

4.0 ANALYSIS AND CONCLUSIONS

Lead 4



| | |
|--------------------------------|---------------------------------|
| Property address | 9 11124 36 Street NE Calgary AB |
| Source identification | CoStar 6311442 |
| Sale price | \$1,200,000 |
| Sale Date | January 3, 2023 |
| Purchaser | 2410461 Alberta Ltd. |
| Vendor | 2308915 Alberta Ltd. |
| Building area | 3,000 square feet |
| Estimated net operating income | \$53,736 projected |
| Capitalization rate | 4.5% |
| Price per square foot | \$400 |

Comments

This Lead is located in the newer business park called Jacksonville. The building condo comprises 3,000 square feet and is newer and is in a commercial complex that appears very remote. We are giving consideration for its better building quality, poorer location, amongst others; **a market price lower than \$400 per square foot is perceived for the subject property.**

Estimated market price is from \$330 to \$400 per square foot.

4.0 ANALYSIS AND CONCLUSIONS

Lead 5



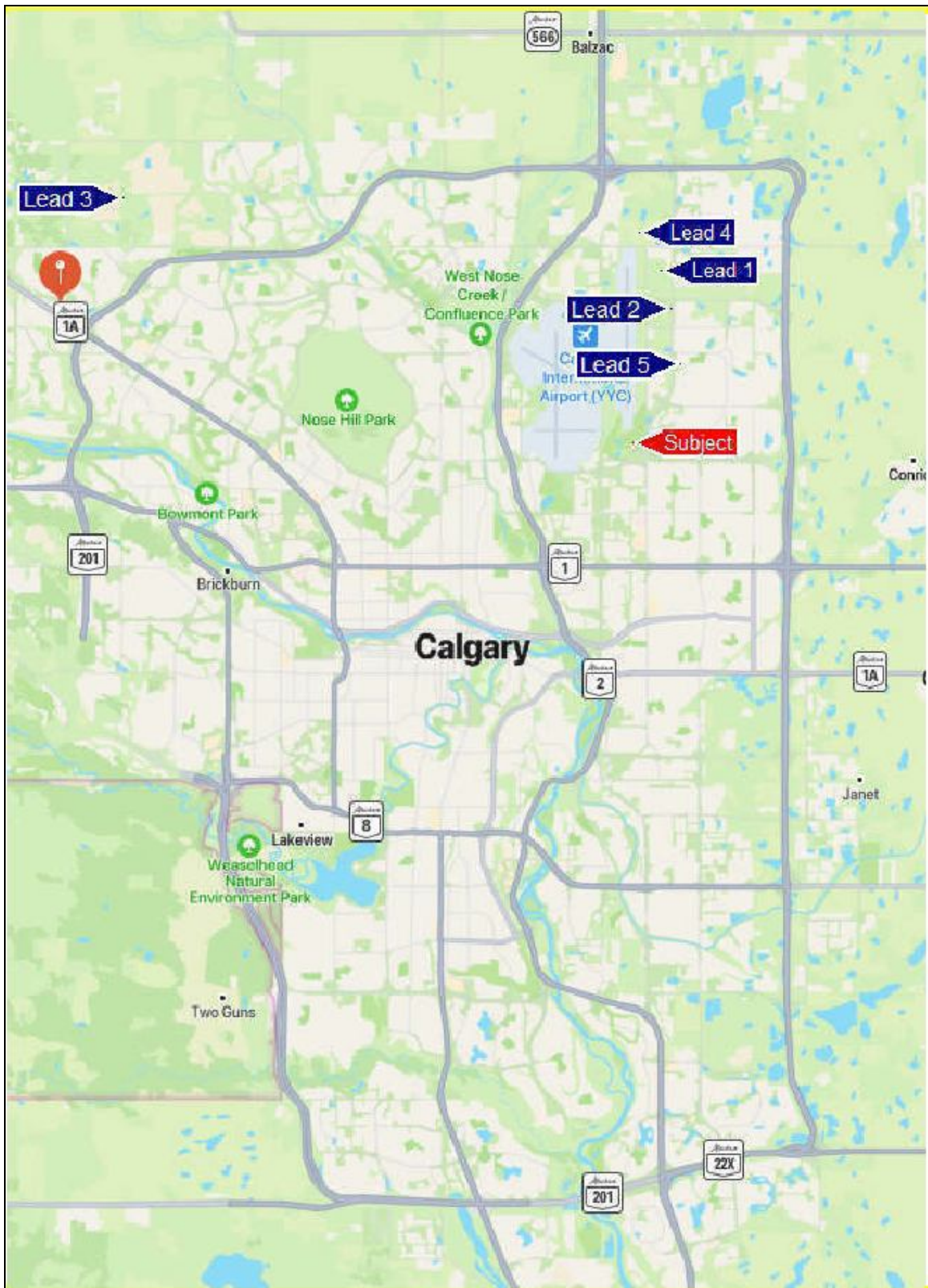
| | |
|--------------------------------|--|
| Property address | 30 1 Savanna Crescent NE Calgary AB |
| Source identification | CoStar 5791688 |
| Sale price | \$1,030,640 |
| Sale Date | October 1, 2022 |
| Purchaser | 2348585 Alberta Inc. |
| Vendor | Aspine Developments Inc. |
| Building area | 1,982 square feet |
| Estimated net operating income | \$168,995 projected |
| Capitalization rate | 4.0% |
| Price per square foot | \$520 |

Comments

This Lead is brand new and like the subject property it is located near a residential neighbourhood. It is located within a complex that is both retail and commercial. We are giving consideration for its age and condition, similar location, amongst others; **a market price lower than \$520 per square foot is perceived for the subject property.**

4.0 ANALYSIS AND CONCLUSIONS

Location of Subject Property and Leads



4.0 ANALYSIS AND CONCLUSIONS

4.5 INCOME CAPITALIZATION APPROACH

Definition

The Income Capitalization Approach is defined as:

"A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits, (cash flows and reversion), into property value. This conversion can be accomplished two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate."

Source: AI, p. 178.

Typically, a value estimate pursued by this approach requires an analysis of the comparable and competing market for the type of property under appraisal and a determination of economic rent for that property. Also required is the analysis of current investment policies relative to financing and investment rates of today's income property investor.

The subject is an income producing property, representative of such real estate acquired for the purpose of net annual income or cash flows to the owner. Net income, or cash flow, the primary benefit of ownership, is the basis for determining value when value is recognized as "...the present worth of future benefits arising out of ownership to typical users or investors."

Thus, the Income Capitalization Approach is a technique or method wherein the future benefits of ownership are transformed through capitalization into a present worth or value estimate. When estimating value by this approach, the appraiser must necessarily determine, and clearly define, future benefits and identify today's typical user or investor.

Future benefits are estimated by forecasting the gross earning potential of the property under prevailing and foreseeable market conditions. Appropriate allowances for vacancy and operating expenses, based on the prevailing and foreseeable market, are then deducted from gross earnings. This process will result in an estimate of net monetary benefits to ownership, which will then be capitalized into a present worth.

Identifying today's users and investors in the real estate market requires an analysis of recent and current activity in mortgage lending policies and equity purchases. While real estate investments differ in quality and durability, desired rates of return by owners, lenders and investors are within a reasonably narrow range. The desired rates are most typically considerate of the quantity, quality and durability of the income achievable, the

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character of the property, and the competitiveness of the property in its market, risk factors and characteristics of alternative investments. Institutional investors, pension funds and major private investors are generally recognized as comprising the major percentage of today's investment real estate market. Accordingly, the present worth or capitalized value of future benefits is based on the desired rate of return to these investors and the typical terms of purchase. It can then be said the desired rate of return, combined with typical terms of purchase, is the basis for deriving a capitalization rate which, when applied to the estimated future benefits, concludes with Market Value of the property.

The subject property is representative of income producing real estate purchased for the purpose of generating net annual income or cash flow. Net income or cash flow, the primary benefit of ownership, is the basis of determining value when value is recognized as "... the present worth of future benefits arising out of ownership to typical users or investors."

General Approach

The results of the Income Capitalization Approach are presented as follows:

- i) Analysis of Market Rent
- ii) Normalized Net Operating Income by applying appropriate adjustments to stabilized revenue and expense categories.
- iii) Investment Sales Analysis to estimate an appropriate Capitalization Rate.
- iv) Estimate the Market Value by applying the appropriate Capitalization Rate to normalized net operating income.

i) Analysis of Market Rent

Market rent is used to estimate the value of a fee simple estate. When a property is considered free and clear of all leases, its value is normally based on the market rent it can command. The transaction price of a property that is sold subject to existing leases reflects the contract rent that it will generate during the term of each lease and the market rent that will likely be achieved thereafter.

The subject property is a gas bar with convenience store comprising 1,574 square feet within the community of Ogden. Estimation of income is based on market rents. See next page...

4.0 ANALYSIS AND CONCLUSIONS

| Comparable Rent Summary | | | | | |
|-------------------------|---------------------------------------|-------------|--------------|----------------------------------|---------------------------------------|
| Lead | Address | Tenant | Size (SF) | Rental Rate (\$/SF) Net | Operating costs (\$/SF Gross |
| 1 | 4805 West Winds Drive NE Calgary | Unknown | 4,500 | TBD | TBD \$21.23 |
| 2 | 127 5120 47 Street NE Calgary | Unknown | 1,897 | \$31.60 \$31.60 | TBD TBD |
| 3 | 311 32 Westwinds Crescent NE | Unknown | 3,800 | \$18.95 \$18.95 | TBD TBD |
| 4 | 4120 4250 109 Avenue NE Calgary | Deyer Kabob | 2,200 | \$31.00 \$31.00 | \$46.00 \$46.00 |
| 5 | 101 4715 88 Avenue NE Calgary | Vacant | 991 | Ask \$40 Ask \$40 | Ask \$55 Ask \$55 |
| 6 | 2145 30 Savanna Crescent Calgary | Vacant | ∑10,000 | Ask \$34 Ask \$34 | Ask \$48.20 Ask \$48.20 |
| Subject | 11 units 5150 47 Street NE Calgary | N/A | ∑21,064 | TBD | TBD |

Most of these rented properties are retail outlets and they will command a higher rate than a typical industrial-commercial building like the subject property. Based on this analysis and survey, we have concluded that the leases reviewed are at its market rates. Out of the gross rates, we will apply \$22.00 per square foot as a net lease and \$10.00 per square foot as operating cost recoveries based on the blueprint building size.



4.0 ANALYSIS AND CONCLUSIONS

ii) Normalize Financial Statement

NORMALIZED OPERATING STATEMENT

11 units 5150 47 Street NW
Calgary AB

| REVENUE | Size (SF) | Rate (\$/psf) | (\$) |
|--|-----------|------------------|-------------------------|
| Subject property | 21,064 | \$22.00 | \$463,408 |
| Operating costs | 18,762 | \$10.00 | <u>\$187,620</u> |
| Potential Gross Income | | | <u>\$651,028</u> |
| Vacancy and collection loss at 5% | | | <u>\$32,551</u> |
| Effective Gross Income | | | <u>\$618,477</u> |
| OPERATING EXPENSES | | | |
| Operating costs | | \$187,620 | |
| Maintenance @ 3% of effective gross income | | 18,554 | |
| Management fees @ 5% | | 30,924 | |
| Structural allowance | | <u>6,185</u> | |
| Total Operating Expenses | | <u>\$243,283</u> | <u>-\$243,283</u> |
| Net Operating Income | | | <u>\$375,194</u> |

The Normalized Financial Statement is based on information provided by a market survey of lease and operating expense rates and the actual income and expense statement provided by the owner.

Potential Gross Income

The potential gross income of the subject property is \$651,028 before vacancies.

Effective Gross Income

Effective gross income is the gross potential income less allowance for vacancy and bad debts. The amount for vacancy and collection loss is estimated based on the category or type of tenant. Nevertheless a normalized allowance for vacancy and collection loss of 5.0% is typical in this economy. $(\$651,028 \times 5.0\%) = \$32,551$ is considered reasonable. The effective gross income is $(\$651,028 - \$32,551) = \$618,477$.

Operating costs

Real estate taxes, condominium fees – if applicable, utilities, ECT, are all operating costs. On a net lease the tenant is responsible mostly for these expenses. This is sometimes called additional rent.

4.0 ANALYSIS AND CONCLUSIONS

Maintenance

Maintenance costs based on 3.0% of effective gross income is estimated at \$18,554.

Management Fees

Typical management fees for professional property manager are within 3% to 5 % of the total revenues. The property is currently managed by the property owner. Nevertheless a 5% allowance is applied to the subject is considered to be reasonable.

Reserves for replacement

Structural repairs and maintenance, traditionally the landlord's responsibility, provides a reserve for any major expenses that are not recoverable from the tenants. The subject is very sound and in good condition, a normalized structural repair allowance of 1.0% is considered reasonable. The amount of this expense, based on revenue, is $(\$618,477 \times 1.0\%) = \$6,185$.

Net Operating Income

The normalized net operating income for the subject property is estimated as follows:
Effective Gross Income – Total Expenses = $\$618,477 - \$243,283 = \$375,194$.

iii) Investment Sales Analysis

Capitalization of the net income stream from the foregoing operating statement is a traditional method of estimating value for income producing expectations from real estate to a present worth estimate. It is these income expectancies that induce investors to commit equity investment to a particular property.

Selection of an appropriate capitalization rate is made based on an analysis of comparable investment property sales. While the physical details of properties that have sold are readily available, the financial details are more obscure. In analyzing the retail sales, we have relied on information from sources that were involved. To extract overall capitalization rates from the sales reported herein, we have analyzed the potential and effective gross incomes of the respective developments developed expense statements based on actual expenses reported and our input of industry averages. These expenses are calculated on the same basis as the operating statement for the subject property. In this way, a capitalization rate, which is derived from the net operating income of the investment, is determined in a consistent manner.

Recent sales of 5 condominium attached bays have been compiled. The sales occurred between October 2020 and January 2023. Their net operating incomes are projected estimates only.

4.0 ANALYSIS AND CONCLUSIONS

For comparables used in this analysis see pages 61 to 66. The Leads provided indicate capitalization rates ranging from 4.0% to 6.5%, with a mean and median rate of 5.0% and 4.7%, respectively.

The Leads obtained in this analysis are all condominium attached commercial bays and are mostly situated in Calgary's northeast. All have similar uses as the subject property. A 4.7% cap rate would appear reasonable for the subject property based on research we have obtained.

iv) Market Value

Direct capitalization is a method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the income estimate by an appropriate rate or by multiplying the income estimate by an appropriate factor. Based on the preceding investigations, analyses, and conclusions, the estimated market value of the subject property as of April 18, 2023; subject to critical assumptions and limiting conditions in this report is:

$$\begin{aligned} \text{Market Value for the subject} \\ \text{Commercial/retail} &= \frac{\text{Net Operating Income}}{\text{Capitalization Rate}} \\ &= \frac{\$375,194}{0.047} \\ &= \$7,982,851 \\ &\text{Or } \$8,000,000 \text{ (rounded)} \end{aligned}$$

EIGHT MILLION DOLLARS

4.0 ANALYSIS AND CONCLUSIONS

4.6 THE DIRECT COMPARISON APPROACH TO VALUE ESTIMATE

The Direct Comparison Approach is defined as:

"A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sale prices of the comparable based on the elements of comparison. The Direct Comparison Approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when comparable sales data are available."

Source: AI, p.318

In the Direct Comparison Approach, market value is estimated by comparing the subject property to similar properties that have been sold or for which offers to purchase have been made. A major premise of the Direct Comparison Approach is that the market value of a property is directly related to the prices of comparable, competitive properties.

The comparative analysis in the Direct Comparison Approach focuses on differences in the legal, physical, locational and economic characteristics of similar properties and the subject properties and on differences in the real property rights conveyed, the date of sale, the motivations of buyers and sellers, and the financing arrangements for each sales transaction, all or any of which can account for variations in prices.

A transaction price is always predicated on the real property interest conveyed. Many types of real estate, particularly income-producing property, are sold subject to existing leases. The revenue-generating potential of a property is often fixed or limited by the terms of existing leases. In the valuation process, adjustments must be made to reflect the difference between contract rent and market rent and how this difference affects property price.

Property prices are determined by the market. They result from negotiations between buyers and sellers; buyers constitute market demand and the properties offered for sale make up the supply. If the demand for a particular type of property is high, prices tend to increase; if demand is low, prices tend to decline. Shifts in the supply of improved properties frequently lag behind shifts in demand because supply is created by time-consuming construction, while demand can change rapidly. The analysis of real estate markets at a specific time may seem to focus on demand, but the supply of properties must also be considered.

4.0 ANALYSIS AND CONCLUSIONS

The forces of supply and demand tend toward equilibrium, or balance, in the market, but absolute equilibrium is almost never attained. The balance between supply and demand changes continually. Due to economic changes, shifts in purchasing power, investor perceptions and preferences, demand varies greatly over time. The construction of new buildings and the demolition of old ones cause supply to vary as well.

As applied in the Direct Comparison Approach, the principle of substitution holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability. This principle implies that the reliability of the Direct Comparison Approach is diminished if substitute properties are not available in the market.

After sales data has been gathered and verified, systematic analysis begins. Because like units must be compared, each sale price should be stated in terms of appropriate units of comparison, i.e. price per square foot, Gross Rent Multiplier (GRM).

To apply the Direct Comparison Approach, an appraiser follows a systematic procedure:

- Research the market to obtain information on sales transactions, listings, and offerings to purchase properties similar to the subject property.
- Verify the information by confirming the data obtained are factually accurate and the transactions reflect arm's-length market considerations.
- Select relevant units of comparison (e.g., price per square foot, or per front foot) and develop a comparative analysis for each unit.
- Compare the subject property and comparable sale properties using the elements of comparison and adjust the sale price of each comparable appropriately or eliminate the property as a comparable.
- Reconcile the various value indications produced from the analysis of comparables into a single value indication or a range of values. An imprecise market may indicate a range of values.

In order to estimate the market value of the subject building, the Direct Comparison Approach was employed. Using this technique, data on sales of similar properties is analyzed, compared and adjusted for dissimilarities with the subject. Consequently, data found to be most similar to the subject is given the greatest weight.

Elements of comparison include:

- | | | |
|---------------------|-----------------------------|-----------------------|
| -property rights | -sale and market conditions | -available utilities |
| -legal encumbrances | -location | -land use bylaws |
| -financing terms | -physical characteristics | -highest and best use |

4.0 ANALYSIS AND CONCLUSIONS

Units of comparison (price per square foot, price per acre) correspond to those used in the market. The valuation of the subject property by the Direct Comparison Approach is based on a price per square foot of building area unit of comparison.

Please refer to pages 61 to 66 for market Leads. In this evaluation condominium attached commercial bays will be used in comparison. Five leads have been compiled. All Leads are attached condominium bays. No standalones were used. All are fairly recent sales.

After a qualitative analysis a market range from \$330 to \$400 per square foot is formed and we conclude that the estimated market price should fall within this range. With strong support of the Income Approach higher end of range would be most appropriate. Therefore a market price of \$380 per square foot would appear reasonable for the subject property, and will be applied. Therefore the estimated market value using the Direct Comparison Approach Comparison Approach subject to critical assumptions and limiting conditions as of April 18, 2023 is:

$$\$380 \times 21,064 = \$8,004,320 \text{ (\$8,000,000 rounded)}$$

EIGHT MILLION DOLLARS

4.0 ANALYSIS AND CONCLUSIONS

4.7 RECONCILIATION AND FINAL ESTIMATE OF VALUE

Market Value Estimate of gas bar and convenience store

| | |
|----------------------------|-------------|
| Income Approach | \$8,000,000 |
| Direct Comparison Approach | \$8,000,000 |

The Income Approach is the preferred method to appraisal of income producing properties. The Direct Comparison Approach was used as a check and produced identical results. Consideration is given on the two approaches to value to arrive at the final estimate of value. subject to critical assumptions and limiting conditions contained herein is...

EIGHT MILLION DOLLARS

4.8 REASONABLE EXPOSURE TIME

When estimating market value, the appraiser should be specific as to the estimate of exposure time linked to the value estimate. Reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to precede the effective date of the appraisal.

Reasonable Exposure Time is defined as:

"The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market."

Source: USPAP

Exposure time is different for various types of real estate and under various market conditions. It is noted that the overall concept of reasonable exposure encompasses not only adequate, sufficient, and reasonable time but also adequate, sufficient and reasonable effort. The reasonable exposure period is a function of price, time and use, not an isolated estimate of time alone. It is our opinion that the reasonable exposure time for the subject property to be sold adequately expressed under six months. This is typical for this type of property.

5.0 CERTIFICATION

5.0 CERTIFICATION

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct and have been verified where possible; the Appraiser does not authorize the out of context quoting from or partial reprinting of this appraisal report. Further, neither all nor any part of this appraisal report shall be disseminated to the general public by the use of media for public communication without the prior written consent of the Appraiser signing this appraisal report.

The reported analyses, opinions and conclusions are limited by the Critical Assumptions and the Limiting Conditions, all of which are identified within this report; such have been imposed by the terms of the assignment or by the undersigned;

I have no past, present or contemplated future interest in the property appraised; and neither the employment to prepare the appraisal nor the compensation for it, is contingent upon the appraised value of the property; I have no personal interest or bias with respect to the parties involved;

This report considers all factors affecting value and is to be read in its entirety, such has been prepared in accordance with the Canadian Standards and subject to the requirements of the Codes of Ethics and Rules of Professional Conduct and Standards of Professional Practice of the Appraisal Institute of Canada;

The use of this report is subject to the requirements of the Appraisal Institute of Canada relating to review by its duly authorized representatives;

I, Richard D. Sieben made a personal inspection of the property on April 18, 2023;

No one provided significant professional assistance in the preparation of this report;

The Appraisal Institute of Canada has a Mandatory Re-certification Program for designated members. As of the date of this report Richard D. Sieben has fulfilled the requirements of the program;

The undersigned have formed an opinion of the Market Value of the subject property, as a fee simple estate, subject to all-Critical Assumptions and Limiting Conditions contained herein, as of April 18, 2023, is:

EIGHT MILLION DOLLARS

Respectfully submitted,



Richard D. Sieben AACI, P App.

Dated: May 10, 2023,

7.0 ADDENDA

Qualifications of Richard D. Sieben.

Academic AACI, P. App.

Member Appraisal Institute of Canada
Member since 1982, reinstated 2003
Accredited Appraiser Canadian Institute
(AACI) 2006
Vancouver community college, Langara
Campus, Real Estate Appraisal
Program
University of British Columbia,
Challenged appraisal examination,
guided case study on ICI property

Appraisal Experience

1989

F.J. Lindsay and Associates, Kelowna
B.C. Residential appraiser completing
assignments in the Kelowna region

1990

North Country Appraisals, Prince
George B.C. Residential appraiser
completing assignments in the Prince
George region.

1990-1991

T.R. Moore and Associates Ltd.
Calgary Alberta,
Residential appraiser completing
assignments in the Calgary region

1991-2002

Recess

2003-2004

Zindler and Associates Ltd. Calgary,
Alberta
Residential appraiser completing
assignments in the Calgary region

2004-2007

CDC Consulting Services Inc.
Edmonton, Alberta
Residential and ICI appraiser
completing assignments in the Calgary
and south central Alberta region

Wernick Omura and Company
ICI appraiser completing assignments in
the Calgary and south central Alberta
region

7.0 ADDENDA

2007-present

Johnson and Associates (Associate)
Appraisals of residential properties in
Calgary and south central Alberta
region.

RDS Appraisal Group (Key Decision
Maker)

Appraisals of commercial and residential
properties in Calgary and south central
Alberta region.

Mentored three candidates and
assisted them to obtain CRA
designations. Currently mentoring a
candidate for AACI in Victoria BC.

Major Assignments

Appraisal of Industrial buildings in Airdrie,
Red Deer, Fort Saskatchewan and Grand
Prairie owned by United Safety Inc.

Appraisal of a strip mall shopping centre in
Cochrane

Aggregate appraisal of a 40 unit
condominium project in Lethbridge.

Appraisal of various car washes

Appraisal of Super 8 Hotel in Airdrie

Appraisal of various holding development
lands in Rocky View County, Langdon,
Airdrie and Carstairs for Isle of Mann Group
of Companies.

Appraisal of multi-office building in
Manchester Industrial District in Calgary.

Many industrial and commercial bays for TD
Bank.

Appraisal of development lands using
development approach

7.0 ADDENDA

Appraisal of stand-alone commercial buildings

Appraisal of townhouse complexes and multi-family apartments

Appraisal of agricultural lands and farmsteads

Expropriation appraisals

Ultra residential properties

Valued Clients (Partial List)

Interbay Funding

Vickers Hendrix LLP

Equity Funding Corporation

Isle of Mann Group of Companies

Wells Fargo Canada

Nationwide Appraisal Services Inc.

Solidifi Inc.

Royal Bank

Bank of Nova Scotia

Bank of Montreal

TD Bank

CMHC

Genworth Mortgage Insurers

Canada Guaranty

HomeEquity Bank CHIP Home Income Plans

Investors Group

7.0 ADDENDA

Brookfield RPS

FNF Canada

PollyCo Group of Companies

Servus Credit Union

Wm Turnbull and Associates

Value Connect

MCAP

Canadian Western Bank

Supreme Court of Canada

7.0 ADDENDA

This Addenda contains information which supports the data, reasoning and analyses that was used in the Appraisal Process to develop the opinion of value and to report this Appraisal Report.

- EXHIBIT 7.1 LIMITING CONDITIONS AND ASSUMPTIONS
- EXHIBIT 7.2 SCOPE OF THE APPRAISAL
- EXHIBIT 7.3 CERTIFICATE OF TITLE
- EXHIBIT 7.4 LAND USE BYLAW
- EXHIBIT 7.5 LAND USE MAP

7.1 LIMITING CONDITIONS AND ASSUMPTIONS

(CONSISTING OF 17 ITEMS BELOW PLUS OTHERS CONTAINED IN THE STATEMENT OF CRITICAL ASSUMPTIONS)

1. Information Used, Trade Secrets

Appraiser(s) shall not be responsible for the accuracy of any information used in the Appraisal, which was obtained from the client or any other source, subject to the due diligence provision of the Uniform Standards of Professional Appraisal Practice. The Appraiser(s) shall not be liable for any information or work obtained from any subcontractor. It is strongly suggested that the client consider independent verification of all factual data as a prerequisite to any transaction involving the purchase, sale, lease, or other decision involving a significant commitment of funds affecting the subject property.

This appraisal report is copyrighted by RDS Appraisal Group, as such, any part thereof is not to be copied or reproduced in any way without the permission of the appraiser. Certain parts of this report supplied by others or alluded to herein may be copyrighted by others, as a result, the appraiser has no authority to permit further reproduction thereof as such further reproduction must have prior approval of the originator. The appraiser herein has no authority to permit further duplication and any third party may be subject to the penalties of The Copyright Act for unauthorized re-publishing. All permits and royalties required for the reproduction of the works of others as contained herein have been obtained and/or paid for by the appraiser, and any reproduction of any part of this report for any purpose without permission of the appraiser is strictly prohibited.

2. Authentic Copies, Changes, Modifications

The authentic copies of this report will be bound in RDS Appraisal Group covers, signed in blue ink and have an embossed type seal. Any copy that does not have the above is unauthorized and may have been altered. After a diligent effort in following standard appraisal procedures, the Appraiser(s) reserve the right, at their sole discretion, at any time to alter statements, analysis, conclusions or any value estimate(s) in the appraisal if there become known to the Appraiser(s) facts pertinent to the appraisal process which were unknown to the appraiser when the report was finished.

3. Limit of Liability, Use of Appraisal

The liability of Appraiser and affiliated business entities, its officers, directors, shareholders or employees (hereinafter collectively referred to as "Appraiser(s)") is limited to the herein named client only and no liability shall extend to any third party, and the total amount of such liability shall in no event exceed the amount of the fee actually received by Appraiser(s). This report is for the sole and exclusive use of the client only. The sole function of the report is to assist the client by valuation of the subject property, no other use is intended. Client also acknowledges and agrees that some individuals working on the assignment, ie: Appraiser(s), may be working as Independent Contractors and client agrees not to hold Appraiser(s) liable for any acts of same.

Notwithstanding anything herein to the contrary, the client will forever indemnify and hold Appraiser(s) harmless from any claims by third parties related in any way to this appraisal. Third parties shall include, but not be limited to, limited and general partners of the client if the client is a partnership, stockholders of the client if the client is a corporation, and all lenders, tenants, past owners, successors, assigns, offerees, transferees and spouses of client. The Appraiser(s) shall not be held responsible for any costs incurred to investigate or correct any deficiencies of any type which may be present in the real estate and/or real property appraised herein. **Acceptance and/or use of this report by the client constitute acceptance of all limiting conditions and assumptions set forth herein.**

4. Copies, Publication, Distribution of the Report

Possession of any copy of this report shall not authorize or empower the client or any third party with any publication rights or authorization to use the appraisal for anything other than its intended and stated purpose noted in agreement and/or in the report. The physical report(s) shall remain the property of the Appraiser(s) at all times and Appraiser(s) hereby grant to the client the permission to use the Appraisal report(s) solely for the purposes set forth herein. Client agrees that the payment of the fee for the appraisal is in exchange for the analytical services of Appraiser(s) and not for the purchase of the appraisal report. Neither all nor any part of this appraisal report shall be given, recited, published, copied, distributed, nor in any way communicated to third parties, **particularly other appraisers or appraisal firms**, in any manner, in whole or in part, without the prior written consent of the Appraiser(s).

7.1 LIMITING CONDITIONS AND ASSUMPTIONS

5. Confidentiality

All conclusions and opinion concerning the analysis as set forth in the report prepared by the Appraiser(s) whose signature(s) appear on the appraisal report. No change of any item in the report shall be made by anyone other than the Appraiser(s). The Appraiser(s) shall not be held responsible for any unauthorized change or any consequences, which may arise from any unauthorized change. The Appraiser(s) may not divulge the material contents of the report to anyone other than the client or his designee as specified in writing, except as may be required by the professional association(s) of which the Appraiser(s) are members as may requested in confidence for ethics enforcement, or by a court of law, or any other body with the power of subpoena.

6. Measurements, Exhibits

The sketches, maps and photographs in the appraisal report are included solely for the purpose of assisting the reader in visualizing the property and are not necessarily to scale. The Appraiser(s) have made no survey of the property and site plans included in the report are not to be considered as surveys unless so designated. Any sketch or map in the appraisal report shows approximate dimensions and is included for general illustrative purposes only. It is the responsibility of a qualified engineer, architect, or registered land surveyor to show the exact location of the subject improvements thereon, existing or proposed, as well as the measurements and areas of land and improvements. In the absence of a survey, the Appraiser(s) may have used Tax Assessor's maps or records or other maps provided by the client which may or may not represent the exact measurements of the subject property or other comparable data relied upon in estimating the market value of the subject property. Any variation in land or building areas from those considered in the appraisal may alter the estimates of value contained in the report.

7. Legal, Title, and Market Value Premise

The Appraiser(s) have no responsibility for matters of any legal nature affecting the property being appraised or the title thereto; the Appraiser(s) assume title to be good and marketable, free of adverse influences unless noted in the appraisal. No Title Policy or report has been furnished to the Appraiser(s), unless so stated in the report. The property is being appraised as though it was under financially sound and responsible ownership with typical and competent management. The hypothetical sale referred to in the definition of market value assumes adequate marketing efforts and exposure time, normal for this type of property. The Appraiser(s) are not responsible for the accuracy of any legal description.

8. Engineering, Structural Matters; Hazardous or Toxic Material, Physical Conditions

The appraiser has inspected the land and the improvements; however, it is not possible to personally observe conditions beneath the soil surface, or hidden structurally, mechanical, or other components; appraiser shall not be held responsible for any defects in the property related thereto. The property appraised is as with no hidden or unapparent conditions, which would affect market value; this includes subsoil conditions, potential flood conditions, hydrological and/or structural conditions. The Appraiser(s) are not responsible for such conditions or those engineering efforts, which might be required to discover and/or correct such factors. The value estimate assumes there are no defective property conditions that would cause a loss of value. The land or the soil of the area being appraised is assumed to be firm and otherwise satisfactory for building use. Although soil subsidence and toxic materials influence in the area of the subject and its environs is unknown, the Appraiser(s) do not warrant against this condition or occurrence of problems arising from soil (or toxic atmospheric) conditions whether known to some or unknown.

Unless otherwise stated in the report, the existence of hazardous material or substance or gas, which may or may not be present within or on or near the property, has been disregarded in the appraisal. The Appraiser(s) are not qualified to detect such substances as asbestos, urea-formaldehyde foam insulation, radon gas, or other potentially hazardous materials and/or substances that may adversely affect the value of the property. The value estimate is predicated on the assumption that there is no such toxic material and/or condition affecting the property that would cause a loss in value. The Appraiser(s) are not responsible for any such conditions and/or the engineering expertise required to discover any such condition. The client is urged to retain an expert in this field, if desired. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment are assumed to be in good working order unless otherwise stated. Appraiser(s) are not responsible for the adequacy or type of insulation, or energy efficiency of the improvements or equipment, which are assumed to be standard for the subject property type. Unless otherwise stated in the report, the Appraiser(s) have not been supplied with a termite inspection report or occupancy permit. Appraiser(s) shall not be held responsible for, nor shall Appraiser(s) be deemed to have made, any representations regarding any potential costs associated with obtaining same or for past or present, legal or physical,

7.1 LIMITING CONDITIONS AND ASSUMPTIONS

deficiencies which may be found. Client further agrees that the Appraiser(s) shall not be held responsible for any costs incurred or consequences arising from the need, or the lack of need, for flood hazard insurance.

9. Utilities

In the absence of qualified professional engineer's study, information regarding the existence of utilities is made from a visual inspection of the site and review of available public information. The Appraiser(s) have no responsibility for the actual availability of utilities, their capacity, or any other problem, which might result from a condition involving utilities. Although public utility lines might be located adjacent the subject property, the capacity of these lines for any proposed development is not known. The respective companies, governmental agencies or entities should be contacted directly by concerned individuals. Unless otherwise stated in the report, utilities of all types are considered in the appraisal to be present in adequate quality and quantity for the intended use or highest and best use of the property.

10. Legality of Use, Management of Property

The appraisal is based on there being full compliance with all applicable federal, provincial and local environmental regulations and laws unless otherwise stated in the report; further that all applicable zoning, building, and land use regulations and restrictions of all types have been complied with unless otherwise stated in the report; further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, provincial, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate. The Appraisal is prepared under the assumption that the property, which is the subject of this report, is maintained and managed pursuant to prudent and competent ownership and management.

11. Component Values, Special Studies

The distribution of the total valuation in this report between land and improvements applies only under the existing program of use. The separate valuations for land and building must not be used separately and are invalid if so used. No environmental or impact studies, special market study or analysis, highest and best use analysis study or feasibility study have been requested or made unless otherwise specified in an agreement for services or in the report.

12. Inclusions

Furnishings, equipment, personal property or business operations, which may sometimes be considered as a part of the real estate, **have been disregarded, unless otherwise specified, and only the real estate is considered in the value estimate.** In some limited circumstances, business and real estate interests and values may be combined depending on the specific situation and as determined by a written agreement, see appraisal report.

13. Proposed Improvements, Conditional Value

Improvements proposed, if any, on or off-site, as well as any repairs required will be assumed, for purposes of this appraisal, to be completed in a good and workmanlike manner according to information submitted by client for consideration by the Appraiser(s). In cases of proposed construction, the appraisal is subject to change upon inspection of the property by the appraiser after construction is completed. The estimate of market value is as of the date shown, as proposed, and as if completed and operating at the levels shown and projected, otherwise, where indicated and labeled in the appraisal report, a second date will be estimated indicating the likely date upon which the events should occur.

14. Value Change, Dynamic Market, Influences on Market Value, Alteration of Estimate and/or Analysis Herein by Appraiser

The estimated market value, as defined in the report, is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation, personal and general economic and supply/demand conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace. The market value estimated, and the costs used, is as of the date of the estimate of value. All dollar amounts are based on the purchasing power and the price of the dollar as of the date of the value estimate.

7.1 LIMITING CONDITIONS AND ASSUMPTIONS

Client also agrees that the appraisal report and value estimate are subject to change if the physical or legal entity or any financing arrangements are different from that envisioned in this report or upon change in (or discovery of certain influencing) market conditions or property conditions as well.

In case of appraisals involving the capitalization of income benefits, the estimate of market value or investment value or value in use, the client hereby acknowledges and agrees that such estimates are intended to be a reflection of benefits which the Appraiser(s) have been directed to assume as given, as well as from Appraiser's interpretation of income and yields and other factors derived from general and specific client and market information. Such estimates are as of naturally dynamic. Client agrees that these types of appraisals are based on reasonable estimates and as such, Client will not hold Appraiser(s) responsible for any errors in the estimated values. The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, colour or national origin of the present owners or occupants of the properties in the vicinity of the property, which is the subject of the appraisal.

15. After-Tax Analysis, Investment Analysis, and/or Valuation

Any "after" tax income or investment analysis and resultant measures of return on investment are intended to reflect only possible and general market considerations, whether as part of estimating value or estimating possible returns on investment at an assumed value or price paid; client acknowledges and agrees that the Appraiser(s) do not claim any expertise in tax matters and client agrees that they will not rely on any information prepared by Appraiser(s) which in any way relates to Income Tax matters.

16. All information furnished by client and third parties is logically presumed to be not only correct but complete either in entirety or summarized as presented and there are no other documents modifying the one or ones mentioned herein.

17. Conclusion

Acceptance of and/or use of, this appraisal report by anyone else (or any third party reader or user) constitutes acceptance of the above conditions and any other(s) shown in the report or on the following page. Such acceptance of, and use of, the appraisal also indicates acceptance of responsibility for payment of appraisal fee balance due and cost to appraiser to collect same. Appraiser liability extends only to stated client, not subsequent appraiser. These Limiting Conditions and Assumptions are in addition to any form type page(s) of similar nature in the appraisal report package; further, the reader is advised that certain comments in the report may point out other specific assumptions and/or limiting conditions pertaining to this appraisal even though an attempt has been made to summarize all limiting conditions and assumptions in these listed items; AND THE CLIENT OR DESIGNATED USER OF THE APPRAISAL REPORT SHOULD INSPECT THE PROPERTY AND CONFIRM FACTUAL INFORMATION BEFORE FINAL DECISIONS ARE MADE CONCERNING THE SUBJECT.

7.2 SCOPE OF THE APPRAISAL

An appraisal is a supported estimate of market value; the appraisal process behind the report is a type of research study or project. Specifically, it is about the real estate market, its supply and demand balance, information processing, terms, pricing, and values. The objective of the appraisal being to estimate market value of the property appraised. The appraisal is a process of research and analysis; the appraisal report is the written summary of that physical and mental activity. Thus, it is important to note here, in various analysis sections of the report, in the Statement of Critical Assumptions, and in the Limiting Conditions and Assumptions of your Omura appraisal, the "Scope" or extent and nature of the research and analyses, and generally what has been done in the appraisal process.

In addition to the ten (10) points noted here under "Scope," it is important that you read the appraisal Limiting Conditions and Assumptions, together with the Statement of Critical Assumptions, any Special Points Regarding the Appraisal, analytical discussions as well as factual material presented. Moreover, you are invited to ask for further discussion about the appraisal process, your appraisal report, and terminology used in appraisals. Concerning the "scope of the appraisal":

1. Scope of, intended use of this appraisal analysis and report:

This appraisal is intended for use only by persons, or firms, familiar with real estate and real property such as the subject and familiar with appraisal terminology, methodology and reporting; this report is intended for use only by direct client (not third parties) unless expressly permitted otherwise.

2. Scope of value estimated is limited to "market value," as defined herein:

The appraisal is limited to estimating, not "determining," the market value of the real property, as defined herein, as of the date specified for the interest specified in this report. Be aware that market value is dynamic and changes over time because the market, the interaction of buyers and sellers for such property, is dynamic along with constantly changing supply and demand. Further, forecasts made in the appraisal, unless otherwise specified, exclude inflation and are in "real" (current) terms and relative amounts. Only Market Value as defined is estimated, not other types of value unless so indicated and defined in the report.

3. Scope of specific data search:

The geographic extent of the search for general real estate market information included the market area influencing the supply of and demand for real estate of the subject type. The extent of the search for market comparable properties considered or included market activity for properties, which were judged to be in an appropriate comparable and/or competitive property type submarket. In some cases, properties market observations or activity are selected to bracket the property appraised.

4. Scope of Appraiser responsibility:

Comparable property research data sources included the following unless otherwise indicated in the report; Anadyr Property Appraisals (2007) Inc information files, computer records, and land ownership surveys; Calgary and District Real Estate Board's services, signs indicating comparable property for sale or leased or sold, and corresponding agent or broker, published advertising, and interviews. Information from others, including the client, is believed to be correct, but accuracy cannot be guaranteed; the verity of information from clients and others is trusted, unless we have specific reason for doubt, in which case further confirmation is usually attempted.

5. Scope of physical inspection:

The property appraised was inspected on the interior, where appropriate, and exterior. Inspection of the comparable properties cited in the report is limited to visual off-site inspection. Interior inspection of the comparable properties at the time of sale is seldom, if ever, possible. Size of subject improvements as measured by appraiser, or other source used if indicated in the report, are rounded as indicated. With no survey available to the appraiser, Land Titles' records as to property size are generally used for subject and comparables (rental and sale) unless reliable information is obtained from other sources such as buyer, seller, occupant, or broker. Sketches, diagrams, maps and plats may not be "to scale" and are for general illustration only

7.2 SCOPE OF THE APPRAISAL

6. Scope of investigation or to marketability and such legal matters:

The Appraiser has not examined the title of the subject (or comparables) and assumes marketability of title with no adverse influences (to value) such as encroachments, liens, or easements; the research has not involved consultation with legal expertise concerning these items. Please see the appraiser's Limiting Conditions and Assumptions in the report concerning lack of inspection of, or responsibility for, and condition of, such things as mechanical equipment, inspection of title (and its marketability or freedom from uncertainties) from a legal standpoint. Legal investigation of the title and marketability are not in the scope of the appraisal. No civil engineering report, or engineers professional soils report, or possible contamination report was used unless otherwise indicated in the report.

7. Scope of appraisal techniques used:

All possible appraisal techniques are considered but not necessarily used: only those believed most appropriate for this property type and market, per education programs and standards of the Appraisal Institutes have been considered with only the most pertinent used in the appraisal. The appraisal technique(s) is (are) intended to meet or exceed the standards, ethics, and the rules of the Appraisal Institute of Canada (AIC), the Appraisal Institute (AI), and the Uniform Standards of Professional Appraisal Practice (USPAP) as developed cooperatively by several North American professional appraisal organizations. Further, techniques used included consideration of any written appraisal guidelines furnished to the appraiser with request for this assignment.

8. Scope of study type:

The scope of the appraisal does not include a specific economic feasibility, market, or real estate supply/demand study of any type other than that of a conventional appraisal to estimate market value; in other words, the scope of this study and report does not include other special studies, such as market study, economic or legal or market feasibility study, or market analysis, or highest and best use analysis. Study of the subject and market may involve analysis of information similar to one or more of these as part of the appraisal process, but no "stand-alone" separate such study(ies) has(have) been made. Such studies may be available from your appraisers, if desired, at additional fee for time and costs involved.

9. Not within the scope of this appraisal or appraiser expertise:

Soils (stability, suitability for construction, and presence or absence of toxic materials), absence of appraiser civil engineering survey inspection as by surveyor or civil engineer; also note that there is no inspection by appraiser for toxic materials in or near subject site or structure, subject or comparable, or their respective environments; the appraiser is not particularly trained in inspection of mechanical, plumbing, or electrical equipment, insulation, or in detection of presence or absence of toxic materials, in the subject or influencing environment; or structural, legal, civil engineering, structural or construction material or construction technique matter. In addition see the Statement of Critical Assumptions, the Limiting Conditions and Assumptions and also any special points regarding this appraisal report.

All information in the report concerning what was revealed to the appraiser by inspection of the primary information; other data in the report may be considered primary in that it was generally originally collected by Omura staff, but "secondary" in that it may be from published or unpublished written sources. In some cases either primary or secondary verbal sources such as property listings, publication and newspaper articles, research articles, and/or other public and private sources may have been used. All information used is believed reasonably correct, but accuracy cannot be guaranteed. Analytical conclusions are those of only the appraiser(s) signing the report, however, other people may have assisted in the research and preparation of the report. Appraiser liability is limited, as noted in the Limiting Conditions and Assumptions, to the client only, not to third party users.

10. The term "Scope of the Appraisal" has been interpreted to mean the extent of the process of collecting, confirming, and reporting data.

Source: Appraisal Institute (AI) Standards Rule (USPAP) 2-2 (f)

7.3 CERTIFICATE OF TITLE

Random title



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0033 519 860 0814562;36 131 059 645

LEGAL DESCRIPTION
CONDOMINIUM PLAN 0814562
UNIT 36
AND 168 UNDIVIDED ONE TEN THOUSANDTH SHARES IN THE COMMON PROPERTY
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE
ATS REFERENCE: 4;29;25;3;SE

MUNICIPALITY: CITY OF CALGARY

REFERENCE NUMBER: 121 165 041

| REGISTERED OWNER(S) | | | | | |
|---------------------|------------|------------------|-----------|---------------|--|
| REGISTRATION | DATE (DMY) | DOCUMENT TYPE | VALUE | CONSIDERATION | |
| 131 059 645 | 13/03/2013 | TRANSFER OF LAND | \$250,000 | \$250,000 | |

OWNERS
BRM CANADA GROUP INC.
OF 204 DEER RIDGE WAY S.E.
CALGARY
ALBERTA T2J 5Y6
(DATA UPDATED BY: CHANGE OF ADDRESS 181090582)

| ENCUMBRANCES, LIENS & INTERESTS | | |
|---------------------------------|--------------|--|
| REGISTRATION NUMBER | DATE (D/M/Y) | PARTICULARS |
| 771 147 064 | 20/10/1977 | ZONING REGULATIONS SUBJECT TO CALGARY INTERNATIONAL AIRPORT ZONING REGULATIONS |
| 791 170 649 | 12/10/1979 | CAVEAT RE : AGREEMENT UNDER PLANNING ACT CAVEATOR - THE CITY OF CALGARY. BOX 2100 323-7 AVE SE |

(CONTINUED)

7.3 CERTIFICATE OF TITLE

| ENCUMBRANCES, LIENS & INTERESTS | | | PAGE 2 |
|---------------------------------|--------------|---|---------------|
| REGISTRATION NUMBER | DATE (D/M/Y) | PARTICULARS | # 131 059 645 |
| | | CALGARY ALBERTA | |
| 951 290 491 | 19/12/1995 | UTILITY RIGHT OF WAY GRANTEE - THE CITY OF CALGARY. AS TO PORTION OR PLAN:9512984 | |
| 951 290 503 | 19/12/1995 | CAVEAT RE : RESTRICTIVE COVENANT | |
| 951 290 507 | 19/12/1995 | RESTRICTIVE COVENANT | |
| 991 173 859 | 22/06/1999 | CAVEAT RE : RESTRICTIVE COVENANT | |
| 991 173 860 | 22/06/1999 | CAVEAT RE : RESTRICTIVE COVENANT | |
| 001 149 308 | 05/06/2000 | CAVEAT RE : RESTRICTIVE COVENANT | |
| 001 149 309 | 05/06/2000 | RESTRICTIVE COVENANT | |
| 001 355 281 | 11/12/2000 | EASEMENT OVER/FOR BENEFIT: UNITS 1 AND 2 | |
| 051 011 800 | 11/01/2005 | UTILITY RIGHT OF WAY GRANTEE - ENMAX POWER CORPORATION. 141-50 AVE SE CALGARY ALBERTA AS TO PORTION OR PLAN:0510083 | |
| 051 258 877 | 20/07/2005 | EASEMENT OVER & FOR THE BENEFIT OF: SEE INSTRUMENT | |
| 191 206 654 | 09/10/2019 | CAVEAT RE : PURCHASERS INTEREST CAVEATOR - APNA - PUNJAB GROCERY & MOVIES & GIFTS CORP. 120 SADDLECREST GARDENS NE CALGARY ALBERTA T3J0C3 | |
| 191 235 752 | 20/11/2019 | MORTGAGE MORTGAGEE - ROYAL BANK OF CANADA. 36 YORK MILLS ROAD, 4TH FLOOR TORONTO ONTARIO M2P0A4 ORIGINAL PRINCIPAL AMOUNT: \$3,900,000 | |

7.3 CERTIFICATE OF TITLE

ENCUMBRANCES, LIENS & INTERESTS

PAGE 3
131 059 645

| REGISTRATION NUMBER | DATE (D/M/Y) | PARTICULARS |
|---------------------|--------------|--|
| 191 235 753 | 20/11/2019 | CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES CAVEATOR - ROYAL BANK OF CANADA. 36 YORK MILLS ROAD, 4TH FLOOR TORONTO ONTARIO M2POA4 AGENT - JONATHAN D WARREN |
| 191 235 754 | 20/11/2019 | CAVEAT RE : LEASE INTEREST CAVEATOR - ROYAL BANK OF CANADA. 36 YORK MILLS ROAD, 4TH FLOOR TORONTO ONTARIO M2POA4 AGENT - JONATHAN D WARREN |
| 201 002 903 | 07/01/2020 | POSTPONEMENT OF CAVE 191206654 TO MORT 191235752 CAVE 191235753 CAVE 191235754 |

* ADDITIONAL REGISTRATIONS MAY BE SHOWN ON THE CONDOMINIUM ADDITIONAL PLAN SHEET

TOTAL INSTRUMENTS: 017

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 25 DAY OF APRIL, 2023 AT 12:53 P.M.

ORDER NUMBER: 47061588

CUSTOMER FILE NUMBER:



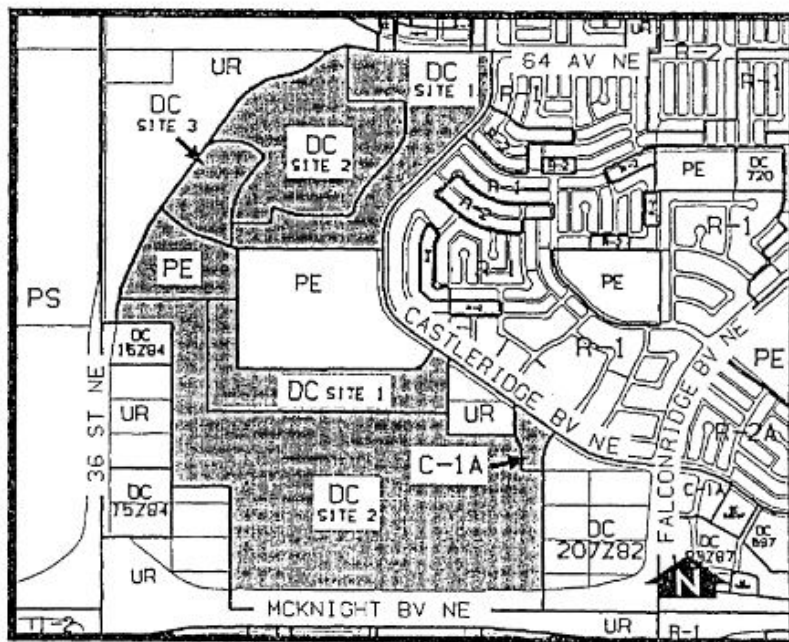
END OF CERTIFICATE

7.4 CALGARY LAND USE BYLAW DC 103Z94

Direct Control 103Z94 Site 2

Amendment No. 91/021
Bylaw No. 103Z94
Council Approval: 13 March 1995

SCHEDULE B



- (i) Sites 1 and 2
25.6 ha.± (63.3 ac.±) and 72 ha.± (178 ac.±) respectively

1) Land Use

The land use shall be for the permitted and discretionary uses listed below only:

Permitted Uses

Essential public services
Parks and playgrounds
Utilities

Except where a site within Site 1 of this DC District abuts Castleridge Boulevard N.E. and 64 Avenue N.E., the following uses shall be permitted within existing buildings.

7.4 CALGARY LAND USE BYLAW DC 103Z94

Notwithstanding the foregoing, where a site within this DC District does not abut Castleridge Boulevard N.E., 64 Avenue N.E., Prairie Winds Park, or a freeway or an expressway, the following uses shall be permitted.

- Accessory uses
- Ancillary commercial uses
- Auction halls
- Athletic and recreational facilities
- Auto body and paint shops
- Automotive sales and rentals
- Automotive services
- Automotive specialities
- Cleaning, servicing, testing or repairing
- Crematoriums and columbariums
- Freestanding identification signs
- Grocery stores
- Laboratories
- Manufacturing, fabricating, processing, assembly, disassembly, production or packaging of materials, goods or products
- Mechanical reproduction and printing establishments
- Movement or storage of materials, goods or products
- Offices
- Parking areas and structures
- Radio and television studios
- Recreational and commercial vehicle repair, service, sales and rental
- Signs (freestanding identification)
- Veterinary clinics
- Veterinary hospitals

Discretionary Uses

Where a site abuts Castleridge Boulevard N.E., 64 Avenue N.E. or with respect to a proposed building that abuts Prairie Winds Park, a freeway or an expressway, the Permitted Uses described above shall be discretionary uses in addition to the following:

- Amusement arcades
- Billiard parlours
- Bottle return depots
- Child care facilities
- Churches
- Commercial schools
- Custodial quarters
- Drinking establishments
- Entertainment establishments
- Farmer's markets and flea markets
- Financial institutions
- Hotels and motels
- Intensive agricultural uses
- Kennels
- Liquor stores
- Private clubs and organizations
- Private schools
- Public and quasi-public buildings
- Restaurants

7.4 CALGARY LAND USE BYLAW DC 103Z94

Signs (except for freestanding identification)
Warehouse stores*

*(for the purposes of this By-law **Warehouse store** means the use of a building for the retail sale of a limited range of bulky goods the size and nature of which typically require large floor areas for direct display to the purchaser, and include, but are not limited to, such bulky goods as furniture, floor coverings, major appliances, paints and wall coverings, light fixtures, but does not include the sale of food, clothing, or other personal goods, wares, substances, articles or things.)

2) Development Guidelines

The General Rules for Industrial Districts contained in Section 43 of By-law 2P80 and the Permitted and Discretionary Use Rules of the I-2 District shall apply unless otherwise noted below:

Sites 1 and 2

a) Ancillary Commercial Uses

Ancillary commercial uses may occupy up to 38 m² (409 sq.ft.±) or 10% of the net floor area of the primary use, whichever is greater, to a maximum of 280 m² (3,013 sq.ft.±). For purposes of this By-law, ancillary commercial means a directly related retail and/or display area that occupies a portion of a building the primary use of which is a permitted or discretionary industrial use.

b) Parking - Ancillary Commercial

Parking for ancillary commercial uses shall be at the same rate as the principal use.

c) Access

No direct vehicular access shall be permitted from any parcel to Castleridge Boulevard N.E.

d) Development Plans

Approval of this application does not constitute approval of a development permit. Comprehensive plans shall be submitted to the Approving Authority as part of a development permit application.

Site 1 Only

a) Yards

Directly abutting Castleridge Boulevard, 64 Avenue or Prairie Winds Park a minimum depth of 7.5 metres or a depth equal to half the height of the principal building, whichever is greater;

b) Landscaping

All yards abutting Castleridge Boulevard shall be uniformly bermed and landscaped to the satisfaction of the Approving Authority.

7.4 CALGARY LAND USE BYLAW DC 103Z94

c) Architectural Controls

Prior to approval of the first tentative plan for Site 1, the developer shall submit a development permit application for the architectural guidelines covering such matters as comprehensive design, exterior finishes, facade, roof lines and roof top mechanical, landscaping, and parking.

d) Fencing

Screening fencing shall be provided on any parking lots visible from Castleridge Boulevard or 64 Avenue N.E.

ii) Site 3 4.3 ha.± (10.63 ac.±)

1) Land Use

The land use shall be for an L.R.T. Park and Ride site and ancillary facilities only.

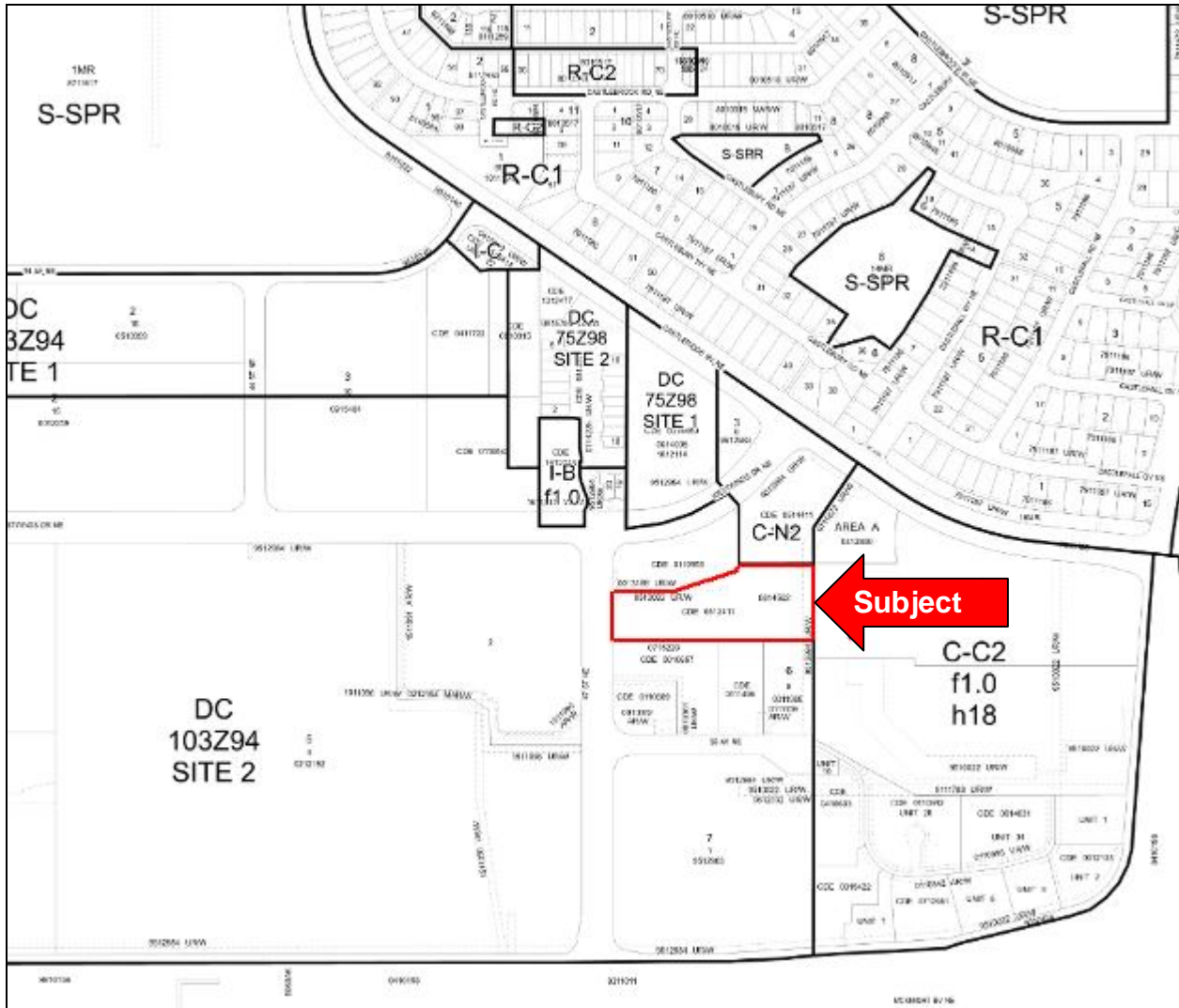
2) Development Guidelines

The General Rules for Special Districts contained in Section 48 of By-law 2P80 and the Permitted and Discretionary Use Rules of the PS Public Service District shall apply.

3) Development Plans

Approval of this application does not constitute approval of a development permit. Comprehensive plans shall be submitted to the Approving Authority as part of a development permit application.

7.5 LAND USE MAP



BRM Canada Property

Units 2102, 2106, 2110, 2214, 2118, 2122, 2126, 3103, 3107, 3115
and 3119 - 5150 47 Street NE
Calgary, AB

Effective Date: August 20, 2019



PREPARED FOR
BRM Canada Group Inc.
Mr. Choudary Qadeer Akram
204 Deer Ridge Way SE
Calgary, AB
T2J 5Y6

This is Exhibit " C " referred to
in the affidavit of
CHUDARY QADEER AKRAM
Sworn before me this 18 day of
DECEMBER, 2023

Reliance Legal Group LLP

Taylor L. Johnson
Barrister & Solicitor

DRAFT v.1 - August 23, 2019

August 23, 2019

Project No.: 13120.103377.001

Mr. Choudary Qadeer Akram

BRM Canada Group Inc.
204 Deer Ridge Way SE
Calgary, AB, T2J 5Y6

Dear Mr. Qadeer Akram

RE: BRM Canada Property

Units 2102, 2106, 2110, 2214, 2118, 2122, 2126, 3103, 3107, 3115 and 3119 - 5150 47 Street NE, Calgary, AB

In accordance with your request by way of a contract dated August 15, 2019 and as per the terms of reference (TOR) provided herein, I have provided an opinion of the current market value on an all-cash basis of the condominium interest in the subject property as at the effective date of August 20, 2019. The intended user of this report is BRM Canada Group Inc. ("Client"). The intended use is to assist in first mortgage financing and no other use. No additional intended users are identified or intended by the author.

This Appraisal Report and Appendices must be read as a whole as sections taken alone may be misleading and lead the reader to an incorrect conclusion. Information provided by the client and collected through market research and analyses are stored in the working file. This assignment has been completed in accordance with the Scope of Work as outlined in Section 1.2.

Subject to the Ordinary Assumptions and Limiting Conditions in Appendix A and the Extraordinary Assumptions in Section 1.4, it is my opinion that the current market value of the condominium interest in the subject property, effective August 20, 2019, is:

\$7,200,000

Seven Million Two Hundred Thousand Dollars

Based on this estimate of market value, the liquidity of the subject property is considered to be "Good" as defined at Appendix A. I estimate that an exposure time of 3 to 6 months would have been required prior to the effective date to sell the subject property at its current market value. Should you have any questions, please contact Fraser Dyer, B.Sc. (Hons), MRICS, AACI, P.App at your convenience.

Respectfully submitted,

DRAFT

Altus Group Limited

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Appendix A Altus' Terms of Reference

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BRM Canada Property
Units 2102, 2106, 2110, 2214, 2118, 2122, 2126, 3103, 3107, 3115 and
3119 - 5150 47 Street NE, Calgary, AB

Executive Summary

Property Description

| Building and Site Information | | | |
|-------------------------------|---|----------------------|----------------------------|
| Address | Units 2102, 2106, 2110, 2214, 2118, 2122, 2126, 3103, 3107, 3115 and 3119 - 5150 47 Street NE | Site Area | 2.6 acre on a shared site |
| City, Province | Calgary, AB | Coverage Ratio | 22% for the entire project |
| Property Type | Commercial condominiums | Zoning | DC 103Z94 Site 2 |
| Year Built | 2007 | Condition | Good |
| Number of Storeys | Single storey | Highest and Best Use | Current use |
| Valuation Reconciliation | | | |
| Effective Date | August 20, 2019 | Liquidity | Good |
| Income Approach | \$7,200,000 | Capitalization Rate | 6.00% |
| Direct Comparison Approach | \$7,100,000 | Unit Value | \$380 per sf |
| Market Value | | | |

\$7,200,000



Seven Million Two Hundred Thousand Dollars

Economic Summary

| #AltusEconomicFlash - Calgary | | | | | | | | |
|---|---|----------|--|---|-----------|-----------|-----------|----------------------|
| | Expected Trend* | Snapshot | Analysis | Calgary | Alberta | Canada | | |
| GDP | ▼ 2019 ● 2020 | | Calgary's economic recovery continued in 2018 but decelerated from the sharp rebound in 2017. Expect slower economic growth this year and next. Alberta's mandatory oil production cuts and global economic weakness are likely to stymie investment and economic output over the forecast horizon. | | | | | |
| | Annual % Change Real GDP | | | | | | | |
| Employment | ● 2019 ▼ 2020 | | On-going hiring will remain modest in 2019 and over the rest of the forecast horizon. Despite slower economic growth, Calgary remains an attractive head office location and the municipality's economic development approach remains supportive of new job creation among existing employers and through the attraction of new employers. | | | | | |
| | Annual % Change Jobs | | | | | | | |
| Retail Sales | ▼ 2019 ▲ 2020 | | Retail sales growth was substantially strong in 2018. Employment and immigration are expected to sustain solid retail sales growth this year and next. | | | | | |
| | Annual % Change Sales | | | | | | | |
| Key Financial Trends | 10 year bond yield is forecasted to drift higher as global economic uncertainty results in lower demand for Canada's bonds due to a flight to U.S. dollar denominated debt. Slowing economic growth, excess output capacity and gradual increases in commodity prices will help to keep inflation close to the policy target going forward; CAD to trend higher over the forecast horizon in tandem with higher oil prices. | | 10 year bond yield (%) | 1.70 | 1.98 | 2.76 | 2.95 | 3.15 |
| | | | Inflation Rate (%) | 1.73 | 1.62 | 2.61 | 2.06 | 1.98 |
| | | | \$ Canadian Dollar (per US\$) | 0.75 | 0.74 | 0.76 | 0.78 | 0.78 |
| | Sources: • Statistics Canada • Conference Board of Canada | | Key Takeaway: Expect slower economic and employment growth this year and next. Though economic conditions improved over the last two years, headwinds associated with pipeline distribution of oil to export markets persist. Alberta's mandatory oil production cuts also pose risks to the forecast. | 3-year Trend History | Last Year | This Year | Next Year | 3-Year Trend Horizon |
| | All Forecasts by Altus Group Economic Consulting (as of Q1 2019) Historical data / forecasts covers Calgary Census Metropolitan Area (CMA), Alberta and Canada | | | 2015-2017 | 2018 | 2019 | 2020 | 2021-2023 |
| * Expected Trend shows rise, steady or fall in rate of growth | | | | Contact: economics@altusgroup.com | | | | |

Source: Altus Group Economic Consulting

SWOT¹ Analysis

| | |
|---|--|
|  | <ul style="list-style-type: none"> ▼ The subject property represents eleven separate commercial condominium units located in the established Westwinds community in northeast Calgary. ▼ Condominium units make up a majority of the project. ▼ Condominium titled units which can be sold separately. ▼ Excellent access to the major arterial roadways of Metis Trail and McKnight Blvd NE. ▼ Good access and exposure within the local community of Westwinds. ▼ Westwinds is an established community with complimentary commercial and office space in the surrounding area. ▼ The subject offers a variety of commercial condo units that would appeal to a variety of investors. ▼ Close proximity to public transit and the Calgary International Airport. |
|  | <ul style="list-style-type: none"> ▼ Interior location within the development lacking exposure. ▼ The subject units are dispersed between two buildings. ▼ The lack of control over the entire project, given that the remainder of the units have condominium owners and the project is controlled under a condominium board of directors. ▼ The Westwinds community is viewed as a secondary location for commercial and office use. ▼ The property is subject to airport noise. |
|  | <ul style="list-style-type: none"> ▼ Market demand for commercial assets is steady but participants remain cautious. ▼ Availability of real estate financing at attractive rates continues to support development and acquisition. ▼ Despite lower than expected growth rates, the real estate markets are still expected to provide steady long-term growth to investors. |
|  | <ul style="list-style-type: none"> ▼ Competitive nature of the commercial leasing market. ▼ Alberta is still inexorably tied to the volatile oil and gas industry. ▼ Despite improving economic conditions following the recession, many companies continue to pull back on investments and cut costs. |

¹ Strengths, Weaknesses, Opportunities, Threats



- ▼ The subject property features eleven commercial industrial units located in buildings 2 and 3 of the development.
- ▼ The units offer a functional commercial space with good utility for a wide variety of end users.
- ▼ Westwinds commercial industrial district is fully serviced district with good connectivity to local and regional highway routes.
- ▼ The surrounding area is characterized by a mix of commercial and industrial developments, as well as residential developments in close proximity.

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1 Introduction

1.1 Terms of Reference

The following table provides a summary of the terms of reference (TOR) guiding this appraisal assignment. The TOR were provided by Choudary Qadeer Akram of BRM Canada Group Inc. This report is subject to the TOR outlined below, as well as the Ordinary Assumptions and Limiting Conditions outlined in Appendix A and the Extraordinary Assumptions in Section 1.4. Please also refer to Appendix A of this report for definitions of Market Value, Liquidity, and Highest and Best Use.

| Terms of Reference | |
|-----------------------------|---|
| Client and Intended User | Choudary Qadeer Akram, BRM Canada Group Inc. |
| Intended Use | To assist in first mortgage financing and no other use |
| Purpose | To provide an opinion of the current market value on an all-cash basis, of the condominium interest in the property |
| Ownership | BRM Canada Group Inc., as detailed in Section 1.6 |
| Interest to be Valued | 100% condominium interest |
| Effective Date | August 20, 2019 |
| Signing Date of the Report | DRAFT |
| Current Use of the Property | Commercial condominium units |
| Property Identification | Units 2102, 2106, 2110, 2214, 2118, 2122, 2126, 3103, 3107, 3115 and 3119 - 5150 47 Street NE, Calgary, AB |

1.2 Scope of Work

The scope of work has included the following:

- ▼ An inspection of the interior and exterior of the subject property, as well as the surrounding neighbourhood, was completed on August 20, 2019. The photographs contained in Appendix B were taken on August 20, 2019
- ▼ Review of publicly available physical, legal, social, political, economic and other factors that could affect the value of the subject property
- ▼ Collection of municipal information pertaining to the subject property such as zoning, assessment and taxes
- ▼ Review of documentation relating to the subject property provided by the client or their agent, including but not limited to leases, historic and budgeted occupancy costs, recovery formulae.

- ▼ Research of transactional data on land and buildings comparable to the subject property. As well, a market rental survey has been conducted to estimate rental rates for the subject property. Sources of market evidence included real estate agents, vendors and purchasers active in the market.
- ▼ Estimation of the highest and best use “as if vacant” and the highest and best use of the land “as improved”
- ▼ Valuation of the interest in the subject property utilizing the most appropriate appraisal methodology; in this regard, the Income and Direct Comparison Approaches have been applied and later reconciled to a final estimate of value
- ▼ Consideration of the possible effect on value of an assemblage, consideration of the possible effect on value of anticipated public or private improvements and there is deemed to be none
- ▼ Completion of a narrative report outlining background, descriptions, analyses and value conclusion(s)
- ▼ The analysis set out in this report relied on written and verbal information obtained from a variety of sources that are considered to be reliable. Unless otherwise stated herein, client-supplied information was not verified and is believed to be correct. The mandate for the appraisal did not require a report prepared to the standard appropriate for court purposes or for arbitration; full documentation or confirmation of all information by reference to primary sources was not completed.

The following was not included in the scope of work for this assignment:

- ▼ A title search was not conducted.
- ▼ This valuation does not consider any personal property
- ▼ Findings that may be discovered through more rigorous due diligence mandate
- ▼ A technical investigation such as the following was not completed:
 - ▼ detailed inspections or engineering review of the structure, roof or mechanical systems
 - ▼ an environmental review of the property
 - ▼ a site or building survey
 - ▼ investigations into the bearing qualities of the soil, or
 - ▼ audit of financial and legal arrangements concerning the subject property leases.

1.3 Extraordinary Limiting Conditions

An Extraordinary Limiting Condition, as defined in Section 2.20 of CUSPAP 2018, is a necessary modification or exception of a Standard Rule which may diminish the reliability of the report.

During the course of appraising the subject property, no Extraordinary Limiting Conditions were invoked.

1.4 Extraordinary Assumptions

An Extraordinary Assumption, as defined in Section 2.19 of CUSPAP 2018, is an assumption, directly related to a specific assignment, which, if found to be false, could materially alter the opinions or conclusions.

This report is subject to the following Extraordinary Assumption(s):

| Extraordinary Assumptions | |
|---------------------------|---|
| Leasable Area | Unit sizes for the subject units are based on information from the registered condominium plan provided by Alberta Registries as well as on information provided by the client. |
| Encumbrances | A full search and interpretation of the title are beyond the scope of this appraisal and the report is contingent on the expectation that there are no material encumbrances that would affect value unless otherwise noted. However, as these can have a significant impact on the market value and/or marketability, legal advice is recommended. |
| Leases | Leases for the subject units were provided by the client and include a variety of lease types including net, gross and business leases. For the purpose of this appraisal, all contract rents have been converted to a net lease basis. |
| Operating Costs | This report has been completed under the assumption that all operating costs including property taxes and condominium fees are paid by the tenant, with the exception of condominium fees for units 3103 & 3107 which are included within the tenant's lease. |

1.5 Hypothetical Conditions

A Hypothetical Condition, as defined in Section 2.27 of CUSPAP 2018, is that which is contrary to what exists, but is supposed to exist for the purpose of analysis.

The estimated market value included herein will potentially be affected if any of the following Hypothetical Conditions are not realized:

| Hypothetical Conditions | |
|-------------------------|---|
| Leasable Area | Unit sizes for the subject units are based on information from the registered condominium plan provided by Alberta Registries as well as on information provided by the client. |
| Encumbrances | A full search and interpretation of the title are beyond the scope of this appraisal and the report is contingent on the expectation that |

| | |
|-----------------|---|
| | there are no material encumbrances that would affect value unless otherwise noted. However, as these can have a significant impact on the market value and/or marketability, legal advice is recommended. |
| Leases | Leases for the subject units were provided by the client and include a variety of lease types including net, gross and business leases. For the purpose of this appraisal, all contract rents have been converted to a net lease basis. |
| Operating Costs | This report has been completed under the assumption that all operating costs including property taxes and condominium fees are paid by the tenant, with the exception of condominium fees for units 3103 & 3107 which are included within the tenant's lease. |

1.6 Ownership and History

The subject property is currently owned by BRM Canada Group Inc. The terms of the lease(s) on the property have been considered in the analysis insofar as they influence value. There has been no sales activity for this property within the past three years. Based on research completed, it is understood that the subject property is not under an agreement of sale. The subject property is not currently listed for sale nor has it been listed in the last 12 months on the open market.

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2 Property Description

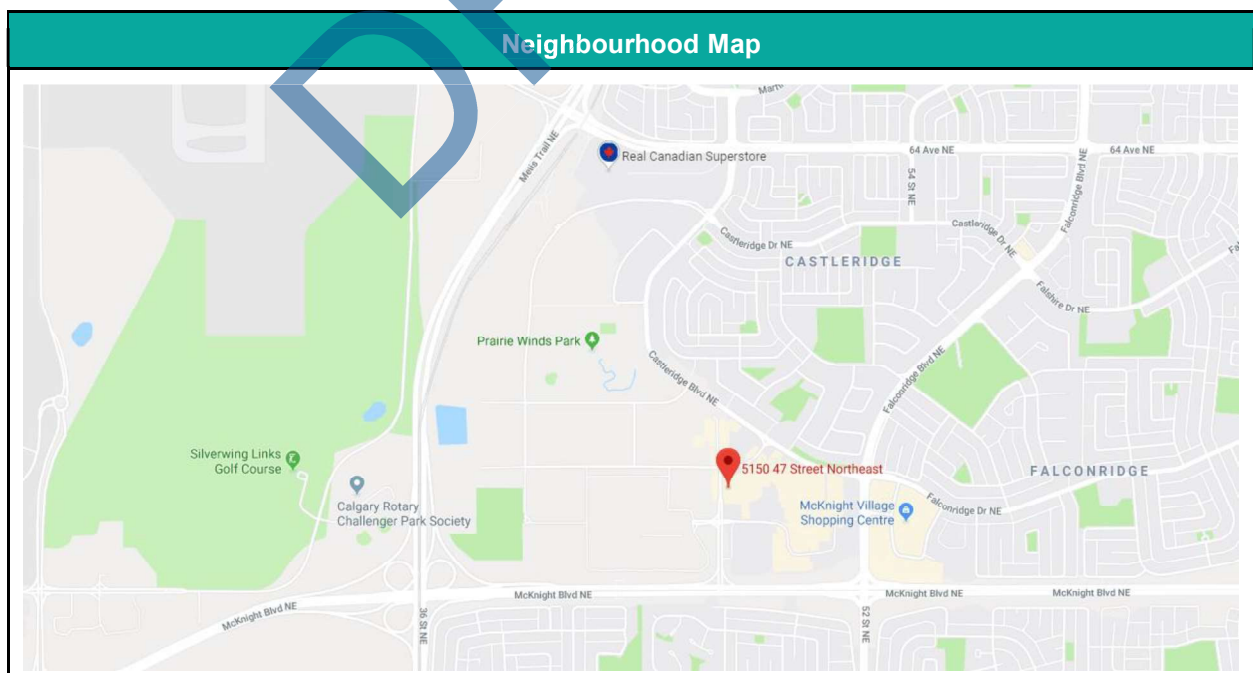
2.1 Location Overview

The subject is situated in the northeast sector of the City of Calgary, in Westwinds Business Park. Westwinds is positioned along the east side of 36 Street (Métis Trail) and south of 64 Avenue NE; bordered to the east by Castleridge residential subdivision and located directly north of McKnight Boulevard.

Westwinds Business Park – Phase I was developed by the City of Calgary in the 1990's to accommodate construction of the prominent Nortel facility. Phase II was developed in 2003 and at that time dedicated land for the new LRT and commercial shopping amenities. Other development in the park comprises a mix of industrial and commercial tenants and owners ranging from small individual condominium bays to larger single tenant industrial properties.

Westwinds Business Park is an established but still developing commercial industrial business park. Development of Westwinds as a commercial/industrial employment centre in close proximity to Calgary's northeast residential communities was supported by the adjacent LRT station and the favorable access to both local and regional transportation routes.

The area is well served by local and regional transportation routes, including 36 Street / Métis Trail, McKnight Blvd, and nearby access to Deerfoot Trail Freeway (Hwy #2). Local access is considered strong given the proximity to important local arterials such as 64 Avenue and Castleridge Blvd. Calgary Transit service is available to the park including the Westwinds LRT station positioned along the east side of Métis Trail NE. A map indicating the exact location of the subject property is contained below. Additional photographs of the subject property and maps are located in the Appendices.



Source: Google Maps

2.1.1 Position and Access

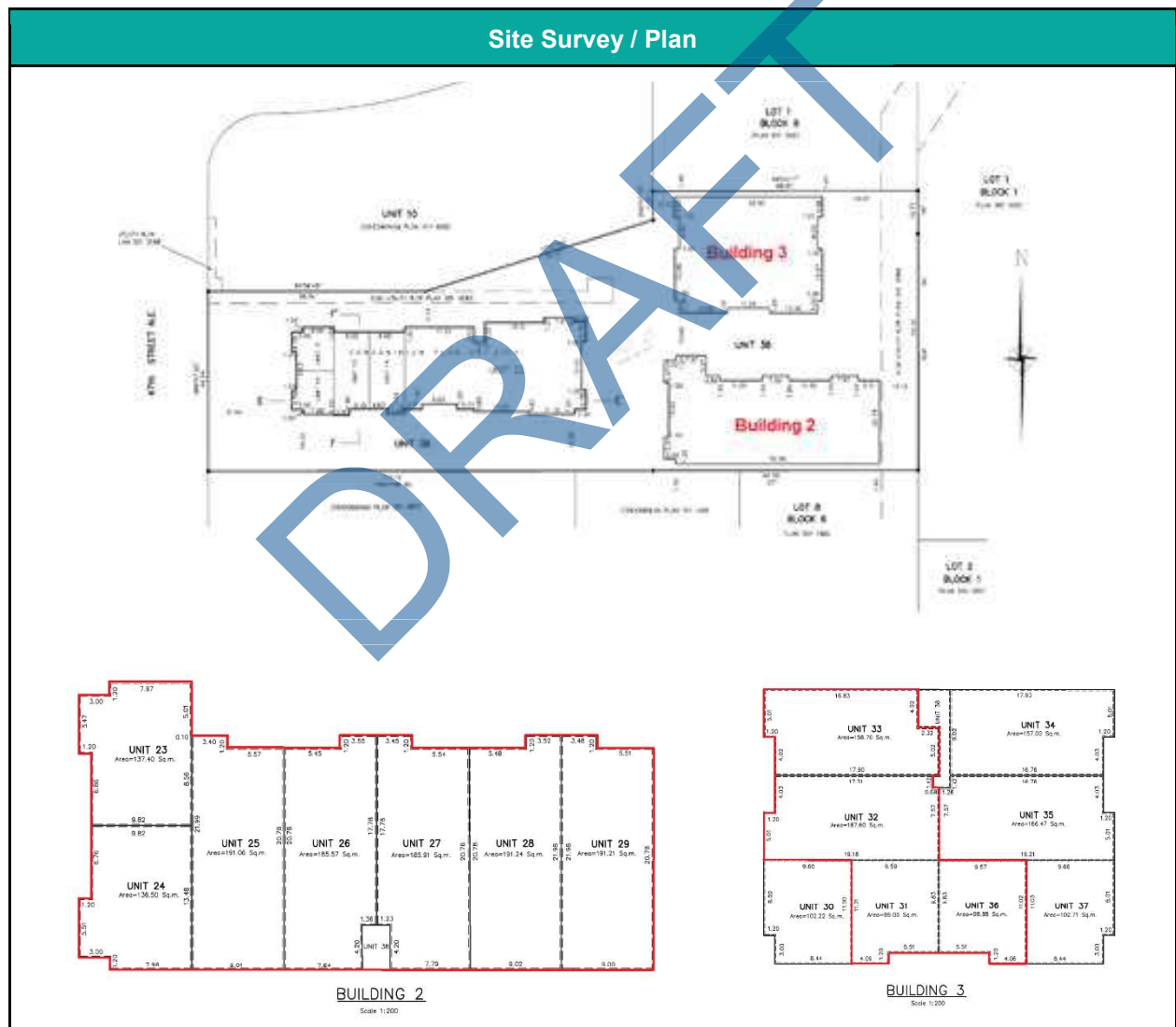
| Property Description – Position and Access | |
|--|---|
| Site Position | Site occupies a mid-block position |
| Regional / Local Access | Primary access to the site is provided by 47 Street NE. Regional access is provided via McKnight Blvd, Metis Trail NE, and Deerfoot Trail Freeway |
| Public Transit | Available along Westwinds Drive NE |
| Amenities | There is a range of supporting amenities nearby |
| Surrounding Land Use | Commercial, industrial |
| Prominent Tenants in the Vicinity | Safeway, TD Canada Trust, McDonald's, Petro Canada, Tim Hortons, Walmart, Calgary Police Service Headquarters |

2.2 Site Description

| Property Description - Site Description | |
|---|--|
| Site Area | 2.6 acre on a shared site |
| Legal Description | Condominium plan 0814562; Units 23 to 29, Units 31 to 33, and Unit 36 |
| Topography | Generally Level |
| Configuration | Irregular shaped parcel |
| Services | Full municipal services |
| Site Coverage | 22% for the entire project |
| Ingress / Egress | Two access point to the site |
| Parking | There are adequate paved parking areas on site |
| Site Improvements | Site improvements include asphalt paved parking areas and driveway, concrete sidewalks, along with the standard streetscape and landscaping. |
| Legal and Title Limitations | A full search and interpretation of the title are beyond the scope of this appraisal and the report is based on the assumption that there are no material encumbrances that would affect value unless otherwise noted. However, as encumbrances can have a significant impact on the market value and / or marketability, legal advice should be obtained if this assumption is required to be verified. |

| Property Description - Site Description | |
|---|--|
| Environmental Limitations | <p>I am not an expert in environmental matters and make no representations regarding them. For the purpose of this report, it is assumed that there is no environmental contamination. In order to verify this assumption, an environmental assessment would be required.</p> <p>As a result of this assumption, the impact on value of contamination, if any, has not been taken into account in this appraisal. If contamination does exist, this could have a negative impact on value.</p> |

2.2.1 Site Survey / Plan

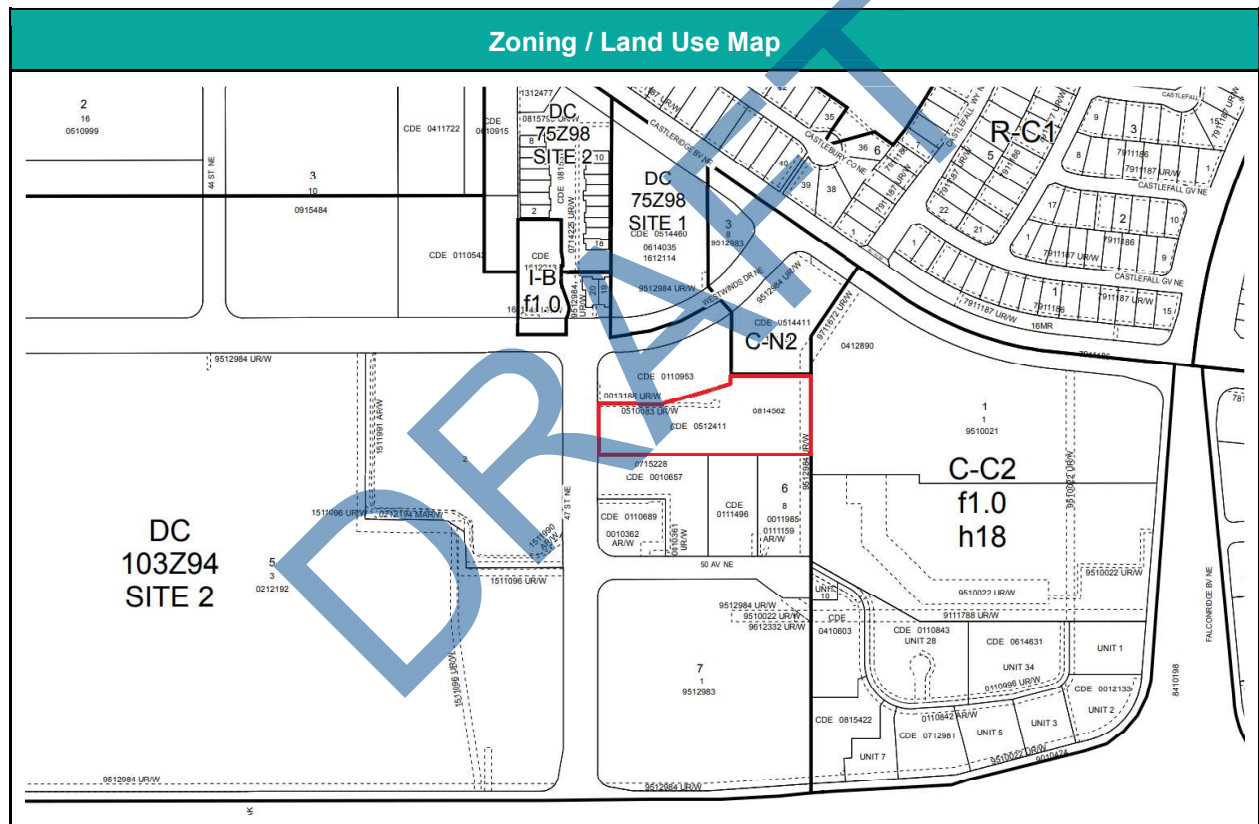


Source: City of Calgary

2.3 Land Use Controls

| Property Description – Land Use Controls | |
|--|--|
| Policy Plan Type | City of Calgary Land Use Bylaw 1P2007 |
| Zoning / Land Use | DC 103Z94 Site 2 |
| Permitted Uses | <p>Where a site within this DC District does not abut Castleridge Boulevard N.E., 64 Avenue N.E., Prairie Winds Park, or a freeway or an expressway, the following uses shall be permitted:</p> <p> Accessory uses Ancillary commercial uses Auction halls Athletic and recreational facilities Auto body and paint shops Automotive sales and rentals Automotive services Automotive specialities Cleaning, servicing, testing or repairing Crematoriums and columbariums Freestanding identification signs Grocery stores Laboratories Manufacturing, fabricating, processing, assembly, disassembly, production or packaging of materials, goods or products Mechanical reproduction and printing establishments Movement or storage of materials, goods or products Offices Parking areas and structures Radio and television studios Recreational and commercial vehicle repair, service, sales and rental Signs (freestanding identification) Veterinary clinics Veterinary hospitals </p> |
| Discretionary / Accessory Uses | Various discretionary uses |
| Permitted Height | Based on the general rules for industrial districts |
| Site Specific By-Law | Ancillary Commercial Uses - Ancillary commercial uses may occupy up to 38 m ² (409 sf.±) or 10% of the net floor area of the primary use, whichever is greater, to a maximum of 280 m ² (3,013 sf.±). For purposes of this By-law, ancillary commercial means a directly related retail and/or display |

| Property Description – Land Use Controls | |
|--|---|
| | area that occupies a portion of a building the primary use of which is a permitted or discretionary industrial use. |
| Excess Density / Expansion Potential | No direct vehicular access shall be permitted from any parcel to Castleridge Boulevard N.E. |
| Land Use Limitations | For the purpose of this appraisal, the data obtained from others is assumed to be correct and, except to the extent noted, the use of property either conforms to the applicable bylaws and regulations or is a legal non-conforming use. In order to verify this assumption legal and planning advice would be required. |



Source: City of Calgary

2.4 Building Description

The following is based on an inspection completed on August 20, 2019 and data obtained from the client:

| Property Description – Building Description | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---------------|-------------|--|--|------------|-------------------|-----------|-----------|------|-----------------------------------|-------|----|------|-----------------------------------|-------|----|------|-----------------------------------|-------|-----|------|-----------------------------------|-------|-----|------|-----------------------------------|-------|-----|------|-----------------------------------|-------|-----|------|-----------------------------------|-------|-----|------|-----------------------------------|-------|----|------|-----------------------------------|-------|-----|------|-----------------------------------|-------|----|------|-----------------------------------|-------|----|--------------|--|---------------|-------------|
| Type | Commercial condominium units | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year Built | 2007 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Number of Storeys | Single storey | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net Rentable Area | <table border="1"> <thead> <tr> <th colspan="4">Rentable Area</th> </tr> <tr> <th>Unit Nuber</th> <th>Legal Description</th> <th>Area (SF)</th> <th>% of Area</th> </tr> </thead> <tbody> <tr> <td>2106</td> <td>Condominium plan 0814562; Unit 23</td> <td>1,479</td> <td>8%</td> </tr> <tr> <td>2102</td> <td>Condominium plan 0814562; Unit 24</td> <td>1,469</td> <td>8%</td> </tr> <tr> <td>2110</td> <td>Condominium plan 0814562; Unit 25</td> <td>2,057</td> <td>11%</td> </tr> <tr> <td>2114</td> <td>Condominium plan 0814562; Unit 26</td> <td>1,997</td> <td>11%</td> </tr> <tr> <td>2118</td> <td>Condominium plan 0814562; Unit 27</td> <td>2,001</td> <td>11%</td> </tr> <tr> <td>2122</td> <td>Condominium plan 0814562; Unit 28</td> <td>2,058</td> <td>11%</td> </tr> <tr> <td>2126</td> <td>Condominium plan 0814562; Unit 29</td> <td>2,058</td> <td>11%</td> </tr> <tr> <td>3103</td> <td>Condominium plan 0814562; Unit 33</td> <td>1,708</td> <td>9%</td> </tr> <tr> <td>3107</td> <td>Condominium plan 0814562; Unit 32</td> <td>1,804</td> <td>10%</td> </tr> <tr> <td>3115</td> <td>Condominium plan 0814562; Unit 31</td> <td>1,066</td> <td>6%</td> </tr> <tr> <td>3119</td> <td>Condominium plan 0814562; Unit 36</td> <td>1,064</td> <td>6%</td> </tr> <tr> <td>Total</td> <td></td> <td>18,762</td> <td>100%</td> </tr> </tbody> </table> <p>Rentable area for the subject units is based on information provided by Alberta Registered Condominium Plan.</p> | Rentable Area | | | | Unit Nuber | Legal Description | Area (SF) | % of Area | 2106 | Condominium plan 0814562; Unit 23 | 1,479 | 8% | 2102 | Condominium plan 0814562; Unit 24 | 1,469 | 8% | 2110 | Condominium plan 0814562; Unit 25 | 2,057 | 11% | 2114 | Condominium plan 0814562; Unit 26 | 1,997 | 11% | 2118 | Condominium plan 0814562; Unit 27 | 2,001 | 11% | 2122 | Condominium plan 0814562; Unit 28 | 2,058 | 11% | 2126 | Condominium plan 0814562; Unit 29 | 2,058 | 11% | 3103 | Condominium plan 0814562; Unit 33 | 1,708 | 9% | 3107 | Condominium plan 0814562; Unit 32 | 1,804 | 10% | 3115 | Condominium plan 0814562; Unit 31 | 1,066 | 6% | 3119 | Condominium plan 0814562; Unit 36 | 1,064 | 6% | Total | | 18,762 | 100% |
| Rentable Area | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Unit Nuber | Legal Description | Area (SF) | % of Area | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2106 | Condominium plan 0814562; Unit 23 | 1,479 | 8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2102 | Condominium plan 0814562; Unit 24 | 1,469 | 8% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2110 | Condominium plan 0814562; Unit 25 | 2,057 | 11% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2114 | Condominium plan 0814562; Unit 26 | 1,997 | 11% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2118 | Condominium plan 0814562; Unit 27 | 2,001 | 11% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2122 | Condominium plan 0814562; Unit 28 | 2,058 | 11% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2126 | Condominium plan 0814562; Unit 29 | 2,058 | 11% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3103 | Condominium plan 0814562; Unit 33 | 1,708 | 9% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3107 | Condominium plan 0814562; Unit 32 | 1,804 | 10% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3115 | Condominium plan 0814562; Unit 31 | 1,066 | 6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3119 | Condominium plan 0814562; Unit 36 | 1,064 | 6% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | | 18,762 | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Number of Units | The overall development consists of three condominium titled buildings containing a total of 16 separately titled condominium units for commercial use. For the purposes of this analysis, it is noted that we are analyzing the 11 units highlighted above. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Structure | Structural steel frame with concrete block construction | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Exterior Cladding | Clay brick | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Foundation | Concrete | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Floor | Poured concrete | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mechanical Systems | Assumed adequate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Electrical | Assumed adequate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Layout and Finish | The units are located within Building 2 and 3 of the development, with the entrance to the units located along the centre north and south of the site. The units are in various stages of improvement, and provide a range of uses including retail, auto shop, industrial and storage. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Property Description – Building Description | |
|---|--|
| | The units provide clear height of 22’ and majority of the units feature one 10ft. x 12ft. drive-in door. |

Choose a building type


| | |
|---------------------------------|--|
| Functional Utility | The building has good functional utility for commercial use. |
| Condition/Appeal | The condition/appeal of the building is good. |
| Building Description Limitation | A structural survey has not been undertaken, and for the purpose of this report, it is assumed that the building is structurally sound. In order to verify this assumption, a qualified engineer should be retained. |

2.5 Municipal Assessment and Taxes

The assessment and taxes are based on information from the City of Calgary and are summarized as follows:

| Municipal Assessment and Taxes | | |
|--------------------------------|-------------------------|--------------------------|
| Unit Nuber | Total Assessment (2019) | Property Tax Levy (2019) |
| 2102 | \$353,500 | \$7,785 |
| 2106 | \$354,500 | \$7,807 |
| 2110 | \$465,500 | \$10,251 |
| 2114 | \$577,000 | \$12,707 |
| 2118 | \$481,000 | \$10,592 |
| 2122 | \$466,000 | \$10,262 |
| 2126 | \$533,000 | \$11,738 |
| 3103 | \$448,000 | \$9,866 |
| 3107 | \$418,000 | \$9,205 |
| 3115 | \$291,000 | \$6,408 |
| 3119 | \$290,500 | \$6,397 |
| Total | \$4,678,000 | \$103,018 |

2.6 Property Commentary

| | |
|---|--|
|  | <ul style="list-style-type: none"> ▼ The subject property represents 11 commercial condominium units dispersed in two buildings. ▼ The area offers good access to major transportation routes. |
|---|--|

3 Market Overviews

Economic Trends - Calgary

Economic Conditions

- The devastating recession, which gripped Calgary's economy is now in the rear-view mirror. Economic growth sharply recovered in 2017, supported by increased oil production. Though still strong, growth decelerated in 2018 as challenges with pipeline distribution of oil to export markets led to significant discounts in the price of Western Canadian Select oil. This led to Alberta's mandatory oil production cuts. These headwinds persist and will likely stymie investment and economic output in Calgary over the forecast horizon. Expect slower economic growth this year and next.

Income Growth

- Personal income growth advanced at an average annual pace of 0.6% from 2015-2017 given weak economic conditions. Amid a robust economic recovery and very strong employment growth in 2018, personal income grew by a stellar 4.0%.
- Personal income growth is expected to remain strong over the forecast horizon as employment continues to grow and the labour market tightens.

| Period | Calgary | Alberta | Canada |
|----------------------------------|---------|---------|--------|
| 3 year average (2015-2017) | 0.6 | 0.8 | 3.7 |
| Last Year (2018) | 4.0 | 2.8 | 3.5 |
| This Year (2019) | 3.3 | 3.2 | 3.0 |
| Next Year (2020) | 5.2 | 4.2 | 3.6 |
| 3-Year Trend Horizon (2021-2023) | 4.8 | 4.9 | 3.9 |

Source: Altus Group Economic Consulting based on Conference Board and Statistics Canada

Labour Market

- After two consecutive quarters of falling employment, Calgary's employment increased by 13,600 jobs in the fourth quarter of 2018 to reach 841,900 workers. Health care & social assistance; information, culture & recreation; and other services were primarily responsible for Q4 year-over-year employment growth.
- The increase in employment resulted in the unemployment rate decreasing to 7.5%.
- Despite slower economic growth, job growth is likely to remain modest in 2019 and over the forecast horizon. Overall, employment is expected to increase by about 51,600 net new jobs between 2019-2023.

Source: Altus Group Economic Consulting based on Statistics Canada

Housing Market

- In the fourth quarter of 2018, work started on 2,052 new homes, down 35% compared with the same period in 2017. There were 10,971 starts in 2018 – a 5% decline compared with 2017. Expect starts to decrease slightly in 2019. Ongoing population growth and improved economic conditions should improve housing demand and starts over the remainder of the forecast horizon. Overall, housing starts are expected to average 12,300 units from 2019-2023.
- On a year-over-year basis, the price of existing homes decreased by 2% in the fourth quarter of 2018 while sales of existing homes decreased by 16%. In 2018, there were 20,534 resales, a 14% decrease compared with 2017. The average sale price of an existing home was down 1% in 2018.

| Period | Total | Single Family | Apartment |
|----------------------------------|-------|---------------|-----------|
| 3 year average (2015-2017) | 11.3 | 7.7 | 4.6 |
| Last Year (2018) | 11.0 | 7.3 | 4.4 |
| This Year (2019) | 10.1 | 6.6 | 4.1 |
| Next Year (2020) | 12.1 | 6.1 | 4.1 |
| 3-Year Trend Horizon (2021-2023) | 13.2 | 8.4 | 4.3 |

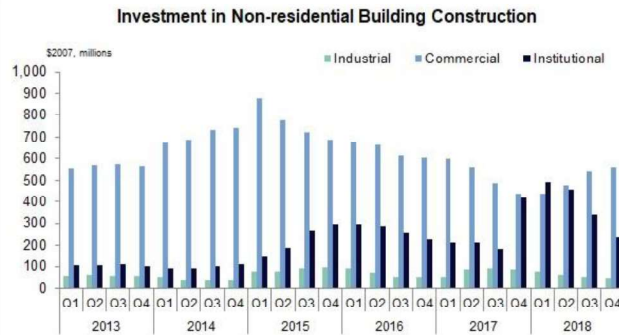
Source: Altus Group Economic Consulting based on CMHC

Source: Altus Group Economic Consulting

Economic Trends - Calgary (Continued)

Non-residential Construction

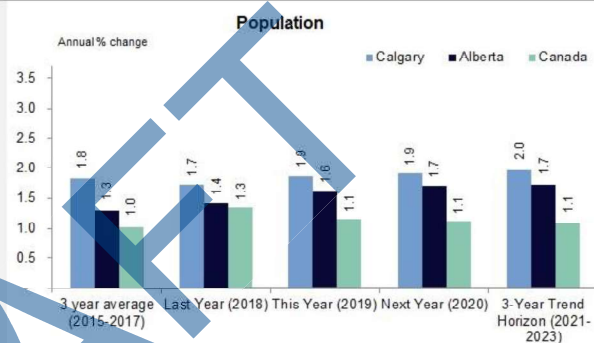
- Non-residential investment decreased by 10% to \$843.6 million (seasonally adjusted) in Q4 2018, the third consecutive quarterly decline. The decline was driven by lower industrial and institutional investment.
- In 2018, non-residential investment increased by 10% to \$941.1 million. It was 5% higher than the average annual investment over the past five years.
- Non-residential investment should receive a substantial boost from the ongoing \$3 billion StoneGate Landing mixed-use project, slated to conclude in 2021. Spending should also receive support from ongoing construction of East Village mixed-use developments, with a 230,000 sq. ft. retail centre currently under construction.



Source: Altus Group Economic Consulting based on Statistics Canada

Population Growth

- After strong growth from 2015-2017, Calgary's population growth decelerated last year but is expected to increase in 2019, boosted by international migration.
- Population growth is forecasted to remain strong in 2020 and over the forecast horizon. The federal government's plan to settle between 280,000 and 320,000 immigrants in Canada will sustain population growth for the foreseeable future as some migrants will settle in Calgary.



Source: Altus Group Economic Consulting based on Statistics Canada

National Economic Context

- Canada's economic growth advanced at a 1.6% average annual pace from 2015-2017, slower than the long-run average. Following robust economic growth of 3.0% in 2017, Canada's economy slowed to 1.8% in 2018, closer to its output capacity. Solid nation-wide consumer spending, on-going government expenditure and positive residential investment were offset by international trade tensions in the first half of 2018, cooling housing markets in Toronto and Vancouver, and the persistently low price of Western Canadian Select oil, which dampened business investment and subdued export growth. In the wake of global economic uncertainty, slowing global economic growth and Alberta's mandatory oil production cuts, economic growth is projected to moderate further in 2020 and beyond. A competitive dollar, on-going U.S. demand, improved investment, and government spending should cushion the evolving economic headwinds.

Source: Altus Group Economic Consulting

4 Highest and Best Use

The reader is referred to Appendix A for the definition of highest and best use.

4.1 Highest and Best Use as if Vacant Land

Given the location of the subject property, the size and configuration of the site, as well as the current zoning, it is likely that its use would be consistent with similar properties in the immediate area if it were vacant land. Based on the foregoing, it is concluded that the highest and best use of the subject property, as vacant land, would be for the development of a similar commercial project.

4.2 Highest and Best Use as Improved

Based on a review of the existing by-laws, the subject property appears to conform to existing land use controls. A formal legal review would be required for certainty.

The subject property is improved with a three commercial condominium building complex of functional size and configuration. Having regard to the locational and physical characteristics of the subject property, the land use controls and current market conditions, it is concluded that the existing use of the subject property represents its highest and best use.

There does not appear to be an alternative use that could reasonably be expected to provide a higher present value than the current use, since the improvements are specifically adapted to the existing use. The current use is therefore concluded to be the most profitable. Based on the foregoing, it is concluded that the highest and best use of the subject property, as improved, is its present use.

5 Valuation

There are typically three approaches used to estimate market value: the Income Approach, the Direct Comparison Approach and the Cost Approach.

Income Approach

The Income Approach recognizes the principle of anticipation, where the anticipation of future benefits creates value. The Income Approach is usually used as the primary method of valuation when a property is expected to be acquired by an investor. The Income Approach is comprised of two primary methods:

Direct Capitalization: This procedure involves dividing the stabilized net annual operating income (NOI) by a singular rate that takes into account the investment characteristics of the subject property.

Discounted Cash Flow (DCF): This method calculates the present value of the future cash flows over a specified time period, including the potential proceeds of a deemed disposition, to determine market value.

Direct Comparison Approach

The Direct Comparison Approach recognizes the principle of substitution, according to which a buyer will not pay more for one property than for another that is equally desirable. By this approach, an opinion of value is developed by applying a comparative analysis of properties that are similar to the subject property that have recently sold, are listed for sale or are under contract, by focusing on the similarities and differences that affect value.

Cost Approach

The Cost Approach recognizes the principle of substitution, according to which a knowledgeable purchaser would not pay more for a property than it would cost to construct a property of similar design and utility, assuming no unreasonable delays. The Cost Approach involves adding the market value of the land to the depreciated value of the building and site improvements.

5.1 Valuation Methodology Selected

The subject property is an investment property and the most likely purchaser would be an investor. Consequently, the Income Approach has been used as the primary method of valuation. For most large-sized income-producing properties, the Direct Comparison Approach is developed in a rudimentary manner only to determine the market range of unit prices demonstrated by the sales or listings of comparable properties. Typically, this method is developed merely to support the conclusions reached by the Income Approach, rather than to act as a valuation conclusion in isolation. The Cost Approach has not been used, as it does not typically reflect the motives and actions of buyers and sellers of this type of property.

6 Income Approach

The theory of the Income Approach is that the value of a property is the present worth of all the net income that it will produce for each year of its remaining useful life. Net income serves as a measurement that, in turn, is capitalized into a value estimate by the use of a capitalization rate taken from the experience of similar properties that have already sold or from the state of the financial market at the time of the appraisal. The rental income of a property will generally reflect all attributes and amenities inherent in that property.

6.1 Income Forecasts

The following section outlines an analysis of the subject property leasing activity, current tenant profile, market rent factors, and estimate of normalized vacancy and bad debt, operating expenses, and capital expenses.

6.1.1 Tenant and Income Profile

The subject units included within this analysis are currently leased at the following terms and rental rates as of the effective date:

| Subject Leasing | | | | | | | |
|-------------------|-------------------------|------------------------|-------------|------------|------------|----------------------|---------------------|
| Unit Nuber | Tenant | Area (SF) ¹ | % of Area | Start Date | End Date | Current Rent / Month | Current Rent / Year |
| 2114 | Geo Auto Sale Ltd | 1,997 | 11% | 1/12/2014 | 30/11/2024 | \$3,200 | \$38,400 |
| 3103 & 3107 | Samosa Factory | 3,512 | 19% | 1/8/2015 | 30/12/2024 | \$25,000 | \$300,000 |
| 3115 & 3119 | Samosa Factory | 2,130 | 11% | 16/8/2018 | 31/12/2024 | \$5,000 | \$60,000 |
| 2126 & 2118 | Zealous Granite & Title | 4,059 | 22% | 1/1/2016 | 31/12/2025 | \$6,400 | \$76,800 |
| 2122 | Canada Bangladesh Ltd | 2,058 | 11% | 1/3/2019 | 26/2/2024 | \$4,000 | \$48,000 |
| 2102, 2106 & 2110 | Apna Punjab Grocery | 5,005 | 27% | 1/1/2015 | 31/12/2024 | \$7,500 | \$90,000 |
| Total | | 18,762 | 100% | | | \$51,100 | \$613,200 |

¹ Unit sizes are based on information from the registered condominium plan

We are aware that lease rate for units 3103 & 3107 does not reflect market rent as lease rate includes premium for improvements within the units.

6.1.2 Market Rent Analysis

The term “market rent” is generally defined as being the most probable rent that a rental unit would command if exposed to the open market for a reasonable period of time. The process of estimating the market rent presumes that the space in question is vacant and available for lease. Since no two rental units are alike, the estimation of market rent must account for the specific characteristics of each particular location, as well as the physical features and functional attributes of each space. In order to estimate market rent for the subject property, recent leasing activity in the subject property and at comparable premises have been reviewed. Details of the analysis are provided below.

Recent Leasing at the Subject Property

Recent leasing activity within the subject property is detailed as follows:

| Recent Leasing | | | | | |
|----------------|-----------------------|-----------|---------|------------|-------------------|
| Unit Nuber | Tenant | Area (SF) | Term | Lease Type | Current Rent / SF |
| 2122 | Canada Bangladesh Ltd | 2,058 | 5 years | Net | \$23 |

Overall, the sample of leasing activity presented above provides good perspective in establishing the market rental parameters for the subject property.

Comparable Leasing

In addition to the review of leasing activity in the subject property, a survey of the marketplace has been carried out as it relates to the leasing activity in similar commercial developments in northeast Calgary. The rental market in Calgary is stable.

A review of the market leases considered to be the most comparable to the subject space are presented in the chart contained in Appendix C. To maintain the confidentiality of the data, specific addresses have not been identified and specific details have been retained on file.

The estimate of the market rental rates varies throughout the subject property and is influenced by a number of factors including the size, potential use, location, age and quality. Overall, the market rent estimate shown below is generally supported by the results of the market survey.

Conclusions

Based on the discussion above and the review of the comparable rents outlined in Appendix C, the estimate of market rental rates utilized in the Stabilized NOI Analysis is outlined below:

| Market Rental Rate Conclusions | | | |
|--------------------------------|---------|----|---------|
| Area Type | Min | | Max |
| Commercial Units | \$18.00 | to | \$22.00 |
| Retail Units | \$32.00 | to | \$35.00 |

The subject units include various rental rates which have been deemed to be at or near market levels and have been adopted for the purposes of this analysis with the exception of units 3103 & 3107 that were adjusted to reflect market rent.

The current tenancy results in an overall Potential Rental Income as follows:

| Subject Leasing | | | | |
|--------------------------|-------------------------|---------------|----------------|------------------|
| Unit Nuber | Tenant | Area (SF) | Rent / SF | Rental Income |
| 2114 | Geo Auto Sale Ltd | 1,997 | \$19.22 | \$38,400 |
| 3103 & 3107 ¹ | Samosa Factory | 3,512 | \$34.00 | \$119,417 |
| 3115 & 3119 | Samosa Factory | 2,130 | \$28.17 | \$60,000 |
| 2126 & 2118 | Zealous Granite & Title | 4,059 | \$18.92 | \$76,800 |
| 2122 | Canada Bangladesh Ltd | 2,058 | \$23.32 | \$48,000 |
| 2102, 2106 & 2110 | Apna Punjab Grocery | 5,005 | \$17.98 | \$90,000 |
| Total / Average | | 18,762 | \$23.06 | \$432,617 |

¹Units 3103 & 3107 were adjusted to reflect market rent

An adjustment has been made in order to capture the above market rent for units 3103 & 1307.

6.2 Other Revenue

No additional revenue streams have been identified for the subject property.

6.3 Vacancy and Bad Debt Allowance

The stabilized vacancy and bad debt allowance has been estimated at 5.00% of total tenant revenue. This estimate is supported by current market sentiment.

6.4 Recovery Expense Revenue and Operating Expenses

The concluded market rental rate is based upon a net rental term. In this circumstance, the tenant would be responsible for all operating expenses, including realty taxes and management fees.

We are aware that the tenants are responsible for their own operating expense, with the exception of condo fees (\$2.00) for units 3103 & 1307. We are aware that units 3103 & 1307 pay on a gross basis; however, for valuation purposes, a market derived net lease has been considered, with the above market rent added for the duration of the lease.

6.5 Income and Expense Pro Forma

| Stabilized NOI | | | |
|---|-------------|-------------|------------------|
| Potential Rental Income | | | |
| | Rate | Area | |
| Geo Auto Sale Ltd | \$19.22 | 1,997 | \$38,400 |
| Samosa Factory ¹ | \$34.00 | 3,512 | \$119,417 |
| Samosa Factory | \$28.17 | 2,130 | \$60,000 |
| Zealous Granite & Title | \$18.92 | 4,059 | \$76,800 |
| Canada Bangladesh Ltd | \$23.32 | 2,058 | \$48,000 |
| Apna Punjab Grocery | \$17.98 | 5,005 | \$90,000 |
| Total Potential Rental Income | | | \$432,617 |
| Reimbursement Revenue | | | |
| Condo Fees ² | \$2.00 | @ 18,762 | \$37,524 |
| Realty Taxes | | | \$103,018 |
| Total Reimbursement Revenue | | | \$140,542 |
| Total Potential Gross Revenue | | | \$573,159 |
| Vacancy Allowance | | @ 5.00% | (\$28,658) |
| Effective Gross Revenue | | | \$544,501 |
| Operating Expenses | | | |
| General Operating & Realty Taxes ² | | | \$140,542 |
| N/R Structural Allowance | | @ 0.25% | \$1,361 |
| Total Operating Expenses | | | \$141,903 |
| Stabilized NOI | | | \$402,598 |

¹ Adjusted to reflect market rent

² Condo fees are estimated at \$2.00 psf

6.6 Yield Selection

In order to determine the appropriate yield for the subject property; specifically, the capitalization rate (CR); the following factors have been considered:

- ▼ Alternative investment yields
- ▼ Various surveys produced by Altus InSite
- ▼ An analysis of the subject property's income, physical and locational characteristics
- ▼ An analysis of relevant sales and other market activity

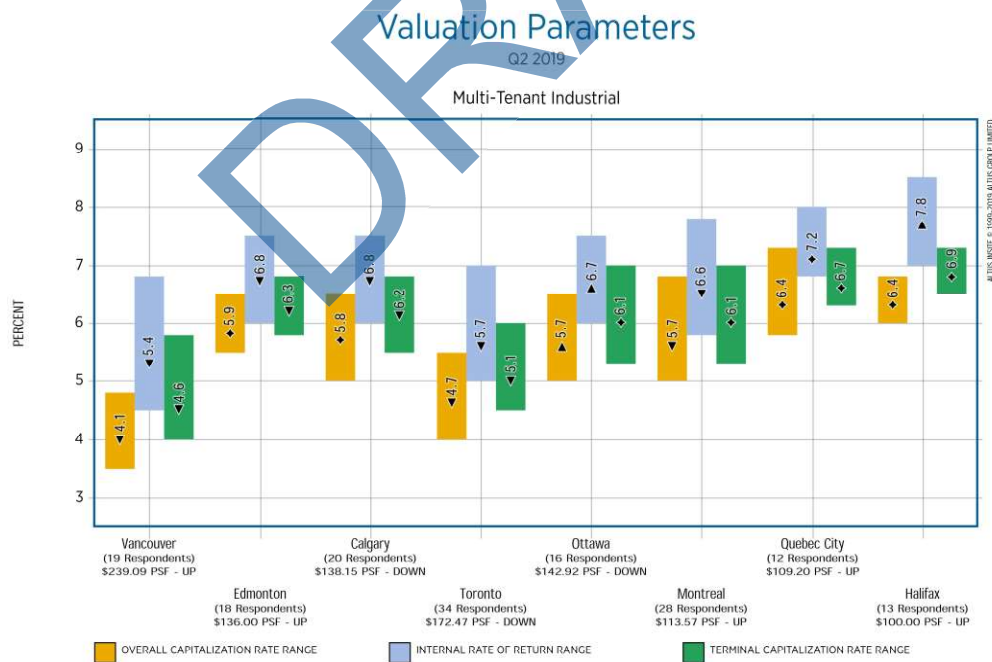
6.6.1 Alternative Investment Yields

The CR selected to value the subject property is expected to be higher than the average yield of 1.49% indicated by 10-year Canada Bonds as at August 2019. The premium attributable to real estate is based primarily on the lack of liquidity, increased management and the greater overall risk associated with real property assets.

Altus InSite Investment Trends Survey

The following are the results of the Altus InSite Investment Trends Survey for the benchmark Multi-Tenant Industrial Building at Q2 2019 in the Calgary area:

CR responses are between 5.0% and 6.5%, with a mean of 5.8%




Arrows indicate directional movement from previous survey
Movement is defined as a change of more than 0.10 and due to rounding some arrows may not reflect actual movement.

6.6.2 Recent Investment Market Activity

A review of recent market activity provides additional support for the selection of yields. The most relevant transactions that were found are summarized on the following page. To ensure comparability, the same methodology used for the analysis of the subject property has been applied to the analysis of the comparable property sales.

DRAFT

| Recent Investment Market Activity | | | |
|-----------------------------------|--|--|--------------|
| Index No. | Building Details | Sale Details | Rate Summary |
| 1 |  <p><i>Civic Address</i> 5602 4 ST NW <i>Municipality</i> Calgary, AB <i>Rentable Area</i> 13,721 SF</p> | <p><i>Date of Sale</i> Apr-19 <i>Adj. Sale Price</i> \$4,950,000 <i>Price PSF</i> \$361</p> | CR 6.17% |
| 2 |  <p><i>Civic Address</i> 3619 61 AVE SE <i>Municipality</i> Calgary, AB <i>Rentable Area</i> 40,480 SF</p> | <p><i>Date of Sale</i> Mar-19 <i>Adj. Sale Price</i> \$10,770,000 <i>Price PSF</i> \$266</p> | CR 6.09% |
| 3 |  <p><i>Civic Address</i> 2015 14 ST NW <i>Municipality</i> Calgary, AB <i>Rentable Area</i> 4,263 SF</p> | <p><i>Date of Sale</i> Oct-18 <i>Adj. Sale Price</i> \$2,250,000 <i>Price PSF</i> \$528</p> | CR 4.78% |
| 4 |  <p><i>Civic Address</i> 2583 29 ST NE <i>Municipality</i> Calgary, AB <i>Rentable Area</i> 52,173 SF</p> | <p><i>Date of Sale</i> Jun-18 <i>Adj. Sale Price</i> \$14,100,000 <i>Price PSF</i> \$270</p> | CR 6.09% |
| 5 |  <p><i>Civic Address</i> 3724 104 AVE NE <i>Municipality</i> Calgary, AB <i>Rentable Area</i> 22,436 SF</p> | <p><i>Date of Sale</i> May-18 <i>Adj. Sale Price</i> \$13,000,000 <i>Price PSF</i> \$579</p> | CR 5.73% |
| 6 |  <p><i>Civic Address</i> 1220 KENSINGTON RD NW <i>Municipality</i> Calgary, AB <i>Rentable Area</i> 18,577 SF</p> | <p><i>Date of Sale</i> Mar-18 <i>Adj. Sale Price</i> \$5,500,000 <i>Price PSF</i> \$296</p> | CR 6.04% |

6.6.3 Capitalization Rate Analysis

The CRs indicated by the recent property sales vary between 4.78% and 6.17%, with the recent trend suggesting stable rates of return.

The upper end of the range is set by Index No. 1 at a CR of 6.17%. This comparable is the April 2019 sale of a 13,721 sf multi-tenant retail building constructed circa 1978 and located in the Thorncliffe neighbourhood in northwest Calgary. At the time of sale, the property was fully leased to a mixture of regional and national covenant tenants. A lower rate would be expected for the subject property given its superior construction, quality and overall investment attributes.

The lower end of the range is set by Index No. 3 at a CR of 4.78%. This comparable is the October 2018 sale of a small 4,263 sf multi-tenant retail building located in the Capitol Hill neighbourhood in northwest Calgary. The property was fully leased at the time of sale to two long term tenants. Both tenants have renewal options upon the expiry of their current leases, with contract rents considered in line with market, and an average 10 year NOI growth estimated at 2.05% per annum. A higher rate would be expected for the subject property.

The remaining comparable sales support CRs ranging between 5.73% and 6.09%.

6.6.4 Capitalization Rate Rationalization

In addition to the analysis of alternative investment yields, the Altus InSite Investment Trends Survey and recent market activity, the following factors have been ranked in order to assist the reader in understanding the investment yields selected for the subject property. These factors compare the subject property's investment attributes with typical characteristics observed in the market for this type of property. An "average" rating indicates similarity with market expectations.

| Factor | Item | Comments | Overall Rating |
|-----------|--------------------|------------------------------|----------------|
| Physical | Asset Type | Commercial condominium units | Average |
| | Year Built | 2007 | |
| | Condition/Appeal | Good | |
| | Size | 18,762 sf | |
| | Functional Utility | Good | |
| Financial | Occupancy | 100% | Average |
| | Tenant Profile | Local tenants | |
| | Rollover | 78% in 2024 | |
| | Market Rent | \$23.06 psf on average | |
| External | Neighbourhood | Westwinds | Average |
| | Investment Appeal | Good | |

6.6.5 Capitalization Rate Conclusion

Based on the foregoing analysis, a capitalization rate (CR) of 6.00% has been selected.

6.7 Direct Capitalization

By this procedure, an estimate of stabilized net operating income (NOI) for a single year is converted into an indication of value. The stabilized NOI for the year starting at the effective date of appraisal was used.

This procedure entails three steps:

- ▼ The stabilized net operating income (NOI) was determined.
- ▼ In this section, the NOI was capitalized at a CR of 6.00%, as determined in the Yield Analysis section, to estimate the market value based on stabilized occupancy.
- ▼ This value will be adjusted, if applicable, for rent abatements, above/below market rent, existing vacancy, short-term leasing costs, capital expenditures and amortized capital expense revenue.

6.7.1 Estimate of Market Value (Direct Capitalization)

| Direct Capitalization | |
|---|--------------------|
| Total Stabilized NOI | \$402,598 |
| Capitalization Rate | 6.00% |
| Stabilized Value | \$6,709,961 |
| Plus: PV of above market contract in place ¹ | \$518,630 |
| Final Value | \$7,228,591 |
| Final Value (Rounded) | \$7,200,000 |

¹ We are aware that units 3103 & 1307 pay on a gross basis; however, for valuation purposes, a market derived net lease has been considered, with the above market rent added for the duration of the lease.

7 Direct Comparison Approach

The Direct Comparison Approach has as its basis the comparison of the subject property with recent sales of properties that have similar characteristics in terms of location and building type. Where good, recent comparable property sales evidence is available, the approach can provide a dependable value estimate.







The Direct Comparison Approach is considered useful not only in terms of estimated value, but also in demonstrating that the final value estimate concluded in the appraisal falls within a reasonable range of value evident in the marketplace.

The typical procedure for undertaking the Direct Comparison Approach involves:

- ▼ researching the market for data from sales, contracts, offers and listings of competitive properties;
- ▼ verifying that the data is accurate and representative of arm's-length transactions;
- ▼ determining relevant units of comparison;
- ▼ comparing the subject with the comparable property sales and adjusting the comparable property sales for differences; and
- ▼ reconciling the multiple value indications into a single value or range of values for the subject property.

7.1 Comparable Property Sales Activity

A survey of market evidence for properties having similar characteristics to the subject property has been conducted. From the research, the most appropriate in terms of comparable property sales evidence for the Direct Comparison Approach is contained at and summarized below.

| Recent Market Activity | | |
|------------------------|--|--|
| Index No. | Building Details | Sale Details |
| 1 |  <i>Civic Address</i> UNIT 2222 12 ROYAL VISTA WAY NW <i>Municipality</i> Calgary, AB <i>Rentable Area</i> 1,136 SF | <i>Date of Sale</i> Jun-19 <i>Adj. Sale Price</i> \$320,000 <i>Price PSF</i> \$282 |
| 2 |  <i>Civic Address</i> UNIT 1110 12 ROYAL VISTA WAY NW <i>Municipality</i> Calgary, AB <i>Rentable Area</i> 1,282 SF | <i>Date of Sale</i> Jun-19 <i>Adj. Sale Price</i> \$690,000 <i>Price PSF</i> \$538 |
| 3 |  <i>Civic Address</i> UNIT 1138 12 ROYAL VISTA WAY NW <i>Municipality</i> Calgary, AB <i>Rentable Area</i> 1,506 SF | <i>Date of Sale</i> Jan-19 <i>Adj. Sale Price</i> \$700,000 <i>Price PSF</i> \$465 |
| 4 |  <i>Civic Address</i> UNIT 108 500 ROYAL OAK DR NW <i>Municipality</i> Calgary, AB <i>Rentable Area</i> 1,129 SF | <i>Date of Sale</i> Oct-18 <i>Adj. Sale Price</i> \$600,000 <i>Price PSF</i> \$531 |
| 5 |  <i>Civic Address</i> UNIT 21 3131 27 ST NE <i>Municipality</i> Calgary, AB <i>Rentable Area</i> 1,165 SF | <i>Date of Sale</i> Sep-18 <i>Adj. Sale Price</i> \$450,000 <i>Price PSF</i> \$386 |
| 6 |  <i>Civic Address</i> UNIT 1130 12 ROYAL VISTA DR NW <i>Municipality</i> Calgary, AB <i>Rentable Area</i> 1,288 SF | <i>Date of Sale</i> Jul-18 <i>Adj. Sale Price</i> \$670,000 <i>Price PSF</i> \$520 |

The preceding sales demonstrate a range of values from \$282 to \$538 psf.

The high end of the range is set by Index No. 2 at \$538 per sf. This comparable is the June 2019 sale of a 1,136 sf retail condominium unit located in the northwest community of Royal Vista in Calgary. The property was constructed circa 2017 and is improved with two retail buildings containing a total of 36 condominium units. The property offers good exposure to 112 Avenue NW, and is located in close proximity to Royal Oak Centre. Given the superior location and newer condition, a lower rate would be expected for the subject.

The low end of the range is set by index No. 1 at \$282 per sf. This comparable is the June 2018 sale of a 1,136 sf second floor retail condominium unit located within the same condominium development as Index No.1. Given the location of the unit, a higher rate would be expected for the subject.

7.2 Estimate of Market Value (Direct Comparison Approach)

The subject property represents eleven commercial condominium units located within an established multi-tenant commercial development constructed circa 2007. The project is located within Westwinds Business Park in northeast Calgary, in close proximity to the major arterial roadways of McKnight Blvd NE and Metis Trail NE.

Given consideration to the discussion above, a unit rate within the lower end at \$380 per sf has been deemed appropriate for the subject units.

Based on this unit value conclusion, it is my opinion that the value of the subject property through use of the Direct Comparison Approach is \$7,100,000 as set out in the calculation below.

| Direct Comparison | |
|------------------------------|--------------------|
| Commercial Units | 18,762 |
| Unit Value Estimate (PSF) | \$380 |
| Value Conclusion | \$7,129,648 |
| Final Value | \$7,129,648 |
| Final Value (Rounded) | \$7,100,000 |

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8 Reconciliation and Conclusion

The estimates of value from the approaches used are:

| Final Value Conclusions | | | |
|---|------------|-------|--------------------|
| Valuation Methodology | Parameters | | Conclusion |
| Direct Capitalization | Cap Rate | 6.00% | \$7,200,000 |
| Direct Comparison | Price PSF | \$380 | \$7,100,000 |
| Final Value Conclusion (Rounded) | | | \$7,200,000 |
| Final Value Conclusion PSF | | | \$384 |

In arriving at a final conclusion of market value, the Income Approach is accorded the greatest weight given that the subject property is an investment property.

8.1 Final Value Conclusion

Further to the analysis of the subject property and of the market data outlined in this report, the current market value of the property located at Units 2102, 2106, 2110, 2214, 2118, 2122, 2126, 3103, 3107, 3115 and 3119 - 5150 47 Street NE, Calgary, AB as at August 20, 2019, subject to the Ordinary Assumptions and Limiting Conditions in Appendix A and the Extraordinary Assumptions in Section 1.4, is:

| Market Value Conclusion |
|---|
| \$7,200,000 |
| Seven Million Two Hundred Thousand Dollars |

Based on this estimate of current market value, the liquidity of the subject property is expected to be "Good". An estimated exposure time of 3 to 6 months would have been required prior to the effective date to sell the subject property at its current market value.

9 Certification

Effective Date: **August 20, 2019**
 Property Appraised: **Units 2102, 2106, 2110, 2214, 2118, 2122, 2126, 3103, 3107, 3115 and 3119 - 5150 47 Street NE, Calgary, AB**

By signing this certification of value, the author accepts individual responsibility for the content and conclusions of this appraisal report. Consequently:

I certify that, to the best of my knowledge and belief that:

- ▼ The statements of fact contained in this report are true and correct.
- ▼ The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions and conclusions.
- ▼ I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved. I am therefore an independent and external professional.
- ▼ I am not in a conflict of interest to undertake this assignment.
- ▼ I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- ▼ My engagement in and compensation for this assignment was not contingent upon developing or reporting predetermined results, the amount of the value estimate, or a conclusion favouring the client.
- ▼ My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice, Valuation - Professional Standards of the Royal Institution of Chartered Surveyors and the International Valuation Standards.
- ▼ I have the knowledge and experience to complete this assignment competently, and where applicable, this report is co-signed in compliance with Canadian Uniform Standards of Professional Appraisal Practice, Valuation - Professional Standards of the Royal Institution of Chartered Surveyors and the International Valuation Standards.
- ▼ The subject property was inspected by **Aviya Gargir on August 20, 2019**. The inspection was considered sufficient to assist the author in describing the real estate, developing an opinion of highest and best use and making meaningful comparisons with other market data. A detailed inspection to report building condition is beyond the scope of this assignment.
- ▼ No one provided professional assistance or third-party professional assistance to the undersigned.
- ▼ As of the date of this report, **Fraser Dyer, B.Sc. (Hons), MRICS, AACI, P.App** has fulfilled the requirements of The Appraisal Institute of Canada Continuing Professional Development Program for designated and candidate members, and is a member in good standing of the Appraisal Institute of Canada. In addition, pursuant to the Real Estate Act of Alberta, the undersigned is a licensed real estate appraiser in the Province of Alberta.

In my opinion, the current market value of the condominium interest in the subject property, subject to the Ordinary Assumptions and Limiting Conditions in Appendix A and the Extraordinary Assumptions in Section 1.4, as at August 20, 2019, is:

\$7,200,000

Seven Million Two Hundred Thousand Dollars

Appraiser

Fraser Dyer, B.Sc. (Hons), MRICS, AACI, P.App
 AIC Member #: 902928

Signing Date: DRAFT
[Attachments and Appendices](#)

Appendix A - Altus' Terms of Reference

Appendix B - Visual Identification

Appendix C - Comparable Lease Data

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Appendix A Altus' Terms of Reference

Ordinary Assumptions and Limiting Conditions

Definitions

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Ordinary Assumptions and Limiting Conditions

The following Ordinary Assumptions and Limiting Conditions apply to **real estate appraisals** prepared by Altus Group ("Altus"). Any Special Conditions have been added as required.

The certification that appears in this appraisal report is subject to compliance with the Personal Information and Electronics Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP), Professional Standards of the Royal Institution of Chartered Surveyors (RICS), International Valuation standards (IVS), published by the International Valuation Standards Council and any other Appraisal Organization to which the author is a member and the following conditions.

1. This report is prepared only for the client and authorized users specifically identified in this report and only for the specific use identified herein. No other person may rely on this report or any part of this report without first obtaining consent from the client and written authorization from the authors. Liability is expressly denied to any other person and, accordingly, no responsibility is accepted for any damage suffered by any other person as a result of decisions made or actions taken based on this report. Liability is expressly denied for any unauthorized user or for anyone who uses this report for any use not specifically identified in this report. Payment of the appraisal fee has no effect on liability. Reliance on this report without authorization or for an unauthorized use is unreasonable.
2. Because market conditions, including economic, social and political factors, may change rapidly and, on occasion, without warning, this report cannot be relied upon as of any date other than the effective date specified in this report unless specifically authorized by the author.
3. The author will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The property is appraised on the basis of it being under responsible ownership. Unless otherwise stated in this report, no registry office search has been performed and the author assumes that the title is good and marketable and free and clear of all encumbrances. Matters of a legal nature, including confirming who holds legal title to the appraised property or any portion of the appraised property, are outside the scope of work and expertise of the author. Any information regarding the identity of a property's owner or identifying the property owned by the listed client and/or applicant provided by the author is for informational purposes only and any reliance on such information is unreasonable. Any information provided by the author does not constitute any title confirmation. Any information provided does not negate the need to retain a real estate lawyer, surveyor or other appropriate experts to verify matters of ownership and/or title.
4. Verification of compliance with governmental regulations, bylaws or statutes is outside the scope of work and expertise of the author. Any information provided by the author is for informational purposes only and any reliance is unreasonable. Any information provided by the author does not negate the need to retain an appropriately qualified professional to determine government regulation compliance.
5. No survey of the property has been made. Any sketch in this report shows approximate dimensions and is included only to assist the reader of this report in visualizing the property. It is unreasonable to rely on this report as an alternative to a survey, and an accredited surveyor ought to be retained for such matters.
6. This report is completed on the basis that testimony or appearance in court concerning this report is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to: adequate time to review the report and related data, and the provision of appropriate compensation.
7. Unless otherwise stated in this report, the author has no knowledge of any hidden or unapparent conditions (including, but not limited to: its soils, physical structure, mechanical or other operating systems, foundation, etc.) of/on the subject property or of/on a neighbouring property that could affect the value of the subject property. It has been assumed that there are no such conditions. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the author. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.
8. The author is not qualified to comment on detrimental environmental, chemical or biological conditions that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air which may include but are not limited to moulds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted

in the report. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical and biological matters, and it is assumed that the property is free of any detrimental environmental, chemical legal and biological conditions that may affect the market value of the property appraised. If a party relying on this report requires information about or an assessment of detrimental environmental, chemical or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical or biological matters on the market value of the property.

9. The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify client-supplied information, which the author believed to be correct.
10. The term "inspection" refers to observation only as defined by CUSPAP and reporting of the general material finishing and conditions observed for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.
11. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The author has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The author has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this visual inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the author.
12. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the author's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the author's privacy policy and in accordance with the PIPEDA.
13. The author has agreed to enter into the assignment as requested by the client named in this report for the use specified by the client, which is stated in this report. The client has agreed that the performance of this report and the format are appropriate for the intended use.
14. This report, its content and all attachments/appendices and their content are the property of the author. The client, authorized users and any appraisal facilitator are prohibited, strictly forbidden, and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, appendices, all attachments and the data contained within for any commercial, or other, use.
15. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the author can be reasonably relied upon.
16. Where the intended use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.
17. Unless specifically stated, the value conclusions contained in this report applies to the real estate only, and does not include personal property, machinery and equipment, trade fixtures, business value, goodwill or other non-realty items. This report is limited to surface rights only and does not include any inherent subsurface or mineral rights. Income tax considerations have not been included or valued unless so specified in this report. No representations are made as to the value changes that may be attributed to such considerations.
18. It is assumed that legal, engineering, or other professional advice, as may be required, has been or will be obtained from properly qualified legal professional sources and that this report will not be used for guidance in legal or technical matters such as, but not limited to, the existence of encroachments, easements or other discrepancies affecting the legal description of the property. It is assumed that

there are no concealed or dubious conditions of the subsoil or subsurface waters including water table and flood plain, unless otherwise noted.

19. It is assumed that any and all liabilities that might accrue against the real estate such as taxes, hypothecs, contracts or services of any kind, are paid when due. Taxes and other fees (e.g. broker commissions) incurred during the hypothetical sale of the real estate are not addressed in this report.
20. This report may contain estimates of future financial performance, estimates or opinions that represent the author's view of reasonable expectations at a particular point in time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted.

Actual results achieved during the period covered by our prospective financial analyses will vary from those described in this report, and the variations may be material.

21. This report assumes that the property will be competently managed, leased and maintained by financially sound owners over the expected period of ownership. This engagement does not entail an evaluation of management's or owner's effectiveness, nor is the author or Altus responsible for future marketing efforts and other management or ownership actions upon which actual results will depend.
22. The value is based on the purchasing power of the Canadian dollar as of that date.
23. The issuance of a draft report is for the initial review of findings by the client and is provided provisionally and subject to completion of the final report.

It is on no account to be published or disclosed or used for any other purpose than review by the client.

Altus accepts no liability for the misuse of a draft report.

Amendments to the report may be considered if new information subsequently comes to light, although additional fees may accrue in the analysis of this information.

If within **one week** of delivery of the draft PDF there have been no further comments or queries, the author and Altus Group considers this as BRM Canada Group Inc.'s tacit approval of the contents and opinions expressed therein and the final report will be issued accordingly.

Definitions

Altus InSite Investment Trends Survey

Altus InSite undertakes a survey of the Canadian real estate industry to determine the informed consensus opinion on investment performance trends and valuation parameters from Canada's key investors, lenders and other opinion leaders. The results of this quarterly survey are presented online as a series of data reports and charts for the Office, Retail, Industrial and Multiple Unit Residential asset classes for seven major markets across Canada.

Highest and Best Use

Highest and best use may be defined as:

"The reasonably probable use of a property, that is physically possible, legally permissible, financially feasible and maximally productive, and that results in the highest value."¹

The highest and best use of both land as though vacant and the property as developed must meet four criteria. The highest and best use must be:

Physically Possible: The size, shape, terrain and soil conditions of a parcel of land affect its physical utility and adaptability. The size, design and condition of an improved property may suggest that rehabilitation, conversion or demolition is in order

Legally Permissible: Depends on public restrictions such as zoning, building codes, historic preservation regulations and environmental controls, as well as the private or contractual restrictions found in deeds and long-term leases

Financially Feasible: Uses that should produce returns that exceed the income required to satisfy operating expenses and debt service (interest and amortization)

Maximum Return: Among financially feasible uses, the use that produces the highest price or value consistent with the rate of return warranted by the market.

Fee Simple²

An interest consisting in absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, expropriation, police power and escheat.

¹ *Canadian Uniform Standards of Professional Appraisal Practice*, Appraisal Institute of Canada. 2018. Section 2.26

² *The Appraisal of Real Estate: 3rd Canadian Edition*. Vancouver. University of British Columbia Real Estate Division. 2010. Section 6.2

Leased Fee³

An ownership interest held by the landlord with the rights of use and occupancy conveyed by the lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained with the lease.

Leasehold⁴

The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions.

Liquidity

I have provided my opinion on the liquidity of the subject property if it were placed on the open market for sale. The summary shows a single-word description from Excellent through Poor, explained as follows:

Excellent Liquidity

- May achieve a price above market value and within a brief marketing period
- ▼ High competition among buyers, keen and able to make an acquisition
 - ▼ Rare availability of similar assets
 - ▼ A high availability of both debt and equity
 - ▼ Brief marketing period is possible
 - ▼ Evidence of similar properties achieving price above a common view of market value
 - ▼ Overwhelming strengths of investment character

Good Liquidity

- Likely to achieve market value within a reasonable marketing period
- ▼ Buyers, keen and able to make an acquisition
 - ▼ Restricted availability of similar assets
 - ▼ A good availability of both debt and equity
 - ▼ Reasonable marketing period and brokerage effort required in order to achieve market value
 - ▼ High confidence of brokers able to achieve market value estimate
 - ▼ Similar properties demonstrate pricing at a common view of market value
 - ▼ Investment character strengths outweigh the weaknesses

Modest Liquidity

- Value may be difficult to achieve; a more extensive marketing period may be required
- ▼ Selective and few buyers
 - ▼ Demand/supply of investment opportunities is in balance
 - ▼ A good availability of debt but at higher margins
 - ▼ More cautious sources of equity
 - ▼ Strengths and weaknesses of investment character offset each other
 - ▼ More extensive marketing effort required in order to achieve value
 - ▼ Similar properties demonstrate pricing at a common view of market value

³ *The Appraisal of Real Estate: 3rd Canadian Edition. Vancouver. University of British Columbia Real Estate Division. 2010. Section 6.4*

⁴ *Ibid.*

Poor Liquidity

Value is difficult to gauge and achieve notwithstanding an extensive marketing period

- ▼ Very few buyers and limited to a speculative nature only
- ▼ Unusual assets, or high, or potentially high availability of similar assets
- ▼ Poor availability of debt even at higher margins
- ▼ Very cautious sources of equity
- ▼ Limited trading activity
- ▼ Extensive marketing period required
- ▼ Overwhelming weaknesses of investment character
- ▼ Low broker confidence

Market Value

Market Value is defined by the Appraisal Institute of Canada in the *Canadian Uniform Standards of Professional Appraisal Practice*⁵ as:

“The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.”

Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- ▼ buyer and seller are typically motivated;
- ▼ both parties are well informed or well advised, and acting in what they consider their best interests;
- ▼ a reasonable time is allowed for exposure in the open market;
- ▼ payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and
- ▼ the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Exposure Time

Exposure Time is an estimate of the length of time that the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at the estimated value on the effective date of the appraisal.

Exposure Time is a retrospective estimate based upon experience and the opinions gathered from real estate brokers active in the field. The estimate of time period for reasonable exposure is not intended to be a prediction, but is an estimate of the amount of time that the property would have required to be exposed for sale on the open market in an appropriate manner, and using an experienced broker.

⁵ *Canadian Uniform Standards of Professional Appraisal Practice*, Appraisal Institute of Canada. 2018. Section 18.8.4.i.

Appendix B Visual Identification

Photographs of Subject Property

Municipal Map

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Photographs of Subject Property



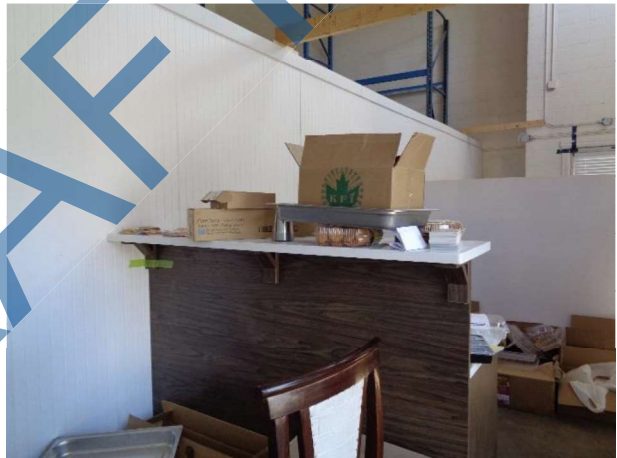
Building 2



Building 3



Units 2102 & 2106



Units 2102 & 2106



Unit 2110



Unit 2110

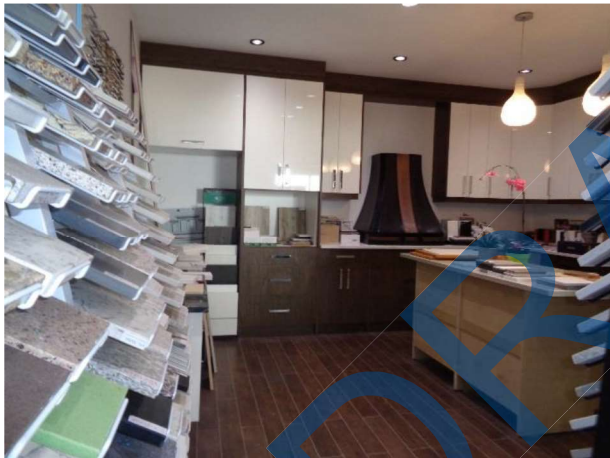
Photographs of Subject Property



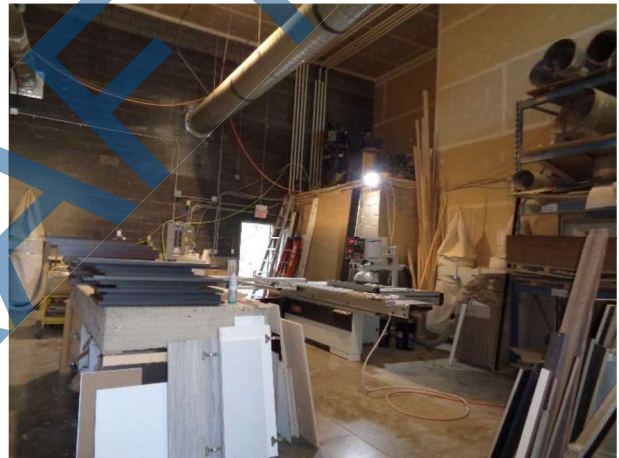
Unit 2114



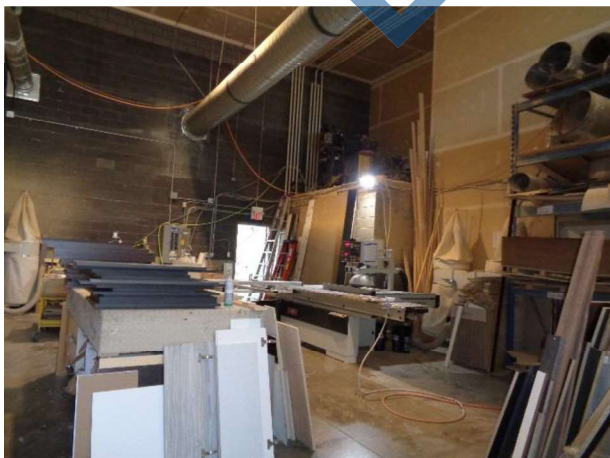
Unit 2114



Unit 2118



Unit 2118



Unit 2122



Unit 2122

Photographs of Subject Property



Unit 2126



Unit 2126



Units 3103 & 3107



Units 3103 & 3107



Units 3103 & 3107



Units 3103 & 3107

Photographs of Subject Property

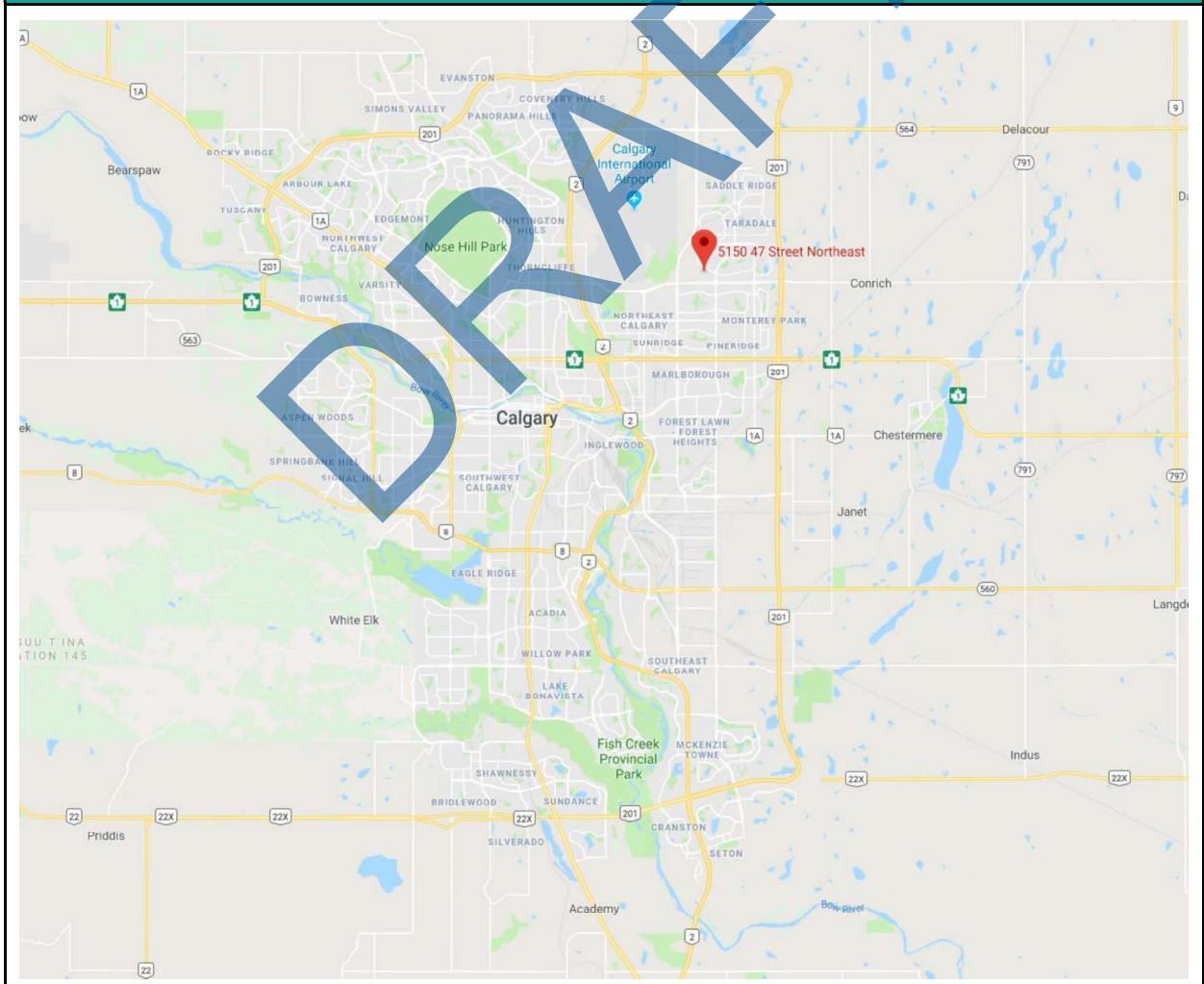


Unit 3119



Unit 3119

Municipal Map



Source: Google Maps

Appendix C Comparable Lease Data

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Market Rent Analysis

The term market rent is generally defined as being the most probable rent that a rental unit would command if exposed to the open market for a reasonable period of time. The process of estimating the market rent presumes that the space in question is vacant and available for lease. Since no two rental units are alike, the estimation of market rent must account for the specific characteristics of each particular location, as well as the physical features and functional attributes of each space. In order to estimate market rent for the subject property, we have reviewed recent leasing activity in the subject property and for comparable premises.

Comparable Leasing

From our review of the market, leases considered to be the most comparable to the subject space are presented in the chart below. To maintain the confidentiality of the data, the specific addresses and tenant names have not been identified and specific details have been retained in our lease database.

| Comparable Leases | | | | | | |
|-------------------|------------|------------|-----------|----------|-----------------------------|------------|
| Commercial Leases | | | | | | |
| Index | Start Date | Lease Type | Size (SF) | (Months) | Building Type | Rent (PSF) |
| 1 | Jan-18 | New Lease | 3,823 | 36 | Retail Strip | \$20.10 |
| 2 | Dec-17 | New Lease | 3,040 | 36 | Retail Strip | \$22.89 |
| 3 | Dec-17 | New Lease | 1,278 | 24 | Retail Strip | \$18.50 |
| 4 | Aug-17 | Renewal | 3,022 | 35 | Retail Strip | \$22.00 |
| Retail Leases | | | | | | |
| Index | Start Date | Lease Type | Size (SF) | (Months) | Building Type | Rent (PSF) |
| 1 | Listing | New Lease | 1,216 | n/a | Retail Strip | \$35.00 |
| 2 | Dec-18 | New Lease | 1,436 | 60 | Mixed Use - Retail - Office | \$34.00 |
| 3 | Feb-18 | Renewal | 8,701 | 120 | Retail Strip | \$30.31 |
| 4 | Jul-17 | New Lease | 5,200 | 120 | Mixed Use - Retail - Office | \$32.90 |

Conclusions

The above lease transactions indicate a Year 1 Base Rent of between \$18.50 and \$27.00 psf for commercial space, and between \$30.31 to \$38.00 for retail space. Overall, we would expect the subject to lease within the comparable leases' indicated rental range. With regard to the foregoing, it is our opinion that face market rental rates applicable to the subject property are as follows:

| Market Rental Rate Conclusions | | | |
|--------------------------------|---------|----|---------|
| Area Type | Min | | Max |
| Commercial Units | \$18.00 | to | \$27.00 |
| Retail Units | \$30.00 | to | \$38.00 |

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**MONTHLY RENT ROLL BRM CANADA GROUP INC
(INCLUDES GST + CONDO FEE + PROPERTY TAX)**

| UNIT # | Tenant LEGAL | TENANT OPERATING | SQF | Original Lease Date | RENEWAL DATE (If Applicable) | TERM | Current Term Start | Base Monthly | GST | Total LEASE PAYMENT (MONTHLY) | BASE LEASE PAYMENT ANNUALLY |
|------------------|-----------------------------|-----------------------------|-----------|---------------------|------------------------------|---------|--------------------|--------------|------------|-------------------------------|-----------------------------|
| 3103, 3107 | THE TASTE FACTORY | THE TASTE FACTORY | 3800 SQFT | 01-Aug-23 | 31-Jul-28 | 05 Year | 01-Aug-23 | \$18,000.00 | \$900.00 | \$18,900.00 | \$226,800.00 |
| 2102, 2106, 2110 | KASH AUTOMOTIVE GROUP LTD | KASH AUTOMOTIVE GROUP LTD | 5500 SQFT | 01-Nov-22 | 31-Oct-27 | 5 Year | 01-Oct-22 | \$11,000.00 | \$550.00 | \$11,550.00 | \$138,600.00 |
| 2114 | CALGARY AUTO TECHNICIAN LTD | CALGARY AUTO TECHNICIAN LTD | 2000 SQFT | 01-Jun-22 | 31-May-27 | 5 Year | 01-Jun-22 | \$3,500.00 | \$175.00 | \$3,675.00 | \$44,100.00 |
| 2118, 2126 | ZEALOUS GRANITE & TILE LTD | ZEALOUS GRANITE & TILE LTD | 4400 SQFT | 01-Jan-16 | 31-Dec-26 | 10 Year | 01-Jan-16 | \$7,100.00 | \$355.00 | \$7,455.00 | \$89,460.00 |
| 2122 | BANGALA BAZAR | CANADA BANGLADESH LTD | 2200 SQFT | 1ST, MARCH, 2019 | 28, FEB, 2029 | 10 Year | 1ST, MARCH, 2019 | \$3,810.00 | \$190.00 | \$4,000.00 | \$48,000.00 |
| 3115 | VACANT | | | | | | | | | | |
| 3119 | VACANT | | | | | | | | | | |
| | | | | | | | TOTAL | \$43,410.00 | \$2,170.00 | \$45,580.00 | \$546,960.00 |

This is Exhibit " D " referred to in the affidavit of CHEUDRY QADDER AKRAM
Sworn before me this 18 day of DECEMBER, 2023
[Signature]
Reliance Legal Group LLP

Taylor L. Johnson
Barrister & Solicitor

11:45

Phone



82



SUFYAN

Thu, Oct 12 at 10:00 PM

I am requesting you everyday to pay the rent for October 2023 to RBC bank and send me the receipt.

However despite it being the 12th of October already you have still not paid. You were supposed to pay by the 1st.

If you fail to send me the proof of payment, I would have to take legal action against you as you leave no other choice for me.

Regards

Choudhary Qadeer Akram

BRM Canada Group

OK no problem 😊

Mon, Nov 20 at 2:47 PM

Notice for Termination of Lease



Text Message



| | |
|-----------------------------------|-----------|
| This is Exhibit " E " referred to | |
| in the affidavit of | |
| CHODHRY QADEER AKRAM | |
| Sworn before me this | 18 day of |
| December, 2023 | |
| Reliance Legal Group LLP | |

Taylor L. Johnson
Barrister & Solicitor

11:45

Phone



82



SUFYAN

Mon, Nov 20 at 2:47 PM

Notice for Termination of Lease

Please note We sent you a text message on 12th October 2023 to pay the rent due to RBC bank and send me the receipt.

There were verbal requests made in person too, but you didn't make any compliance.

However, despite lapse of more than a month no compliance has been made.

You have not paid any rent for October and November 2023 thus far.

You are hereby given notice that if you don't pay the rent cheques to RBC or to BRM Canada Group Inc. within the next 24 hours, we will move forward with



Text Message



11:46

Phone



82



SUFYAN >

been made.

You have not paid any rent for October and November 2023 thus far.

You are hereby given notice that if you don't pay the rent cheques to RBC or to BRM Canada Group Inc. within the next 24 hours, we will move forward with termination of your lease. We will change the locks on our premises, and would have to lock you out of the business premises.

Please treat this as notice of termination of lease, which will only be stopped if you pay the due rent.

Thank you,
Choudhry Qadeer Akram
BRM Canada Group Inc.



Text Message

