

PROUDLY PRESENTING



# Arbutus Furniture & Closets Ltd

PROFITABLE BUSINESS PRICED AT  
**\$699,000**

~

Local Designers & Manufacturers of;

Wall Beds, Closets, Home Furniture,  
Commercial Office Furnishings



DEPTH & DIVERSITY ... covering all your real estate needs

**IAIN  
MACDONELL**

604.328.3929  
www.macdonells.com  
iain@macdonells.com



**BECKY RANNALA**  
REAL ESTATE

604 349 2943  
becky@beckyrannala.com  
www.beckyrannala.com





## BUSINESS DETAILS

15 year established business of Wall Beds, Closets, Furniture and office Furnishings

8,000 sq. ft. +/- of leased factory, showroom & office space located at 195 W7<sup>th</sup> Ave

Hours of Operation: Mon-Fri 9-5, Sat: 11-4 (Closed Sundays and Statutory weekends)

Factory shop with \$84,000 worth of equipment including; CNC machine & edge bander

3 vehicles including Ford 150 truck, Pontiac Montana Hatchback and Dodge Caravan

Increased Sales every year and 8 weeks + of confirmed orders

Currently Owner Operated and willing to train new owner

Approximately 15 loyal, skilled and consistent employees

Wide range of products available at factory direct prices with no franchise fees





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**RE/MAX**  
Select Properties



**BECKY RANNALA**  
REAL ESTATE

**604 349 2943**  
becky@beckyrannala.com  
www.beckyrannala.com

**RE/MAX** Select Properties  
Prosperity Created and Operated

11:50 AM  
18/09/17  
Accrual Basis

# Arbutus Furniture & Closets Ltd

## Profit & Loss

### January through August 2017

	Jan - Aug 17
Ordinary Income/Expense	
Income	
47930 · Sales - Furniture	254,368.54
47920 · Sales - Wallbed	135,096.38
47900 · Sales - Closets	604,374.90
48300 · Sales Discounts	-12,239.54
48900 · Installation & Delivery	34,953.29
Total Income	1,016,553.57
Cost of Goods Sold	
50000 · Raw Materials	209,447.10
51100 · Freight and Shipping Costs	7,555.51
51800 · Merchant Account Fees	20,837.61
54100 · Worker's Comp Premiums - Labour	10,969.00
Total COGS	248,809.22
Gross Profit	767,744.35
Expense	
64700 · Tools	1,066.47
60250 · Parking Fines	991.50
62700 · Health & Safety	659.00
60010 · Promotional Gifts	196.82
69900 · PST Self Assessment	3,501.41
64400 · Meals and Entertainment 50%	1,532.19
63000 · Hydro	3,406.86
68200 · Supplies	982.69
62900 · Heating	3,004.70
68500 · Waste removal	2,751.20
63700 · Security	716.20
60500 · Exhibitions	1,707.33
66300 · Referrals	5,153.29
60300 · Bad Debt Expense	7.22
60201 · Auto Insurance	6,215.60
60100 · Administration Fees	8.19
60000 · Advertising and Promotion	1,232.17
60200 · Automobile Expense	12,750.88
60400 · Bank Service Charges	-18.59
61000 · Business Licenses and Permits	171.00
61400 · Charitable Contributions	450.00
61700 · Computer and Internet Expenses	711.57
62500 · Dues and Subscriptions	1,157.99
63300 · Insurance Expense	6,763.06
63500 · Janitorial Expense	1,001.38
64300 · Meals and Entertainment 100%	353.91
64900 · Office Supplies	2,834.37
66000 · Payroll Expenses	
65300 · Vacation	25,530.04
65200 · Accrued Vacation	0.00
66100 · Commission	26,673.33
60600 · Wages & Salaries	308,032.81
60700 · CPP & EI Expense	26,577.29
65000 · Management Salaries	60,500.00
Total 66000 · Payroll Expenses	447,313.47
66200 · Subcontractors	14,978.73
66500 · Postage and Delivery	171.81
66700 · Professional Fees	4,208.70
67100 · Rent Expense	70,039.60
67200 · Repairs and Maintenance	3,791.98
68100 · Telephone Expense	3,754.49
68400 · Travel Expense	2,396.72
Total Expense	605,963.91
Net Ordinary Income	161,780.44

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18/09/17  
Accrual Basis

**Arbutus Furniture & Closets Ltd**  
**Profit & Loss**  
January through August 2017

	Jan - Aug 17
Other Income/Expense	
Other Income	
72000 · Miscellaneous Income	1,771.50
70000 · PST Commission	396.00
Total Other Income	2,167.50
Net Other Income	2,167.50
Net Income	<b>163,947.94</b>

# Arbutus Furniture & Closets

## Profit and Loss

October 23, 2017 - January 9, 2018

	Total
<b>INCOME</b>	
Bed Revenue	34,706.97
Closet Revenue	171,408.43
Furniture Revenue	41,993.61
Repair Revenue	3,339.01
Sales of Product Income	8,682.10
Shipping Income	1,527.00
Discounts	-2,051.90
<b>Total Income</b>	<b>259,605.22</b>
<b>COST OF GOODS SOLD</b>	
Tools	3,051.29
Vehicle Gas/Parking - Installers	114.76
Vehicle Insurance - Installers	2,486.70
Cost of Goods Sold	0.00
Purchases	47,561.20
<b>Total Cost of Goods Sold</b>	<b>53,213.95</b>
<b>GROSS PROFIT</b>	<b>206,391.27</b>
<b>EXPENSES</b>	
Advertising	758.21
Vehicle Expenses - Office	1,006.79
Bank charges	5,572.10
Subcontractors - Administration	3,035.00
Insurance	2,092.00
Legal and professional fees	3,233.04
Meals and entertainment	1,274.95
Office supplies	1,310.74
Repair and maintenance	465.92
Payroll (deleted)	
Wages (deleted)	1,545.73
<b>Total Payroll (deleted)</b>	<b>1,545.73</b>
Payroll Expenses	15,619.08
Referral Fee	3,794.20
Taxes	7,438.09
Wages	94,345.51
<b>Total Payroll Expenses</b>	<b>121,196.88</b>
<b>OCCUPANCY EXPENSES</b>	
Garbage Removal	1,130.21
Licenses & Permits	290.00
Rent	26,264.85
Showroom Supplies	121.30
Telephone	1,153.08
Utilities	631.91
<b>Total OCCUPANCY EXPENSES</b>	<b>29,591.35</b>
<b>Total Expenses</b>	<b>171,082.71</b>
<b>PROFIT</b>	<b>35,308.56</b>

Add back Legal fees purchase	3,233.04
Add back Personal gas cards wife /kid	1,800.00
Add back TD Loan	4,500.00
Add back Cary Dicherni clean up initial temporary wage	<u>10,000.00</u>
	54,841.60

Tuesday, Jan 09, 2018 10:53:22 AM GMT-8 - Accrual Basis



## ASSIGNMENT OF COMMERCIAL LEASE

This Assignment of Lease (the "Assignment") is made and effective as of 23RD OCTOBER 2017 (the "Effective Date") by and between KC3 HOLDINGS [an individual] [corporation] [etc.] (the "Assignor") and ARSENAL FURNITURE LLC, [an individual] [corporation] [limited liability company] [etc.] (the "Assignee"). The Assignor and the Assignee may be referred to individually as a "Party" or collectively as the "Parties."

### RECITALS

f t WHEREAS, the Assignor, as lessee, is party to that certain lease agreement with 130A, as lessor (the "Landlord"), dated as of 130A, a copy of which is attached as Exhibit A hereto and made a part hereof by reference (the "Lease"); and

WHEREAS, the Lease covers certain property located at \_\_\_\_\_, and more particularly described as follows:  
195 WEST 2TH AVENUE VAN COUVE B.C  
BASEMENT  
(the "Premises"); and

WHEREAS, the Assignor wishes to assign all of its rights and obligations under the Lease and to the Premises to the Assignee, and the Assignee wishes to accept this assignment of interest in the Lease and the Premises and to assume these obligations on the terms and conditions set forth in this Assignment.

NOW THEREFORE, in consideration of the above recitals, the mutual promises and benefits contained herein, and other good and valuable consideration, the receipt of which is acknowledged, the Parties hereby agree as follows:

### 1. ASSIGNMENT.

The Assignor hereby assigns, transfers, sets over, and delivers to the Assignee of all its right, title, and interest in and to the Lease and all of the Premises governed thereby, subject to all of the terms and the conditions in the Lease and in this Assignment. This assignment shall be effective as of the Effective Date and shall continue until the present term of the Lease ends.

### 2. ASSUMPTION OF RIGHTS AND DUTIES.

From and after the Effective Date, all rights and duties under the Lease, including the obligation to pay all rent under the Lease as and when the same shall become due, will be assumed by the Assignee (*choose one*) [and the Assignor shall have no further obligations thereunder] or [; provided, however, the Assignor shall remain bound to the undersigned on the terms and conditions of the Lease, notwithstanding the assignment]. The Assignor will, however, continue to be responsible for obligations accruing before the Effective Date unless the Assignor, the Landlord, and the Assignee otherwise expressly provide through a separate agreement.

### 3. REIMBURSEMENT.

On or before the Effective Date, the Assignee shall pay \$ ~ / A to the Assignor, which is the sum of the amount of the security deposit held by the Landlord under the Lease and of any rent or other deposits that the Assignor paid in advance under the Lease for any period following the Effective Date.

### 4. INDEMNIFICATION.



(a) The Assignor hereby agrees to indemnify and hold harmless the Assignee from any and all costs, liabilities, losses, damages, expenses, liens, or claims (including, without limitation, reasonable attorneys' fees) arising out of the Assignor's failure to perform its duties or obligations under the lease before the Effective Date of this Assignment.

(b) The Assignee hereby agrees to indemnify and hold harmless the Assignor from any and all costs, liabilities, losses, damages, expenses, liens, or claims (including, without limitation, reasonable attorneys' fees) arising out of or relating in any way to the Lease, except if such costs arise from the Assignor's failure to perform its duties or obligations under the Lease before the Effective Date.

(c) The Assignee hereby agrees to protect, indemnify, and hold harmless the Assignor and its officers, employees, representatives, agents, fiduciaries, attorneys, directors, shareholders, insurers, predecessors, parents, affiliates, benefit plans, successors, heirs, and assigns from and against any and all costs, liabilities, losses, damages, expenses, liens, or claims (including, without limitation, reasonable attorneys' fees) arising out of or attributable to, directly or indirectly, the acts or omissions of the Assignee or its agents, contractors, or employees with respect to the Premises or any activities thereon. This indemnification shall survive the termination of the Lease and this Assignment.

## 5. CONTINUING EFFECTIVENESS OF LEASE.

This Assignment is made on the understanding that all other terms and conditions of the Lease shall remain in full force and effect, including the prohibition against further assignments and subleases without the Landlord's express written consent.

## 6. ASSIGNOR'S REPRESENTATIONS AND WARRANTIES.

The Assignor hereby represents and warranties as follows:

(a) The Assignor is the lawful and sole owner of the interests assigned under this Assignment;

(b) The Lease is in full force and effect, and fully assignable pursuant to its terms;

(c) The interests assigned under this Assignment are free from all liens, claims, and encumbrances;

(d) Except for the Landlord and the Assignor, there are no parties in possession or occupancy of the Premises or any part thereof, nor are there any parties who have any possessory rights with respect to the Premises or any part thereof; and

(e) The Assignor has performed all obligations and duties, and made all required payments, under the Lease.

## 7. CONDITION OF PREMISES.

The Assignee acknowledges and agrees, by its acceptance hereof, that it has examined and inspected the Premises and accepts them "as is" and in its present condition with all faults. The Assignee further acknowledges that the Assignor has not made, does not make, and specifically disclaims any representations, warranties, promises, covenants, agreements, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present, or future, of, as to, concerning, or with respect to the status, nature, quality, or condition of the Lease or the Premises

## 8. (Optional) ADDITIONAL TERMS OF ASSIGNMENT.



The Parties hereby agree to the following additional terms:

## 9. INTERPRETATION.

In interpreting the language of this Assignment, the Parties shall be treated as having drafted this Consent after meaningful negotiations. The language in this Assignment shall be construed as to its fair meaning and not strictly for or against either Party.

## 10. NOTICE.

Any notice or other communication provided for herein or given hereunder to a Party hereto shall be in writing and shall be given in person, by overnight courier, or by mail (registered or certified mail, postage prepaid, return receipt requested) to the respective Party as follows:

If to the Assignor:

NEIL MAGE  
ARBUTUS FURNITURE & CLOSERS LTD.

If to the Assignee:

KEELAN TISHAW  
KES3 HOLDINGS INC

## 11. MODIFICATION.

No amendment, addendum, change, or modification of this Assignment shall be valid unless in writing and signed by both Parties.

## 12. GOVERNING LAW.

This Assignment shall be governed by the laws of the Province of British Columbia. In the event that litigation results from or arises out of this Assignment or the performance thereof, the Parties agree to reimburse the prevailing party's reasonable attorneys' fees, court costs, and all other expenses, whether or not taxable by the court as costs, in addition to any other relief to which the prevailing party may be entitled.

## 13. COUNTERPARTS/ELECTRONIC SIGNATURES.

This Assignment may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument. For purposes of this Assignment, use of a facsimile, e-mail, or other electronic medium shall have the same force and effect as an original signature.

## 14. ENTIRE AGREEMENT.

This Assignment constitutes the final, complete, and exclusive statement of the agreement of the Parties with respect to the subject matter hereof, and supersedes any and all other prior and contemporaneous agreements and understandings, both written and oral, between the Parties.

*Assignment of Commercial Lease (with Landlord Consent)*

IN WITNESS WHEREOF, the Parties have executed this Assignment as of the date first above written.



ASSIGNOR [ASSIGNOR NAME]

By: ARBUS FURNITURE CLOSETS CO  
Name: NEIL MASEE  
Title: EXECUTIVE DIRECTOR

ASSIGNEE [ASSIGNEE NAME]

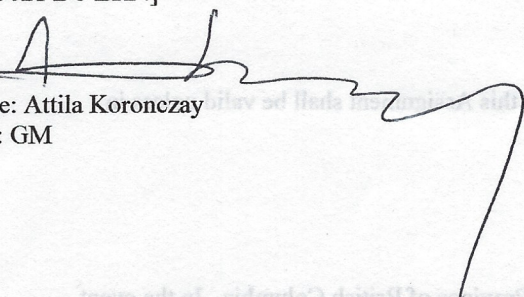
By: KC3 HOLDINGS LTD.  
Name: KEELAN TISSHAW.  
Title: PRESIDENT.

#### LANDLORD'S CONSENT [AND RELEASE]

The undersigned, as Landlord under the Lease, hereby consents to this assignment of the Lease, and to the Assignee's assumption of the Assignor's obligations thereunder, including the obligation to pay rent pursuant to the Lease as and when the same shall become due.

As of the Effective Date of the Assignment, the Landlord releases the Assignor from all liability for obligations (including rent payments) under the Lease.

LANDLORD [0775021 BC LTD.]

By:   
Name: Attila Koroncay  
Title: GM

*Assignment of Commercial Lease (with Landlord Consent)*

#### EXHIBIT A

[Attach copy of Lease]

*Assignment of Commercial Lease (with Landlord Consent)*