority to the Licensee's business which include operating under Liquor Primary Licence #021832 and Food Primary License #42999 which includes Liquor, and 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 also 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 such 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 these amounts, including, without limitation, enforcement of any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to 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, manage and direct all legal proceedings now pending or hereafter pending (including appeals or applications for judicial review) in respect of the Debtor, the Property or the Receiver, including initiating, prosecuting, continuing, defending, settling or compromising the proceedings;
- (k) to market any or all of 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 considers 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 a single transaction for consideration up to \$50,000 provided that the aggregate consideration for all such transactions does not exceed \$150,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the individual or aggregate purchase price exceeds the limits set out in subparagraph (i) above,

and in each such case notice under Section 59(10) of the *Personal Property Security Act*, R.S.B.C. 1996, c. 359 shall not be required;

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers, free and clear of any liens or encumbrances;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver considers appropriate on all matters relating to the Property and the receivership, and to share information, subject to confidentiality terms as the Receiver considers appropriate;

- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) 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 considered necessary or appropriate by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any Licensed Insolvency Trustee appointed in respect of the Debtor, including, without limitation, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) 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 (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

3. Each of (i) the Debtor; (ii) all of the Debtor's 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 (collectively, "Persons" and each 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.
4. All Persons, other than governmental authorities, 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 (collectively, the "Records") in that Person's possession or control. Upon request, governmental authorities shall advise the Receiver of the existence of any Records in that Person's possession or control.
5. Upon request, all Persons shall provide to the Receiver or permit the Receiver to make, retain and take away copies of the Records and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities, provided however that nothing in paragraphs 4, 5 or 6 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 solicitor client privilege or 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 an 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 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 require including, without limitation, 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 stayed and suspended pending further Order of this Court; provided, however, that nothing in this Order shall 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 provided that no further step shall be taken in respect of the Proceeding except for service of the initiating documentation on the Debtor and the Receiver.

NO EXERCISE OF RIGHTS OR REMEDIES

9. All rights and remedies (including, without limitation, set-off rights) against the Debtor, the Receiver, or affecting the Property, are stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this Order shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) affect the rights of any regulatory body as set forth in section 69.6(2) of the BIA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien. This stay and suspension shall not apply in respect of any "eligible financial contract" as defined in the BIA.

NO INTERFERENCE WITH THE RECEIVER

10. No Person shall 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, without written consent of the Receiver or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract from closing out and terminating such contract in accordance with its terms.

CONTINUATION OF SERVICES

11. All Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, 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 restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. 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

13. Subject to the employees' right 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 of the Debtor, including any successor employer liabilities as referred to in Section 14.06(1.2) of the BIA, other than amounts the Receiver may specifically agree in writing to pay or in respect of obligations imposed specifically on receivers by applicable legislation, including sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47. The Receiver shall be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts relating to any employees that the Receiver may hire in accordance with the terms and conditions of such employment by the Receiver.

PERSONAL INFORMATION

14. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 or Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, the Receiver may 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

15. Nothing in this Order shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release, or deposit of a substance contrary to any federal, provincial or other law relating to the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination (collectively "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation.
16. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless the Receiver is actually in possession.
17. Notwithstanding anything in federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arises or environmental damage that occurred:
 - (a) before the Receiver's appointment; or,
 - (b) 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.
18. Notwithstanding anything in federal or provincial law, but subject to paragraph 17 of this Order, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, if the Receiver complies with the BIA section 14.06(4), the Receiver is not personally liable for

the 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.

LIMITATION ON THE RECEIVER'S LIABILITY

19. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except:
- (a) any gross negligence or wilful misconduct on its part; or
 - (b) amounts in respect of obligations imposed specifically on receivers by applicable legislation.

Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

20. The Receiver and its legal counsel, if any, are granted a charge (the "**Receiver's Charge**") on the Property as security for the payment of their fees and disbursements, in each case at their standard rates, in respect of these proceedings, whether incurred before or after the making of this Order. The Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.
21. The Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are referred to a judge of the Supreme Court of British Columbia and may be heard on a summary basis.
22. 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 legal fees and disbursements, incurred at the standard 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

23. The Receiver is authorized and 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 \$1,000,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as the Receiver 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 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, liens, charges and encumbrances,

statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in Sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. 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.
25. The Receiver is 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.
26. 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.

ALLOCATION

27. 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 Property.

SERVICE AND NOTICE OF MATERIALS

28. The Receiver shall establish and maintain a website in respect of these proceedings at: www.manning-trustee.com (the "Website") and shall post there as soon as practicable:
 - (a) all materials prescribed by statute or regulation to be made publicly available, including pursuant to Rule 10-2 of the *Supreme Court Civil Rules*; and,
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
29. Any Person who is served with a copy of this Order and that wishes to be served with any future application or other materials in these proceedings must provide to counsel for each of the Receiver and the Applicant a demand for notice in the form attached as Schedule B (the "Demand for Notice"). The Receiver and the Applicant need only provide further notice in respect of these proceedings to Persons that have delivered a properly completed Demand for Notice. The failure of any Person to provide a properly completed Demand for Notice releases the Receiver and the Applicant from any requirement to provide further notice in respect of these proceedings until such Person delivers a properly completed Demand for Notice.
30. The Receiver shall maintain a service list identifying all parties that have delivered a properly completed Demand for Notice (the "Service List"). The Receiver shall post and maintain an up-to-date form of the Service List on the Website.

31. Any interested party, including the Receiver, may serve any court materials in these proceedings by facsimile or by emailing a PDF or other electronic copy of such materials to the numbers or addresses, as applicable, set out on the Service List. Any interested party, including the Receiver, may serve any court materials in these proceedings by mail to any party on the Service List that has not provided a facsimile number or email address, and materials delivered by mail shall be deemed received five (5) days after mailing.
32. Notwithstanding paragraph 31 of this Order, service of the Petition and any affidavits filed in support shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c.C-50 and its regulations for the Federal Crown and the *Crown Proceedings Act*, R.S.B.C. 1996 c.89 in respect of the British Columbia Crown.
33. The Receiver and its counsel are authorised to serve or distribute this Order, any other orders and any other materials as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding copies by facsimile or by email to the Debtor's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of any legal or juridical obligation and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*.

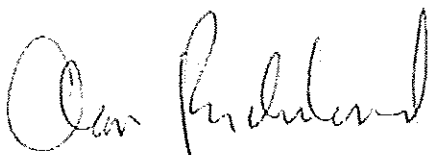
GENERAL

34. Any interested party may apply to this Court to vary or amend this Order on not less than seven (7) clear business days' notice to the Service List and to any other party who may be affected by the variation or amendment, or upon such other notice, if any, as this Court may order.
35. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
36. Nothing in this Order shall prevent the Receiver from acting as a Licensed Insolvency Trustee of the Debtor.
37. This Court requests the aid, recognition and assistance of any court, tribunal, regulatory or administrative body having jurisdiction, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All such courts, tribunals and regulatory and administrative bodies are 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 or to assist the Receiver and its agents in carrying out the terms of this Order.
38. The Receiver is authorized and empowered to apply to any court, tribunal or regulatory or administrative body, wherever located, for recognition of this Order and for assistance in carrying out the terms of this Order and 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.

39. The Petitioner shall have its costs of this motion, up to and including entry and service of this Order, as provided for by the terms of the Petitioner's security or, if not so provided by the Petitioner's security, then on a substantial 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.
40. Endorsement of this Order by counsel appearing on this application other than the Petitioner is dispensed with.

THE FOLLOWING PARTIES APPROVE OF THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

APPROVED BY:



Alan A. Frydenlund QC
Lawyer for the Petitioner

BY THE COURT

Digitally signed by
Sanjeev Naidu

DISTRICT REGISTRAR

SCHEDULE "A"

RECEIVER AND MANAGER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT

\$ _____

1. THIS IS TO CERTIFY that D. Manning & Associates Inc. the Receiver and Manager (the "Receiver") of all of the assets, undertakings and properties of 356746 HOLDINGS INC. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Supreme Court of British Columbia (the "Court") dated the 20th day of April, 2020 (the "Order") made in SCBC Action No. S1913345 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 \$1,000,000 which 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 _____ 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, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of the 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 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 under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 202__.

D. Manning & Associates Inc., solely in its capacity as Receiver and Manager of the assets, undertakings, and property of 356746 Holdings Inc. doing business as The George Dawson Inn , and not in its personal capacity

Per:

Name:

Title:

Schedule "B"

Demand for Notice

TO: [Name of Applicant]
c/o [Name of Counsel to the Applicant]
Attention:
Email:

AND TO: D. Manning & Associates Inc.
c/o Owen Bird Law Corporation
Attention: Alan A. Frydenlund QC
Email: afrydenlund@owenbird.com

Re: In the matter of the Receivership of 356746 HOLDINGS INC.

I hereby request that notice of all further proceedings in the above Receivership be sent to me in the following manner:

1. By email, at the following address (or addresses):

OR

2. By facsimile, at the following facsimile number (or numbers):

OR

3. By mail, at the following address:

Name of Creditor: _____

Name of Counsel (if any): _____

Creditor's Contact Address: _____

Creditor's Contact Phone Number: _____

Action No. S1913345

IN THE SUPREME COURT OF BRITISH
COLUMBIA

BETWEEN:

VANCOUVER CITY
SAVINGS CREDIT
UNION

Petitioner

- and -

356746 HOLDINGS INC. doing business as
THE GEORGE DAWSON INN et. al.

Respondents

SCHEDULE "A"

COMPETITIVE BID PROCESS FOR GEORGE DAWSON INN,
11705 8 STREET, DAWSON CREEK, B.C.

1. Any person interested in making an offer to compete against an offer before the court and the subject of an application for approval of sale (the "**Original Bid**") to purchase any Lands (a "**Competing Offeror**") shall do so as follows (the "**Bid Process**"):
 - (a) An offer to purchase in the approved contract form, accompanied by a **Schedule "A"** to be provided by the Seller or its agent, shall be submitted by the Competing Offeror to the Receiver's Counsel, Owen Bird Law Corporation, either by: (a) a sealed envelope; or (b) attachment to an email with the Subject Line marked "**SEALED BID: George Dawson Inn**", in either case addressed to Ms. Heather Frydenlund;
 - (b) An offer to purchase must be accompanied by a Transmission Letter/Acknowledgement of Receipt ("**Transmission/Receipt Notice**") in the form attached as **Appendix "A"** hereto, signed by the Competing Offeror or their authorized representative; and
 - (c) All offers must be accompanied by: (a) the applicable deposit by way of bank draft, certified cheque or wire transfer; or (b) proof of delivery of a bank draft or certified cheque or wire transfer, to the Receiver's Counsel; and, either concurrently with its delivery or, if delivered by email, to be received by the Receiver's Counsel on or before 12:00 p.m. the business day preceding the hearing date of the application for sale approval (the "**Hearing Date**").

All bids, in final form, must be received by the Receiver's Counsel by no later than noon on that day which is two business days before the Hearing Date (the "**Bid Date**").

2. The Receiver's Counsel shall endorse and return to the applicable Competing Offeror any Transmission/Receipt Notices provided by such Competing Offeror prior to the Bid Date.
3. The Receiver's Counsel shall advise the proposed purchaser under the Original Bid (the "**Original Offeror**") that bids have been received pursuant to the process set out in paragraph 1 above within a reasonable period of time of a bid being received. The Original Offeror will have until 4:00 p.m. on the Bid Date to provide a revised bid if they wish, accompanied by a Transmission/Receipt Notice.
4. The Original Offeror and all Competing Offerors (collectively, "**Offeror**" or "**Offerors**") acknowledge that:
 - (a) If an Offeror has not provided the Transmission/Receipt Notice to The Receiver's Counsel and received back a signed copy of the Transmission/Receipt Notice from the Receiver's Counsel, then the Receiver's Counsel is not under any obligation to consider such Offeror's bid;

- (b) All bids must clearly set out the names of all parties to be on title should the offer be approved by the court, with correct corporate name included (or if an individual with middle name and how title is to be taken (joint tenancy or tenants in common, with particular ownership interest);
 - (c) To the extent any bid submitted represents a revised offer from the Original Bid, it shall not be necessary for such revised offer to be accompanied by any further deposit of funds, and it may be provided on the condition that it is only to be relied upon if other offers are received; and
 - (d) The Receiver's Counsel may request that any Offeror provide further information as to the identity of any related parties or operating minds of any corporate entities, so as to satisfy itself as to the Offeror(s)' *bona fides* and ability to complete the sale, including paying the purchase funds upon closing. Should any such Offeror(s) not provide information as may reasonably be requested by the time reasonably required in the request, the Receiver's Counsel may decline to consider their offer.
5. After receipt of any bids received in accordance with the procedure outlined above, and after the Bid Date:
- (a) The Receiver's Counsel will open any offers received in envelopes or electronic form;
 - (b) The Seller and/or the Receiver's Counsel shall provide any prior financial chargeholder's counsel with a copy of all offers it has received, either in envelopes or electronically, if the offer to be presented to court is not sufficient to discharge that encumbrance; and
 - (c) No earlier than 12:00 p.m. (noon) the day before the Hearing Date and no later than 8:00 a.m. on the Hearing Date, the Receiver's Counsel will electronically forward to the Supreme Court of British Columbia, to the email address for the applicable Registry as set forth in Appendix B hereto, copies of the paper and electronic bids, each saved as its own document together with a request to direct the email to the presider, noting the hearing date; and
 - (d) The Seller and/or the Receiver's Counsel are at liberty to discuss the results of the bid process with counsel for any subsequent charge holders, in order to obtain instructions as to which offer to support at the court application, provided that such parties agree to keep the results confidential.

The Seller, the Receiver's Counsel, the Seller's listing agent, and any charge holder's counsel shall undertake to maintain the confidentiality of all bids received, either in envelopes or electronically.

- 6. At the hearing, the Receiver's Report as to the results of the Bid Process will be presented and the Receiver's recommendation as to the best offer for the Court's further consideration, approval and pronouncement of a vesting order if deemed appropriate.
- 7. After the Hearing, the Receiver's Counsel shall notify the successful Offeror of the outcome of the hearing and file the approved offer with the court by way of requisition.

8. All parties, including all Offerors, acknowledge that the Court retains its full discretion with respect to the application for approval of any sale, including with respect to the use of the Bid Process and the consideration of any offers that were not made in compliance with the Bid Process ("**Non-Compliant Offers**"). In addition to complying with paragraph 6 of this Bid Process, the Receiver's Counsel should advise the Court at the beginning of the application for sale approval whether any Non-Compliant Offers were received and the Court retains full discretion to review and consider any Non-Compliant Offer(s) as it sees fit.

APPENDIX "A"

TRANSMISSION LETTER

Date/Time:

Enclosed is an offer to purchase with respect to the property municipally described as:
Civic Address: George Dawson Inn, 11705 8 Street, Dawson Creek, B.C.

Legal Description:

PID: 006-931-952
Lot 4 Section 10 Township 78 Range 15 West of the 6th Meridian
Peace River District Plan 24114

PID: 006-931-944
Lot 3 Section 10 Township 78 Range 15 West of the 6th Meridian
Peace River District Plan 24114

PID: 008-324-212
Parcel A (Plan 26555) of Lot 2 Section 10 Township 78 Range 15
West of the 6th Meridian Peace River District Plan 24114
New Westminster District

As an offeror for the Property, I (the "Offeror") acknowledge:

- (a) The Receiver and/or the Receiver's Counsel may not consider any offer received by them that is not accompanied by a deposit that is by way of bank draft, certified cheque or wire transfer, or proof of its deposit with the Receiver's Counsel;
- (b) The Receiver and/or the Receiver's Counsel may not consider any offer received after the Bid Date or be required to forward the offer to the Court if received after the Bid Date;
- (c) The Receiver and/or the Receiver's Counsel has no responsibility to ensure that an offer is complete, satisfactory, or meets compliance as to form, and is under no obligation to confirm any unclear, missing, ambiguous, or incomplete term or item and may, at its sole discretion, not consider any such offer without incurring any liability to any party, including the Offeror;
- (d) The Receiver and/or the Receiver's Counsel may not consider any offer if they have not returned to the Offeror an endorsed copy of this letter; and
- (e) The Receiver and/or the Receiver's Counsel may refuse to accept any revisions, amendments or attempts to increase any offer after the Bid Date.

Offeror(s)

ACKNOWLEDGEMENT OF RECEIPT

Date/Time: __

By signing below, we hereby acknowledge receipt of either a sealed envelope or an e-mail marked and/or stated to be from:_____.

In addition, by our signature below, we make no acknowledgement or representation as to the contents of the envelope. The Offeror must satisfy itself that the envelope contains an offer in the form required, is accompanied by a deposit in the appropriate amount and form, and that the contents comply with the Bid Process.

The Receiver's Counsel

hfrydenlund@owenbird.
com

AGREEMENT OF PURCHASE AND SALE

Dated the ____ day of April, 2021

BETWEEN:

_____, a corporation having a business address at _____ in the City of _____, in the Province of British Columbia

(hereinafter referred to as the "Purchaser"),

OF THE FIRST PART

AND:

D. MANNING & ASSOCIATES INC., in its capacity as Court Appointed Receiver and Manager of the Assets, Undertakings and Properties of 356746 Holdings Inc. dba George Dawson Inn, and not in its personal capacity (hereinafter referred to as the "Vendor"),

OF THE SECOND PART

WHEREAS the Vendor is the Receiver and Manager of the Hotel Property; and

AND WHEREAS the Vendor is entitled to sell the Hotel Property subject to the granting of an Order of the Supreme Court of British Columbia and the Purchaser desires to purchase the Hotel Property upon and subject to the terms and conditions hereinafter set forth.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the parties hereto agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions

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

- (a) "356746" means 356746 Holdings Inc. dba George Dawson Inn;
- (b) "Agreement" means this Agreement and all amendments made hereto by written agreement between the Vendor and the Purchaser and every properly executed instrument by which its terms amends, modifies or supplements such agreement;
- (c) "Business Day" means a day other than a Saturday, Sunday or statutory holiday in the Province of British Columbia;

- (d) **"Closing Date"** means the date that is ten (10) Business Days following the approval of the sale of the Hotel through a Vesting Order, or such other date as agreed to by the parties in writing;
- (e) **"Contracts"** means all of the contracts, leases, agreements, and commitments relating to the operation of the Hotel, and the Leases and any contracts as set out in Schedule "D" attached hereto;
- (f) **"Court"** means the Supreme Court of British Columbia;
- (g) **"Deposit"** has the meaning ascribed thereto in Subsection 2.3(a)(i);
- (h) **"Excluded Assets"** means:
 - (i) all cash, bank balances, monies in possession of banks and other depositories, term or time deposits and similar cash items of, owned or held by or for the account of the Vendor as of the Closing Date;
 - (ii) all GST refunds or returns owned or held by or for the account of the Vendor as of the Closing Date;
 - (iii) the corporate, financial, taxation and other records (including minute books) of the Vendor or 356746 not pertaining primarily to the Hotel Property;
 - (iv) all income taxes recoverable;
 - (v) all wage subsidy claims;
 - (vi) all Canada Emergency Rent Subsidy claims;
 - (vii) all insurance premium refunds or similar refunds;
 - (viii) all proceeds, refunds or payouts pertaining to any life insurance policy;
 - (ix) all Receivables;
 - (x) Inventory, which shall be dealt with in the manner described in Section 5.5 hereof; and
 - (xi) Third Party Owned Assets, as listed on Schedule "E";
- (i) **"FF&E"** means the machinery, tools, spare parts, supplies, accessories, furniture, fixtures and equipment owned by the Vendor, located on the Hotel Lands and used in the operation of the Hotel Property on the Closing Date which FF & E is estimated as set out on Schedule "G" hereto, and which is subject to minor changes from time to time;
- (j) **"Food and Liquor Inventory"** means all unopened and saleable food, liquor, beverage and supplies, opened and unopened inventory owned by the Vendor and located at the Hotel as at the Closing Date and which was purchased by the Vendor for the purpose of the operation of the Hotel business;

- (k) "GST" means the Goods and Services Tax as more fully described in Part IX of the *Excise Tax Act* (Canada);
- (l) "Hotel" means the George Dawson Inn, being an eighty (80) room full-service Hotel located on the Hotel Lands;
- (m) "Hotel Lands" means a freehold interest in the lands legally described in Schedule "A";
- (n) "Hotel Property" means the assets and undertaking referred to or described in Section 2.1;
- (o) "Inventories" means all inventories of the Hotel (other than the Food and Liquor Inventory), including, without limitation, all linens, utensils, non-alcoholic beverages; engineering, maintenance and housekeeping supplies, including soap, cleaning materials and matches; laundering and toilet supplies provided to guests as part of the Hotel services; stationery and printing; and other supplies of all kinds for use in connection with the ownership, maintenance or operating of the Hotel Property as of the Closing Date;
- (p) "Leases" means the leases described in Schedule "C" hereto;
- (q) "Licenses" means all licenses relating to the operation of the Hotel, to the extent such licenses are assignable, including the liquor license and food primary license as set out in Schedule "F" attached hereto;
- (r) "Purchase Price" has the meaning set out in Section 2.2;
- (s) "Purchaser's Solicitors" means _____;
- (t) "Receivables" means all accounts receivable (other than guest ledger receivables described in Section 5.3), bills receivable, trade accounts, book debts, and other amounts due, owing or accruing due to the Vendor in connection with the Hotel Property;
- (u) "Time of Closing" means 10:00 a.m. (Pacific time) on the Closing Date;
- (v) "Vesting Order" means an Order of the Supreme Court of British Columbia approving the sale of the Hotel Property pursuant to this Agreement; and
- (w) "Vendor's Solicitors" means Owen Bird Law Corporation.

1.2 Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "**this Agreement**", "**hereof**", "**hereunder**" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent

therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.3 Extended Meanings

In this Agreement words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

1.4 Accounting Principles

Wherever in this Agreement reference is made to a calculation to be made in accordance with generally accepted accounting principles, such reference shall be deemed to be to the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which such calculation is made or required to be made in accordance with generally accepted accounting principles.

1.5 Currency

All references to currency herein are to lawful money of Canada.

1.6 Schedules

The following are the Schedules annexed hereto, incorporated in this Agreement by reference, and deemed to be part hereof:

Schedule "A" – Hotel Lands (Legal Description)

Schedule "B" – Permitted Encumbrances

Schedule "C" – Leases

Schedule "D" – Contracts

Schedule "E" – Third Party Owned Assets

Schedule "F" – Liquor License and Food Primary License

Schedule "G" – Furniture and Equipment

ARTICLE 2 – PURCHASE AND SALE

2.1 Hotel Property

Upon and subject to the terms and conditions hereof, at the Time of Closing the Vendor shall sell to the Purchaser and the Purchaser shall purchase from the Vendor, free and clear of any and all liens, mortgages, charges, security interests, and encumbrances, but subject to the permitted encumbrances identified in Schedule "B", all the right, title and interest of the Vendor in and to the property assets, rights and undertaking used by the Vendor in conducting the business of owning and operating the Hotel other than the Excluded Assets (collectively, the "Hotel Property") including without limitation the following:

- (a) the Hotel Lands;
- (b) all plant, buildings, structures, erections, improvements, appurtenances and fixtures situate on or forming part of the Hotel Lands;
- (c) all fixed machinery and fixed equipment situate on or forming part of the Hotel Lands;
- (d) all FF & E;
- (e) the full benefit of all Contracts to which the Vendor is entitled in connection with the Hotel Property;
- (f) all Food and Liquor Inventory;
- (g) all Inventories;
- (h) all prepaid expenses and deposits paid by the Vendor relating to the leases, contracts, agreements and commitments related to the Hotel which are assigned to and assumed by the Purchaser hereunder;
- (i) to the extent they are assignable, the full benefit of all licenses, registrations, permits, quotas, telephone numbers, fax numbers and e-mail addresses used in connection with the operation of the Hotel in the usual and ordinary course;
- (j) all future room bookings and deposits for such bookings pertaining to the Hotel;
- (k) all the right, title, benefit and interest of the Vendor in and to all computer software used in connection with the Hotel;
- (l) the goodwill of the Hotel including, without limiting the generality of the foregoing,
 - (i) the exclusive right of the Purchaser to represent itself as operating the Hotel in continuation of and in succession to the Vendor and the right to use any words indicating that the business in the Hotel is so carried on including, without limiting the generality of the foregoing, the use of the trade name "**George Dawson Inn**"; and
 - (ii) all records of sales, customer lists and supplier lists of or used in connection with the Hotel Property as are in the possession or under the control of the Vendor;
- (m) all Leases; and
- (n) all personnel records, books, maintenance manuals, documents and data bases relating to the Hotel Property as are in the possession or under the control of the Vendor but not including original copies of the corporate, financial, taxation and other records (including minute books) of the Vendor.

2.2 Purchase and Sale and Purchase Price

The Vendor shall sell the Hotel Property to the Purchaser and the Purchaser shall purchase the Hotel Property from the Vendor for a total purchase price of _____ **MILLION DOLLARS (\$ _____)** (plus any GST, Provincial Sales Tax, and Property Transfer Tax payable in respect of the transaction), subject to adjustment as provided herein (hereinafter referred to as the "**Purchase Price**"), upon and subject to the terms and conditions hereof.

2.3 Payment of Purchase Price

- (a) The Purchase Price will be payable as follows:
 - (i) **ONE MILLION DOLLARS (\$1,000,000.00)** (the "**Deposit**") in trust, payable by certified cheque or bank draft payable to Vendor's Solicitor, in trust, within five (5) Business Days of the execution of this Agreement as a deposit to be held in an interest bearing account to the sole benefit of the Purchaser and to be held pursuant to the terms and conditions of this Agreement; and
 - (ii) the balance of Purchase Price, subject to the adjustments provided for herein, by way of certified solicitor's trust cheque payable to the Vendor's Solicitor, in Trust, or direct deposit to the account of the Vendor's Solicitor at the Time of Closing.
- (b) The Deposit shall be held in trust by the Vendor's Solicitor. If the Purchaser fails to comply with the terms of this Agreement due to no fault of the Vendor, the Deposit shall be forfeited to the Vendor without prejudice to any other right or remedy of the Vendor and this Agreement shall thereafter be null and void and of no force or effect. If the Vendor fails to comply with the terms of this Agreement due to no fault of the Purchaser, then the Deposit plus all accrued interest shall be returned to the Purchaser without condition or reduction and in full and final settlement of any claims of the Purchaser hereunder.

2.4 Allocation of Purchase Price

The Purchase Price payable to the Vendor for the Hotel Property shall be allocated by the Vendor as between the various classes of assets being purchased.

2.5 Income Tax Filings

The Vendor and the Purchaser, in filing their respective income tax returns, will use the allocation of the Purchase Price determined by the Vendor pursuant to Section 2.4.

2.6 GST Election

The Vendor and the Purchaser will on or before the Time of Closing, jointly execute an election, in prescribed form and containing the prescribed information to have subsection 167(1.1) of the *Excise Tax Act* (Canada) apply to the sale and purchase of the Hotel Property hereunder so that no tax is payable in respect of such sale and purchase under Part IX of the *Excise Tax Act* (Canada). The Purchaser shall provide to the Vendor on or before the Time of Closing, evidence that the Purchaser is registered under Part IX of the *Excise Tax Act* (Canada), including its registration number, failing which the Purchaser shall pay GST to the Vendor on the full amount of the Purchase Price as and when required by the *Excise Tax Act* (Canada). The Purchaser will

file such election with the Minister of National Revenue within the time prescribed by the *Excise Tax Act* (Canada).

2.7 Assumption of Obligations and Liabilities

The Purchaser will assume, fulfill and perform the obligations and liabilities of the Vendor accruing on and after the Closing Date under:

- (a) the Contracts which the Vendor will be assigning and which the Purchaser has agreed to accept; and
- (b) the Leases.

Notwithstanding any provision to the contrary, the Vendor shall be responsible for the termination of any asset or hotel management agreement with respect to the Hotel Property.

2.8 Obligations and Liabilities Not Assumed

Except as otherwise expressly provided in this Agreement, the Purchaser does not assume and will not be liable for any obligations, liabilities (whether accrued, actual, contingent or otherwise), expenses, costs, penalties, claims or demands of the Vendor whatsoever incurred or accruing in, or arising out of the Hotel Property or the operation of the Hotel prior to the Closing Date including, without limiting the generality of the foregoing, any taxes under the *Income Tax Act* (Canada) or any other taxes whatsoever that may be or become payable by the Vendor including any income or corporation taxes resulting from or arising as a consequence of the sale by the Vendor to the Purchaser of the Hotel Property.

2.9 Purchaser's Right to Inspect

- (a) The Purchaser, at its sole cost and expense, may make reasonable inquiries (including requests for outstanding work orders) of any municipal, building department, zoning department, governmental and environmental authorities ("**Authorities**") in respect of the Hotel Property as the Purchaser may consider advisable. The Vendor agrees to provide, within three (3) Business Days of execution and delivery of this Agreement, an authorization necessary to enable the Purchaser to carry out such investigations provided that the Purchaser is not authorized or permitted to request the Authorities to inspect the Hotel Property. Notwithstanding the foregoing, the Vendor hereby authorizes the Purchaser and its agents to conduct all necessary physical inspections of the building systems located on the Hotel Property provided that in doing so, the Purchaser shall take all necessary steps to promptly repair, at its sole cost and expense, any damage caused by the Purchaser or its agents. The Purchaser shall further indemnify and save harmless the Vendor for any damages, claims or expenses arising from or in relation to any inquiries or inspections made in respect of the Hotel Property by or on behalf of the Purchaser.
- (b) The Vendor agrees to provide the Purchaser and its agents with reasonable access to management of the Hotel, which at the option of the Vendor shall be in the accompaniment of a representative of the Vendor. The Purchaser shall conduct its due diligence and investigations so as not to interfere with the Hotel or the operations therein and will not speak to or contact any employees of the Hotel

(other than the designated senior management and counsel designated by the Vendor) without the prior consent of the Vendor which may be withheld in its sole discretion.

- (c) The Purchaser shall keep confidential all documents and information obtained from the Vendor or from Authorities in connection with this transaction including, without limitation, all documents and information obtained prior to the execution of this Agreement, including, without limitation, the existence of this Agreement, or the price and terms of the sale contemplated hereby, or other property information delivered pursuant to this Agreement, provided however that the Purchaser shall be entitled to disclose all such documents and information to its legal, financial and other advisors and to prospective lenders as required in relation to the transaction set out herein. If this Agreement is terminated without completion of the transaction contemplated herein then, promptly after such termination or if the purchase and sale of the Property fails to complete for any reason whatsoever, all documents, working papers and other material obtained by the Purchaser in connection with this Agreement shall be returned to the Vendor and any copies and notes held by or on behalf of the Purchaser shall be destroyed.
- (d) For the purposes of this Section 2.9, any notice to the Vendor shall be given to D. Manning & Associates Inc. and the Vendor shall make all arrangements as required.

2.10 Closing

- (a) The closing of the transaction contemplated in this Agreement shall take place remotely and simultaneously at the offices of the Vendor's Solicitor and the Purchaser's Solicitor at the Time of Closing on the Closing Date. Each party shall exchange, via courier or other personal delivery, original copies of all closing documents required to be delivered as original documents and delivery to the other party hereto on such dates as provided for in this Agreement.
- (b) If the Land Title and Survey Authority Office is not open on the date set for the Closing Date, the Closing Date shall be the first day thereafter that it is open for business.
- (c) It shall be the Purchaser's responsibility to prepare or cause to be prepared any documents necessary to complete the transaction (other than the Vesting Order) and to deliver such documents to the Vendor's Solicitor not less than five (5) Business Days prior to the Closing Date. The Purchaser shall bear all costs of preparation and registration of the closing documents. The Vendor shall bear its own costs for discharging the charges it is required to discharge. All documents required to transfer the Hotel Lands to the Purchaser will be delivered, when required, in registerable form.
- (d) The Purchaser's Solicitor shall deliver the following to the Vendor's solicitor on or before five (5) Business Days prior to the Closing Date, in the form and content previously agreed on or otherwise acceptable to the Vendor's Solicitors, acting reasonably:
 - (i) the Vendor's Statement of Adjustments;

- (ii) Assignment of Leases;
 - (iii) Assignment of Contracts;
 - (iv) Joint Election executed by the Vendor pursuant to Section 167 of the *Excise Tax Act* (Canada) in respect of the sale and purchase of the Hotel Property;
 - (v) a Bill of Sale to be executed by the Vendor in connection with all FF&E provided however that the Vendor shall not be required to identify any specific items by serial number;
 - (vi) Assignment of all existing permits and licenses, if any which may be available to the Purchaser, subject to receiving consents from third parties for the assignment of any such permit or license, if required;
 - (vii) a Certificate of the Vendor that the Vendor is not a non-resident of Canada for the purpose of the *Income Tax Act*;
 - (viii) a Bring-Down Certificate with respect to the representations and warranties of the Purchaser made herein being current as of the Closing Date; and
 - (ix) all other documents expressly contemplated by this Agreement or reasonably required by the Purchaser's solicitor.
- (e) The Vendor will, subject to the Vendor's approval of such documents, cause the Vendor's Solicitors to deliver the items described in Subsection 2.10(d), duly executed by the Vendor and in registrable form wherever appropriate, together with the certified copy of the Vesting Order, to the Purchaser's Lawyers.
- (f) The Purchaser shall deliver the following to the Vendor's Solicitors on or before the Closing Date, in the form and content previously agreed on or otherwise acceptable to the Vendor's Solicitors, in trust, acting reasonably:
- (i) the Purchaser's Statement of Adjustments;
 - (ii) the balance of the Purchase Price by way of Purchaser's Solicitor trust cheque payable to the Vendor's Solicitors, or direct deposit to the account of the Vendor's Solicitor, in Trust, as adjusted in accordance with the terms of this Agreement;
 - (iii) Assignment of Leases;
 - (iv) Assignment of Contracts;
 - (v) Joint Election executed by the Purchaser pursuant to Section 167 of the *Excise Tax Act* (Canada) in respect of the sale and purchase of the Hotel Property;
 - (vi) GST Indemnity and Undertaking in respect of the matters more particularly set forth in Section 2.6;

- (vii) a filed copy of a Certificate of No Appeal issued by the Court certifying no appeal has been filed in respect of the Vesting Order;
 - (viii) all documents contemplated by Subsection 2.10(d) which require execution by the Purchaser, duly executed by the Purchaser; and
 - (ix) all the documents, certificates, agreements or assurances expressly contemplated by this Agreement or reasonably required by the Vendor's Solicitor.
- (g) The closing deliveries of the Vendor shall be forwarded by the Vendor's Solicitor to the Purchaser's solicitor in trust on reasonable trust conditions.

2.11 Possession

Subject to the terms of this Agreement being complied with and the balance of the Purchase Price, as adjusted, having been paid in accordance with the terms of this Agreement, the Vendor shall on the Closing Date deliver possession of the Hotel Property to the Purchaser subject only to the tenants' rights pursuant to the Leases and the rights of guests and other users or occupants of the Hotel on the Closing Date.

ARTICLE 3 – REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Vendor

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

- (a) the Vendor is not a non-resident person within the meaning of section 116 of the *Income Tax Act* (Canada); and
- (b) the Vendor is registered under Part IX of the *Excise Tax Act* (Canada) with registration number 122473515 RT0006.

The Vendor makes no representations as to residency of the owner(s) of the Hotel Property and will make no representations or declarations about that at closing. The Purchaser hereby warrants and represents to the Vendor that the Purchaser has made reasonable inquiry within the meaning of s.116 (5) (a) of the *Income Tax Act* and is satisfied that the registered or beneficial owner(s) of the Hotel Property is, or if more than one are, Canadian residents. The Purchaser agrees that upon completion the Purchaser will pay to the Vendor, subject only to those adjustments to which the Vendor has agreed in writing, the full purchase price owing on the purchase under this Agreement without holdback under s.116 (5) of the *Income Tax Act* or related sections and, to the extent necessary, has incorporated any associated risk into the Purchase Price.

3.2 Purchaser's Representations and Warranties

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

- (a) the Purchaser is a corporation duly incorporated, organized and subsisting under the laws of the Province of British Columbia;

- (b) the Purchaser has good and sufficient corporate power, authority and right to enter into and deliver this Agreement and to complete the transaction to be completed by the Purchaser contemplated hereby;
- (c) this Agreement constitutes a valid and legally binding obligation of the Purchaser; and
- (d) the Purchaser is or will be on Closing registered under Part IX of the *Excise Tax Act* (Canada) and that its GST registration number is _____.

The Purchaser acknowledges that the Vendor is relying upon such representations, warranties and/or covenants without which the Vendor would not have entered into this Agreement.

ARTICLE 4 - COVENANTS

4.1 Covenants of the Vendor

- (a) Within ten (10) Business Days of the date on which the last of the parties executes and delivers this Agreement, the Vendor will deliver to the Purchaser the following materials (the "**Materials**");
 - (i) copies of the Contracts in the Vendor's possession or under its control;
 - (ii) copies of the site plans in the Vendor's possession or under its control;
 - (iii) copies of all inspection reports in the Vendor's possession or under its control;
 - (iv) copies of all Leases;
 - (v) a list of all of the employees which, to the knowledge of the Vendor, are involved with the operation of the Hotel, which list shall indicate whether such employees are part-time or full-time, on active duty or are on short-term or long-term disability or on maternity or paternity leave, the annual salary and other compensation, or the rate of pay if other than on an annual basis, and the length of employment of each employee. The Vendor shall also provide complete copies of all employment and consulting contracts in the Vendor's possession or under its control;
- (b) The Vendor sells the Hotel's assets on an "as is, where is" basis and there is no warranty, express or implied, as to description, classification, quality, quantity, condition, title, merchantability, fitness for purpose, value and without limiting the foregoing, any and all statutory conditions and warranties are to be waived by the Purchaser.
- (c) Without limiting the generality of any other provision hereof, if the Vendor or any person on its behalf provides the Purchaser with any information (including, without limitation, due diligence materials in its or their possession or control) concerning the Hotel Lands Property or the Hotel Property, such as, without limitation, the items listed in Subsection 4.1(a) or any appraisals, engineering reports,

environmental studies, etcetera, such information (the "Information") is provided strictly on the understanding that neither the Vendor nor anyone on its behalf or for whom at law they may be liable, makes any representation, declarations or warranties, express or implicit, as to the accuracy or completeness of such Information. The Vendor expressly disclaims any and all liability for any errors or omissions related to or concerning such Information including its lack of completeness. Neither the Vendor nor anyone acting on its behalf or for whom at law it may be liable, shall be under any obligation to take any actions whatsoever to consider the contents of the Information, its accuracy, completeness or relevance, the Purchaser assuming all such responsibility. The Purchaser will not make or advance any claim against any third party with respect to such Information where such third party might, in relation thereto, have a right to third party or otherwise make a claim against the Vendor.

4.2 Covenants of the Purchaser

- (a) The Purchaser shall indemnify and save harmless the Vendor from and against any and all obligations, liabilities (whether accrued, actual, contingent or otherwise) expenses, costs, penalties, claims and demands whatsoever:
 - (i) incurred directly or indirectly in connection with or arising out of any breach of any of its representations, warranties, covenants or agreements contained in this Agreement; or
 - (ii) arising out of, resulting from or relating to liabilities of the Vendor expressly assumed by the Purchaser hereunder.
- (b) The Purchaser shall be liable for and shall pay all land title registration fees in connection with the conveyance and transfer of the Hotel Property by the Vendor to the Purchaser, and all fees relating to the assignment of or obtaining of, any permits, licenses or other consents or permissions required by the Purchaser to operate the Hotel after the Closing Date.
- (c) The Purchaser shall preserve those of the documents, books and records which it acquires from the Vendor in respect of this transaction for a period of six (6) years from the Closing Date, or for such longer period as is required by law, and shall permit the Vendor and its authorized representatives reasonable access to those documents, books and records in connection with the affairs of the Vendor for such period. The Vendor agrees to pay to the Purchaser the Purchaser's reasonable costs incurred in connection with providing access to such documents, books and records.
- (d) The Purchaser shall be responsible for obtaining, and for any cost associated with, any consent or approval which may be required for the assignment of any franchise, license, permit, agreement, contract or commitment whatsoever forming part of the Hotel Property.

4.3 Employees

- (a) Provided the Purchaser completes the transaction set out herein, the Vendor shall terminate all Employees effective as of the Closing Date and be responsible for all

items in respect of Employees, including, without limiting the generality of the foregoing, premiums for Employment Insurance, payroll tax and Canada Pension Plan, accrued vacation pay, wages, salaries and commissions, employee benefit plan payments, required notice of termination and severance for each of the Employees accruing up to and following the Time of Closing.

- (b) Prior to the Closing Date, the Vendor shall make all deductions required by law or by contract to be made from employee wages or salaries and will remit the amounts deducted and all related employer contributions required to the authorities or entities entitled to receive payment of such amounts.

ARTICLE 5 – CLOSING ARRANGEMENTS

5.1 Examination of Records and Hotel Property

Following payment of the Deposit as required hereunder, the Vendor shall permit the Purchaser, through its agents and representatives and upon reasonable notice, to continue to make such reasonable investigation prior to the Time of Closing of the Hotel Property as the Purchaser considers necessary or advisable.

5.2 Risk of Loss

- (a) Until the Time of Closing the Hotel Property shall remain at the risk of the Vendor and the Vendor shall maintain the policies of insurance currently maintained by it in respect of loss or damage to or any other casualty in respect of the Hotel Property.
- (b) In the event of any damage or destruction ("**Damage**") to the Hotel Property occurring before the Time of Closing in respect of which the Vendor and the Purchaser, acting reasonably, estimate that the cost of repair would be **FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00)** or more, the Vendor shall forthwith give written notice to the Purchaser and the Purchaser shall have the option, exercisable by written notice delivered to the Vendor within five (5) Business Days of receipt of the Vendor's notice, of either terminating this Agreement or closing the transactions contemplated hereby in which latter event, the net proceeds of the insurance policies maintained by the Vendor shall at such time as they are paid to the Vendor, be paid to and become the property of the Purchaser.
- (c) In the event of any **Damage** to the Hotel Property occurring before the Time of Closing in respect of which the Vendor and the Purchaser, acting reasonably, estimate that the cost of repair would be less than **FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00)** and which would not have a material adverse effect on the ability of the business of the Hotel to be conducted in the ordinary course thereof following such damage, the Purchaser shall close the transaction contemplated hereby and the net proceeds of the insurance policies maintained by the Vendor shall, at such time as they are paid to the Vendor, be paid to and become the property of the Vendor.

5.3 Adjustments to Purchase Price

- (a) The Purchase Price shall be adjusted to take account of real estate and property taxes, utilities, fuel, rent payments and receipts, prepaid rents, and advance deposits as of the Closing Date, with the Closing Date being for the account of the Purchaser. Room revenues for the night preceding closing shall be divided equally between the Vendor and the Purchaser. The Vendor shall be entitled to all revenues from the Hotel Property through and including the last full day prior to the Closing Date. Vendor shall receive the income and shall be charged for the expenses attributable to any restaurant or bar facility which remains open after 11:59 p.m. on the day preceding the Closing Date (the "Cut-Off Time") until such facilities are closed on the Closing Date. At Closing, there shall be included in the Hotel Property and there shall be added to the Purchase Price:
- (i) at face value, the petty cash funds at the Hotel Property as of the Cut-Off Time; and
 - (ii) at face value, the guest ledger receivables as of the Cut-Off Time for guests staying at the Hotel Property on the Closing Date with the appropriate shared allocation for the Closing Date described above.
- (b) The additions to the Purchase Price consisting of the petty cash funds and guest ledger receivables as determined above shall be paid to the Vendor at closing by a credit to the Vendor in the computation of the adjustments on the Closing Date. Except for the petty cash funds and guest ledger receivables, all cash, cheques and other funds (whether in the form of notes or other security) located at the Hotel Property or pertaining to the Hotel Property as of the Cut-Off Time and balances on deposit to the credit of the Vendor with banking institutions shall, at the Time of Closing, be retained by the Vendor and are not included in this purchase and sale. No adjustment shall be made for any revenues, other than the guest ledger receivables described above, which remain uncollected as of the Cut-Off Time; provided, however, the Vendor shall be obligated to reimburse Purchaser for all guest ledger receivables purchased at face value by Purchaser at Closing but uncollected by the Vendor within ninety (90) days after the Closing Date so long as Purchaser has made a good faith effort to collect all amounts owing and unpaid under such guest ledger receivables. Purchaser shall, contemporaneously reassign to Vendor all guest ledger receivables for which Vendor reimburses the Purchaser according to the immediately preceding sentence. If either the Vendor or the Purchaser receives revenues from the Hotel Property on or after the Closing Date and the other party is entitled to such revenues, the receiving party shall immediately remit said revenues to the other party. All sums received by the Vendor or the Purchaser after the Closing Date which are not designated by the remitting party to be credited against particular obligations shall be deemed applicable to the oldest obligations first.
- (c) Notwithstanding the terms hereof, the Vendor covenants that it will not commence a lawsuit or collection proceeding against any retail or office tenant of the Hotel Property with respect to such sums without prior written consent of the Purchaser, which consent shall not be unreasonably withheld.

5.4 Post-Closing Adjustments

The Vendor and the Purchaser agree that, to the extent items are prorated or adjusted at Closing on the basis of estimates, or are not prorated or adjusted at Closing pending actual receipt of funds or compilation of information upon which such prorations or adjustments are to be based, each of them will, upon a proper accounting, pay to the other such amounts as may be necessary such that the Vendor will receive the benefit of all income and will pay all expenses of the Hotel Property through and including the last full day prior to the Closing Date and Purchaser will receive the benefit of all income and will pay all expenses of the Hotel Property from and after the Closing Date. If the Purchaser receives any bill or invoice that relates to periods prior to the Closing Date, the Purchaser will refer such bill or invoice to the Vendor and the Vendor agrees to pay such bill or invoice promptly upon receipt unless it is bona fide disputing same in which latter event it shall diligently prosecute such dispute. Any rental or other income including, but not limited to, percentage rentals, overage rentals, common area maintenance charges, tax reimbursements, utility charges, and other amounts payable to the owner of the Hotel Property that are payable for the period prior to the Closing but, as of the Closing Date, have not been received by the Vendor, whether because such amounts are delinquent or because such amounts are not yet due, shall not be prorated at Closing, but shall be equitably adjusted after the Closing (but as of the Closing Date) when and if such amounts are received by the Purchaser. With respect to any Receivables due and owing as at the Closing Date, to the extent that they are not collected by the Purchaser within 90 days after the Closing Date and remitted to the Vendor to the extent the Vendor is entitled to the same, then the Vendor shall be entitled to pursue such Receivables to the full extent possible.

The Purchaser hereby acknowledges that the Vendor is in the process of appealing the 2020 and 2021 assessed values of the Hotel Lands which may result in a readjustment or rebate of property taxes paid in respect of 2020 and to be paid in respect of 2021. The Purchaser shall assume carriage of same on the Closing Date and shall prosecute same diligently and in good faith providing the Vendor with updates upon request from time-to-time. The parties hereby acknowledge and agree that if such appeals are successful, any and all rebates in this regard will be paid to the Purchaser and, after deduction of reasonable out-of-pocket expenses expended by the Purchaser in conducting the appeals and/or seeking reassessment including any commissions and/or fees payable to agents or consultants, all rebates will be shared between the Vendor and Purchaser on a *pro rata* basis determined by reference to their respective periods of ownership of the Hotel Lands in the applicable calendar year to which such readjustment or rebate relates. The Vendor agrees to execute and deliver on the Closing Date such directions and/or authorizations in this regard which are reasonably required by the Purchaser on or before Closing and/or post-Closing, as requested by the Purchaser.

5.5 Food, Liquor, Beverage & Supplies Inventory

No later than five (5) days prior to the Closing Date, the Vendor shall prepare and provide to the Purchaser a written Inventory report. This report shall set out the price paid by the Vendor for each item of Inventory (excluding GST) and the quantity of each item the Vendor estimates will be located at the Hotel as at the Closing Date. On the morning of the Closing Date, a representative of the Vendor, in the presence of a representative of the Purchaser, shall conduct an inventory and update the Inventory report to reflect actual quantities on hand and shall provide it to the Purchaser. The price to be paid for each Inventory item purchased shall be the price paid by the Vendor for such item excluding GST. The Purchaser shall pay to the Vendor the purchase price for the Inventory items purchased on the Closing Date as a Post-Closing Adjustment.

5.6 Purchase from a Receiver and Manager and the Vesting Order

Notwithstanding any term or condition to the contrary in this Agreement the parties hereto agree as follows:

- (a) The Vendor is the Court-Appointed Receiver and Manager without security of the Assets, Properties and Undertakings of 356746 Holdings Inc. dba George Dawson Inn ("**D. Manning & Associates Inc.**") pursuant to a court order (the "**Receivership Order**") in Proceeding No. S1913345 (Vancouver Registry) (the "**Proceeding**") of the Court and not in its personal capacity, and the Vendor agrees to present this Agreement to the Court for approval and for the granting of the Vesting Order, and in so doing is not contractually or otherwise liable to any party in any way. Notwithstanding anything herein to the contrary, the Purchaser acknowledges that the Vendor is acting only in such representative capacity pursuant to the Receivership Order and that the Vendor shall have no liability whatsoever under, as a result of or in relation to the entering into or carrying out the transaction which is the subject matter of this Agreement.
- (b) The Vendor shall deliver title to the Hotel Property free and clear of all encumbrances of the parties to the Proceeding in accordance with the terms of the Vesting Order except 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 favor of utilities and public authorities, existing tenancies, if any, and except as otherwise set out herein.
- (c) If there are existing registered financial charges to be paid under the terms of the Vesting Order, the Vendor may wait to pay such existing financial charges until immediately after receipt of the Purchase Price but, in this event, the Vendor may pay the Purchase Price to the Vendor's Solicitors in trust, on undertakings to pay those financial charges in accordance with the Vesting Order.
- (d) 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 leasehold assignment referred to in Subsection 2.10(b)(ii) and new mortgage documents have been lodged for registration in the appropriate Land Title Office, but only if before such lodging the Purchaser has:
 - (i) made available for tender to the Vendor that portion of the Purchase Price not secured by the new mortgage,
 - (ii) fulfilled all of the new mortgagee's conditions for funding except lodging the mortgage for registration, and
 - (iii) 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.
- (e) The Purchaser accepts the Hotel Property "as is, where is" as of the Closing Date and covenants and agrees to save the Vendor harmless from any and all claims

resulting from or relating to the age, fitness, condition, zoning, lawful use, or circumstances and location of the Hotel Property, and agrees to accept the Hotel Property subject to any outstanding work orders or notices or infractions as of the date of closing and subject to the existing municipal or other governmental by-laws, restrictions or orders affecting its use, including subdivision agreements, covenants, caveats, rights of way and easements.

- (f) The Purchaser acknowledges that the Vendor is making no representations and/or warranties of any nature or kind whatsoever with respect to the Hotel Property. The Purchaser acknowledges that it has relied entirely upon its own inspection and investigation with respect to quantity, quality and value of the Hotel Property and its suitability for any purpose, including occupancy, development, or derivation of value.

- (g) The Purchaser acknowledges and agrees that the Vendor makes no representations and/or warranties of any nature or kind whatsoever with respect to the title, fitness, condition (including environmental and economic condition), zoning or lawful use of the Hotel Property and agrees to accept the Hotel Property in a "as is, where is" condition and subject to any outstanding work orders or notices of infractions as of the date of closing and subject to the existing municipal or other governmental by-laws, restrictions or orders affecting its use, including sub-division agreements, covenants, caveats, rights of way and easements. Without limiting the generality of the foregoing or any other provision hereof, the Vendor acknowledges and agrees that there are no representations or warranties with respect to:
 - (i) the fitness, condition, zoning, licencing, or lawful use of the Hotel Property, the Purchaser's intended uses or development or redevelopment thereof;
 - (ii) whether the Hotel Lands comply with any existing land use or zoning by-laws or regulations or municipal development agreements or plans;
 - (iii) the location of any buildings and other improvements on the Hotel Lands and whether such locations comply with any applicable municipal bylaws or regulations;
 - (iv) whether or not any buildings or improvement located on the Hotel Lands encroach onto any neighbouring lands or any easements or rights of way;
 - (v) whether or not any buildings or improvement located on any neighbouring lands encroach onto the Hotel Lands;
 - (vi) the size and dimensions of the Hotel Lands or any buildings or improvements located thereon;
 - (vii) whether or not the Hotel Lands (including any buildings located thereon) are contaminated with any hazardous substance as so defined under the laws of the Province of British Columbia or insulated with urea formaldehyde insulation; or

- (viii) income or expenses related to the Hotel Property and/or any businesses conducted thereon.
- (h) The Purchaser acknowledges that the Vendor is making no representations and/or warranties of any nature or kind whatsoever with respect to the Hotel Property. The Purchaser acknowledges that it has relied entirely upon its own inspection and investigation with respect to quantity, quality and value of the Hotel Property and its suitability for any purpose, including occupancy, development, or derivation of value.
- (i) The Purchaser acknowledges that the fixtures and chattels presently on the premises are to be taken by the Purchaser at the Purchaser's own risk completely, without representation or warranty of any kind from the Vendor as to the ownership or state of repair of any such fixtures and chattels. Without limitation, to the extent that the Vendor is unable to convey title to any chattels, separate arrangements will have to be made by the Purchaser with any owner of any chattels in order for the Purchaser to take title to any chattels.
- (j) The Purchaser acknowledges that any information supplied to the Purchaser by the Vendor or its agents or representatives is and was supplied without any representation or warranty, and that the responsibility for verification of any such information shall be wholly the responsibility of the Purchaser.
- (k) The Purchaser hereby waives any requirement for the Vendor to provide to the Purchaser a site profile for the Hotel Lands under the Environmental Management Act of the Province of British Columbia and any regulations in respect thereto.
- (l) The Vendor shall provide the Purchaser with only those keys to the premises comprising the Hotel Property that are in its possession.
- (m) This Agreement is subject to the Vendor obtaining the Vesting Order. This condition is for the sole benefit of the Vendor. If the Vendor is unable to obtain the Vesting Order, then the Deposit shall forthwith be returned to the Purchaser and, upon such payment, the Vendor and Purchaser shall also be released from all other obligations hereunder.
- (n) The Vendor intends to maximize the proceeds of sale within the Court approval process. This Agreement will become public information prior to the Court approval date, and the Purchaser acknowledges and agrees that other prospective purchasers may attend in Court in person or by agent at the hearing of the motion for the granting of the Vesting Order and such prospective purchasers may make competing offers which may be approved by the Court. The Vendor may be compelled to advocate that the Court consider other offers in order to obtain the highest price for the Hotel Property. The Vendor gives no undertaking to advocate the acceptance of this Agreement. To protect its interest in purchasing the Hotel Property, the Purchaser acknowledges and agrees that a representative should attend at the Court hearing for the granting of the Vesting Order on behalf of the Purchaser and be prepared there to make such amended or increased offer to purchase the Hotel Property as the Court may permit or direct, and it is recommended that the Purchaser seek independent legal advice to advance its own offer to the Court.

(o) Acceptance of this Agreement by the Vendor is pursuant to the Receivership Order and not as owner of the Hotel Property and will become effective from the time the Vesting Order is granted. Until such time, the Vendor is subject to the jurisdiction and discretion of the Court to entertain other offers and to any further Orders the Court may make regarding the Hotel Property. Given its position and relationship to other parties in the Proceeding and as an officer of the Court, the Vendor may be compelled to advocate that the Court consider other offers in order to obtain the highest price for the Hotel Property. The Vendor gives no undertaking to advocate the acceptance of this Agreement. In that regard, the Purchaser must make its own arrangements to support this Agreement in Court. The Purchaser acknowledges that another party or parties may attend the Court on the date scheduled to hear the Vendor's application for the Vesting Order for the purpose of submitting an offer or offers to purchase the Hotel Property. Notwithstanding the foregoing, the Agreement shall be deemed irrevocable by the Purchaser except as expressly otherwise stated in the Agreement.

(p) This Agreement may be terminated at the Vendor's sole option if:

- (i) at any time prior to the Vendor obtaining the Vesting Order, the Vendor determines it is inadvisable to present this Agreement to the Court;
- (ii) at any time prior to the Vendor obtaining the Vesting Order, the security which is the subject of the Proceeding is redeemed; or
- (iii) the Court makes an order cancelling or changing the Vendor's power of sale;

and in any such event the Vendor shall have no further obligations or liability to the Purchaser under this Agreement or otherwise. This condition is for the sole benefit of the Vendor.

(q) In the event that:

- (i) the mortgagor or any other person shall become entitled to redeem, assign or place the mortgage in good standing and does so prior to the completion of the sale; or
- (ii) the Vendor is unable to complete the sale pursuant to the Vesting Order;

then the Vendor shall have the right to terminate this Agreement and upon giving written notice to the Purchaser that it is so doing, this Agreement shall be cancelled, without interest or deduction. Written notice shall be deemed to be validly given if received by the agent or solicitor or notary for the Purchaser.

(r) The Vendor shall not be required to furnish any title documents and shall only be required to provide such deeds, copies thereof, or evidence of title as are in its possession or control.

(s) The Purchaser acknowledges and agrees that time will be of the essence hereof, and unless the balance of the cash payment is paid or such formal agreement to pay the balance as may be necessary is entered into on or before the Closing

Date, the Vendor may at its option either terminate or reaffirm this Agreement, and in either event the amount paid by the Purchaser, including without limitation the Initial Deposit and the Second Deposit will be absolutely forfeited to the Vendor on account of damages without prejudice to any of the Vendor's other remedies.

- (t) The Purchaser acknowledges and agrees to provide the net sale proceeds to Owen Bird Law Corporation, In Trust, by way of wired transfer of funds.
- (u) No property disclosure statement concerning the Hotel Property forms part of this Agreement.
- (v) In the event of any conflict or inconsistency between the terms of this Section 5.6 and any other term in this Agreement, the terms of this Section 5.6 shall prevail.

ARTICLE 6 – GENERAL

6.1 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 the other parties may, either before or after the Closing Date, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

6.2 Time of the Essence

Time shall be of the essence of this Agreement.

6.3 Legal Fees

Each of the parties hereto shall pay their respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant hereto and any other costs and expenses whatsoever and howsoever incurred.

6.4 Public Announcements

Except as required by applicable regulatory authorities, no public announcement or press release concerning the sale and purchase of the Hotel Property shall be made by any of the parties hereto without the prior written consent and joint approval of all other parties hereto. Notwithstanding the foregoing, the Vendor acknowledges that the Purchaser may disclose the fact of the sale and purchase to any employees or other advisor for the purpose of the Purchaser's due diligence and financing and obtaining any necessary consents, licenses and approvals to the transaction. Provided that the Purchaser shall be responsible for ensuring that such persons to whom it discloses such information also comply with the foregoing confidentiality requirements.

6.5 Benefit of the Agreement

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

6.6 Entire Agreement

This Agreement together with the Schedules attached hereto 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.

6.7 "As Is, Where Is"

The Purchaser acknowledges and agrees that the Hotel Property is being purchased on an "as is, where is" basis and that in completing the transaction contemplated in this Agreement, the Purchaser relies solely on its own investigation. Any reports provided to the Purchaser by the Vendor are not warranted to in any way by the Vendor and the Vendor has not obtained letters of transmittal respecting the same.

6.8 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 each of 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.

6.9 Assignment

Notwithstanding the foregoing, the Purchaser may on reasonable notice to the Vendor assign any of its rights or obligations under this Agreement to any affiliated corporate entity or nominee of which the Purchaser has control without the consent of the Vendor; provided however that notwithstanding any such assignment, the Purchaser shall remain liable to perform the Purchaser's obligations hereunder and such assignment shall in no way release the Purchaser from such obligations.

6.10 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, by registered mail or by fax addressed to the recipient as follows:

To the Vendor:

D. Manning & Associates Inc.

Court-Appointed Receiver and Manager of the Assets, Undertakings and Properties of
356746 Holdings Inc. dba George Dawson Inn
Suite 520 – 625 Howe Street
Vancouver, B.C. V6C 2T6

Attention: Mr. Alex E.H. Ng, LIT, CIRP
Fax number: (604) 683-8327

To the Vendor's Solicitors:

Owen Bird Law Corporation
Suite 2900, 595 Burrard Street
P.O. Box 49130
Vancouver, B.C. V7X 1J5
Attention: Mr. Alan A. Frydenlund

Fax number: (604) 683-0570

To the Purchaser:

E-mail address: _____

To the Purchaser's Solicitors:

Attention: _____

Fax number: _____

E-mail address: _____

or to such other address, individual or fax 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 registered mail, on the fifth Business Day following the deposit thereof in the mail and, if given by fax, 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. If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such demand, notice or other communication shall not be mailed but shall be given by personal delivery or by fax.

6.11 Governing Law and Attornment

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

6.12 Severability

If any provision of this Agreement is found to be illegal or unenforceable, such provision shall be severed from this Agreement and such finding shall not affect the legality or enforceability of any other provision of this Agreement.

6.13 Counterparts and Facsimile

This Agreement may be executed in separate counterparts, each of which shall be an original hereof. Delivery of executed copies of this Agreement by facsimile transmission shall be as effective as if delivered personally.

IN WITNESS WHEREOF the parties have executed this Agreement.

Purchaser's Signature,

[PURCHASER NAME]

Per: _____

**D. MANNING & ASSOCIATES INC.
IN ITS CAPACITY AS RECEIVER AND
MANAGER OF THE ASSETS, UNDERTAKINGS
AND PROPERTIES OF 356746 HOLDINGS INC.
dba GEORGE DAWSON INN
(not in its personal capacity)**

Per: _____

SCHEDULE A
LEGAL DESCRIPTION

Legal Descriptions:

PID: 006-931-952
Lot 4 Section 10 Township 78 Range 15 West of the 6th Meridian
Peace River District Plan 24114

PID: 006-931-944
Lot 3 Section 10 Township 78 Range 15 West of the 6th Meridian
Peace River District Plan 24114

PID: 008-324-212
Parcel A (Plan 26555) of Lot 2 Section 10 Township 78 Range 15
West of the 6th Meridian Peace River District Plan 24114

Civic Address:

11705 8 Street
Dawson Creek, B.C. V1G 4N9

SCHEDULE B

PERMITTED ENCUMBRANCES

All charges, liens and interests listed in the attached Title Search dated February 16th, 2021, except for Mortgage BB680604, Assignment of Rents BB680605, Mortgage CA5967608, Mortgage CA7062860 Judgement CA8023458 and Judgement CA8023461 and all 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 favor of utilities and public authorities, existing tenancies or sub-tenancies, if any.

SCHEDULE C

LEASES

Nil

SCHEDULE D

CONTRACTS

1. Intello Technologies Inc. Equipment Rental Agreement #R1712151 dated effective December 15th, 2017
2. Diversey Canada, Inc. Standard Dishwashing Machine Agreement made January 10th, 2020
3. Altus Group Limited Contract re: Real Estate Tax Program dated April 10, 2020
4. Aim Trucking Contract will be entered into to replace an existing Waste Management contract for garbage disposal

SCHEDULE E

THIRD PARTY OWNED ASSETS

1.	3 Pepsi Vending Machines (one on each floor)	PepsiCo
2.	1 Coke Machine (bottom floor)	Coca Cola
3.	1 single door Pepsi Cooler (old liquor store)	PepsiCo
4.	Double Door Coke Cooler (old liquor store)	Coca Cola
5.	3 small Red Bull Coolers	Red Bull
6.	Fountain Pepsi Machine	PepsiCo
7.	Double Coffee Maker (restaurant)	Van Houtte
8.	80 Keurig Machines (one in each room)	Van Houtte
9.	Dishwasher (lounge)	Ecolab
10.	Kitchen dishwasher	Diversey
11.	Juke Box Machine (lounge)	Hi Score Amusements
12.	2 Photocopiers	Hi-Tech
13.	Bank Machine	Jade Cash
14.	WiFi Equipment	Intello
15.	Oil Bin	
16.	Receivers in Lounge	Bell ExpressVu
17.	Flip Charts, 2 cabinets, flags, poles, misc. items	Rotary/Dominion City
18.	Dishwasher in lounge	ECO Lab

SCHEDULE F

LIQUOR LICENCE AND FOOD PRIMARY LICENCE

- 1) Liquor Primary Licence, #021832, expires May 31, 2021
- 2) Food Primary Licence, #042999, expires May 31, 2021

SCHEDULE G

FURNITURE AND EQUIPMENT

The below list is the estimated Furniture and Equipment, which list shall be subject to minor changes or adjustment from time to time.

Lounge:

- 1 pool table
- 1 popcorn machine
- 7 televisions
- 1 - 2 tap portable draft system
- 14 bar chairs
- 54 single chairs
- 17 – 2 person tables
- 4 – 4 person booths
- POS system

Banquet rooms:

- 1 projector
- 2 portable screens
- 3 portable bars
- 350 chairs
- 30 round tables
- 22 8ft tables
- 20 6ft tables
- 4 cordless microphones
- 2 standup speakers

Restaurant:

- 2 deep fryers
- 2 convection ovens
- 2 floor pot burners
- 1 – 6 burner stove
- 1 – 4ft flattop grill
- 2 line coolers
- 1 upright line freezer
- 1 ice machine
- 1 – 3 ft BBQ grill
- 1 – 20 qt mixer
- 1 – 12 inch slicer
- 1 TV
- 1 – 3 door beer cooler
- 36 tables
- 56 chairs
- POS system
- 10 chafing trays
- Misc. pots and pans
- Dishes for approximately 300 person banquet

Hotel:

- 81 televisions
- 86 sitting chairs
- 8 king beds
- 115 queen beds
- 6 cots
- 82 desks
- 79 desk chairs
- 83 dressers
- 105 nightstands
- 77 irons
- 73 ironing boards
- 80 blow dryers
- 83 mini fridges
- 13 couches
- 79 mirrors
- 79 floor lamps
- 78 desk lamps
- 89 nightstand lamps
- 83 microwaves
- 143 artworks
- 80 luggage racks
- 4 coffee tables
- 4 tables
- 7 end tables
- 78 alarm clocks
- 576 pillows
- 2 dresser/fridge/TV units
- 4 double glass door coolers

Lobby:

- 2 computer terminals
- 2 televisions
- 2 couches
- 1 coffee table
- 4 luggage carts
- 1 ice machine
- 5 housekeeping carts
- 4 vacuums
- 3 front desk computers

All hotel room coffee machines are owned by Van Houtte.

Quantities are approximate and may be subject to minor changes.

SCHEDULE "D"

RECEIVER'S INTERIM STATEMENT OF
CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD APRIL 20, 2020 TO APRIL 5, 2021

356746 HOLDINGS INC. dba THE GEORGE DAWSON INN

**RECEIVER and MANAGER'S
INTERIM STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD APRIL 20, 2020 TO APRIL 5, 2021**

	\$	\$	\$
RECEIPTS			
Cash in Bank, as at April 20, 2020		14,530.81	
Canada Emergency Wage Subsidy		251,237.09	
Collection of Pre-Receiver's Accounts Receivable		102,330.77	
Net Refund of Deposit from Stewart Mortgage Corp.		21,371.75	
PST Commission		1,980.00	
Receiver and Manager's Borrowings		920,422.27	
Revenues:			
Food and Beverage (including GST collected)	165,170.66		
Other	413.03		
Rooms (including GST and PST collected)	832,574.60	1,048,158.29	
TOTAL RECEIPTS			2,360,030.93
DISBURSEMENTS			
Accounting Fees		27,115.00	
Advertising		1,061.73	
Appraisal		9,000.00	
Bank Charges:			
Activity Fees	1,393.86		
Credit Cards Fees	19,103.59	20,497.45	
BC Liquor Licence Fees		1,190.00	
Commission		1,643.01	
Contracted Services		6,843.00	
Critical Payables		6,812.50	
Filing Fees		90.00	
Fuel		165.12	
GST Paid		36,669.95	
GST Remitted		11,225.81	
Insurance		37,565.98	
Leases re: Equipment		96,211.03	
Leases re: Internet System		10,640.03	
Legal Fees and Disbursements		35,382.47	
Licence & Dues		4,353.41	
Office		2,315.34	
Payout of Lease re: Phone System		2,124.61	
Payroll Expenses:			
Employee Benefits	13,177.99		
Source Deductions re: CPP	51,963.38		
Source Deductions re: EI	20,554.41		
Source Deductions re: Income Taxes	90,669.70		
Wages and holiday pay	480,443.03		
WorkSafe BC	6,426.50	663,235.01	
Photocopies		3,486.50	
PST Remitted		55,911.34	
Property Taxes		513,192.57	
Postage and Courier		502.46	
Receiver and Manager's Fees		318,344.25	
Rent Expense (Land rental for sign)		500.00	
Repairs and Maintenance		54,839.94	
Searches		67.00	
Supplies:			
Beverage	1,094.75		
Cleaning	6,494.39		
Food and Groceries	134,023.20		
Guest Amenities	9,561.13		
Liquor	5,944.99		
Restaurant / Hotel Ware	6.69		
Uniform	299.90	157,425.05	
Telephone and Facsimile		2,899.87	
Travel		3,087.73	
Utilities:			
Cable	12,095.48		
Electric	44,834.07		
Gas	47,909.54		
Internet	3,005.80		
Telephones	22,328.71		
Waste Disposal	9,492.06		
Water and Sewer (City of Dawson Creek)	59,447.93	199,113.64	
TOTAL DISBURSEMENTS			2,283,511.80
EXCESS OF RECEIPTS OVER DISBURSEMENTS			76,519.18
Less: Payroll source deductions for the pay period March 14, 2021 to March 27, 2021			(6,486.90)
Less: WCB premium for January 1, 2021 to March 31/2021			(1,970.81)
Adjusted Working Capital Balance as at April 5, 2021			68,061.47 (Notes 1 & 4)

Note 1: Before Receiver and Manager's payables, provincial sales tax and hotel tourism tax, and GST to be remitted.

Note 2: Before wages for the period March 28, 2021 to April 5, 2021 and associated source deductions and WorkSafe BC premiums.

Note 3: Before Receiver and Manager's fees and disbursements from April 1, 2021 to completion.

Note 4: Before Owen Bird Law Corporation legal costs from February 27, 2021 to completion.