

LIQUOR LICENSE PURCHASE AGREEMENT

THIS AGREEMENT, effective the 17th day of April, 2018, by and between **Val's Operations, Inc.**, a Michigan corporation (hereinafter referred to as "Seller") and **Banana Leaf, Inc.**, a Michigan corporation, (hereinafter referred to as "Buyer").

WITNESSETH:

WHEREAS, Seller now owns an interest in Class C Resort #175589 and SDM #175590 liquor licenses including all applicable permits (collectively hereinafter referred to as the "License") issued by the Michigan Liquor Control Commission (the "MLCC"), premised at 545 W. Lake Street, Tawas City, MI 48763 (Iosco County) and;

WHEREAS, Seller desires to sell its interest in the License issued by the MLCC and Buyer desires to purchase same for use 2at 945 S. Rochester Road, Rochester Hills, Michigan 48307, and;

NOW, THEREFORE, it is mutually agreed between the parties hereto, in consideration of their respective covenants and agreements herein contained, as follows:

1. **Sale of Liquor License.** Seller agrees to sell to Buyer, and Buyer agrees to purchase, for itself, the said interest of Seller in and to the MLCC, free and clear of any liens, encumbrances, restrictions, obligations, and claims of any nature on said License; and subject to the consent and approval of the MLCC.

2. **Payment of Purchase Price.** It is agreed that Buyer shall pay to Seller, in payment of all of the foregoing, the sum of Seventy Five Thousand and no/100ths Dollars (\$75,000.00) (the "Purchase Price") payable as follows:

- a) At the time of the execution of this Agreement, the sum of Five Thousand and no/100ths Dollars (\$5,000.00) ("Deposit"), receipt of which is hereby acknowledged by Brokers Network USA, Inc., Escrow Agent. Same is to be kept and held in the trust account by the Escrow Agent, who is specifically authorized by both Seller and Buyer to act as their Escrow Agent, until such time as the contingencies set forth herein are satisfied or the Deposit is otherwise returned or distributed pursuant to the terms of this Agreement. Upon satisfaction of the contingencies, said Deposit is to be paid by Escrow Agent to Seller upon the execution of a Bill of Sale and Transfer of License in form and content reasonably satisfactory to Buyer and MLCC and any and all other legal instruments necessary to consummate this transaction.
- b) At the time of the closing of this transaction, an additional Seventy Thousand and no/100ths Dollars (\$70,000.00) is to be paid to the Seller. Payment shall be in certified funds.

3. **Application for License Transfer.** Within ten (10) days after the date of execution of this Agreement, both parties shall file all necessary forms and documents with the MLCC in order to transfer said License from Seller to Buyer.

4. **Closing Contingencies.** This Agreement is contingent upon the occurrence of each of the following. Should any one of the following fail to occur, then the same shall constitute an automatic termination of this Agreement and Buyer shall be entitled to an immediate refund, in full, of the deposit made hereunder:

- a) The approval of the MLCC and the City of Rochester Hills for transfer of ownership and location of the License to Buyer, and
- b) Seller's compliance with all elements of Paragraph 13.

5. **Termination Upon Denial of License Transfer.** In the event the MLCC or the City of Rochester Hills shall finally refuse to approve the transfer of the License to Buyer (after any administrative appeal thereof, at Buyer's option and expense) for any reason other than the breach by Buyer of the express terms of this Agreement, after Buyer has complied with all the terms and provisions herein stated, then this Agreement shall become null and void and the Escrow Agent shall immediately return to the Buyer the entire Deposit and Buyer shall have no further liability or obligation to Seller. The Escrow Agent is specifically required to make such return. If Buyer fails to consummate the sale after the approval of the MLCC within the time periods herein set forth, and/or breaches this Agreement, and/or willfully does anything to hinder said transfer and approval by the MLCC, and/or willfully fails to complete, deliver or execute any application forms, requests for information or any other similar data required by the MLCC, and/or willfully fails or refuses to complete or receive said application forms, or willfully misrepresents or falsifies any application or willfully misrepresents or gives false information, either to Seller or to the MLCC which results in the MLCC's refusal to approve such transfer, then the Deposit shall be forfeited to Seller as liquidated damages and Seller's sole and exclusive remedy.

6. **Execution of Documents.** The parties further agree to execute and deliver, each to the other, any legal instruments and applications of whatsoever nature or kind which may be necessary to effect and consummate this transaction, including the right for an appeal hearing.

7. **Closing Date.** The parties agree that the consummation of the transfer shall take place within ten (10) days following receipt of the earlier of Conditional License or final approval by the MLCC for the transfer of the License to Purchaser but in any event no later than One Hundred Eighty (180) days from the effective date of this Agreement ("Date of Closing"). In the event that transfer approval is not granted by the MLCC within One Hundred Eighty (180) days from the effective date of this Agreement, Buyer shall close and pay the Purchase Price to Seller and to have the required closing documents held in escrow by Escrow Agent pending MLCC transfer approval or forfeit its Earnest Money deposit. If the license fails to transfer as a result of Buyer's misrepresentations, concealment, fraud, non-performance or untrue/unstated representations, the Earnest Money shall be released to Seller as Seller's sole remedy. If the application is approved for transfer by the MLCC, but subject to a final inspection, then the

closing will be completed within ten (10) days of the MLCC approval and the license shall be placed in escrow pending final inspection.

8. **No Inventory.** Seller represents that there is no alcoholic beverage inventory available for sale to the Buyer.

9. **Default by Seller.** It is further agreed between the parties that if Seller fails or refuses to comply with and complete the sale and purchase of said License in conformity with the terms herein for any reason other than breach by the Buyer, then the Deposit and any Purchase Price shall be returned to Buyer. This paragraph shall not preclude Buyer's pursuit of the remedy of specific performance.

10. **Renewal of License.** Seller has paid the 2018-2019 licensing year renewal fees. Buyer is responsible for paying all transfer fees to the MLCC for the transfer of the License.

11. **Entire Agreement.** It is understood and agreed between all of the parties in this transaction that all representations, investigations, negotiations, and disclosures made regarding the matters and things contained herein constitute a meeting of the minds of all parties hereto, and that there are no hidden, oral or other representations between any of the parties herein.

12. **Closing Location.** The parties hereby agree to close the transaction through the exchange of mailed documents and deposits in escrow accounts, or at such place as is mutually agreeable to the parties.

13. **Representations, Warranties, and Covenants of Seller.** Seller represents and warrants to and covenants with Buyer as follows:

- a) **Liens.** That no judgments, liens, or security interests will be outstanding at the time of the closing against Seller which would affect Seller's title to, or Seller's ability to transfer the License to Buyer.
- b) **No Violations.** As of the Date of this Agreement, there are no violations of the Michigan Liquor Control Act currently pending regarding the License.
- c) **Authorization.** This Agreement has been duly and validly authorized by any and all necessary corporate action of Seller and, upon due execution and delivery, will constitute a valid and binding agreement of Seller.
- d) **Authority.** The execution and delivery of this Agreement by Seller, the execution and delivery of every other document, and the consummation of the transaction contemplated hereby have been duly authorized and validly executed and delivered by Seller, and shall not (i) constitute or result in the breach of or default under any oral or written agreement to which Seller is a party or which affects the License; (ii) constitute or result in a violation of any order, decree, or injunction under which the Seller and/or the License is bound; and/or (iii) violate any provision of any municipal,

state or federal law, statutory or otherwise, to which Seller or the License is or may be subject.

- e) **No Sale to Third Party.** Seller acknowledges that the investigation process associated with the transfer of the MLCC License will require a period of time; during such time, Seller will be precluded from selling the MLCC License to any third party.
- f) **Cooperation with the MLCC.** Seller represents that any information it submits to the MLCC regarding the transfer of the License will be accurate and complete and that Seller will cooperate with any request of the MLCC.
- g) **Seller Compliance.** If the MLCC denies the transfer of the License to Buyer for any reason after Buyer has paid Seller for the License, Seller shall sign any documents that Buyer may reasonably need in order to resell the License to a new purchaser in order to recoup monies already paid by Buyer to Seller, and to properly transfer ownership to a new purchaser according to the request of the MLCC, local municipalities and any other entity or organization needing documents to complete the transfer.
- h) **Tax Clearance.** Seller shall provide a tax clearance acceptable to Buyer before closing.

14. **Representations, Warranties, and Covenants of Buyer.** Buyer represents and warrants to Seller as follows:

- a) **Representation to MLCC.** Buyer represents that the information it submits to the MLCC for the transfer of the License will be accurate and complete and that its source of funds to purchase said License is with verifiable U.S. funds. Neither Buyer nor any of the shareholders of Buyer have been convicted of any felonies; have policing powers or have an interest, directly or indirectly, in a wholesale license. Buyer acknowledges that this Agreement is not contingent on Buyer obtaining any financing.
- b) **Authorization.** Buyer represents that it has the power, lawful right and authority to enter into this Agreement and to perform its obligations. This Agreement is the valid and binding agreement of Buyer, enforceable in accordance with its terms.
- c) **No Breach or Default.** Buyer represents its purchase of the License will not constitute or result in a breach of default under any existing oral or written agreement or constitute or result in a violation of any order, decree or injunction under which the Buyer is bound.

- d) **No Pending Litigation.** Buyer warrants that there is no litigation pending or threatened against the Buyer, the outcome of which would have material adverse effect on the Buyer's ability to perform its obligations hereunder or the ability of Buyer to obtain MLCC approval for the transfer of the License.
- e) **Binding Agreement.** This Agreement has been properly authorized by all necessary corporate actions of Buyer and, upon due execution and delivery, will constitute a valid and binding agreement of Buyer.
15. **Pronouns.** The pronouns and relative words herein used are written in the singular only. If more than one Buyer and/or Seller join in the execution hereof, such pronouns and words shall be read as if written in plural.
16. **Survival.** The covenants, representations and warranties of all parties herein shall be effective on the date hereof, on the closing date, shall survive closing, and shall bind the heirs, administrators and executors of the respective parties.
17. **Governing Law.** This Agreement shall be governed in all respects by the laws of the State of Michigan.
18. **Amendments.** This is the entire Agreement between the parties. Any amendment or modification of this agreement shall be in writing and signed by both parties.
19. **Counterparts and Facsimile Signatures.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. For purposes of this Agreement, a facsimile or other electronic signature shall be deemed the same as an original.

(SIGNATURES ARE ON THE FOLLOWING PAGE)

Val's Operations, Inc. / Banana Leaf, Inc.

*Purchase Agreement
Page 6*

IN WITNESS WHEREOF, the parties have entered into this Agreement the date and year first above written.

SELLER:
Val's Operations, Inc.

By: Val P. Jersevic
Name: Val Jersevic
Its: President

BUYER:
Banana Leaf, Inc.

By: Ravi
Name: Ravikanth Ikkurthy
Its: Authorized Representative
