

Analysis

Current Rental Income

The subject is currently owner occupied. However, a portion of the yard is leased by Roger's Communications for placement of a cellular tower. According to information provided to the writers, that lease generates \$450.00 per month or \$5,400 per year.

Market Rental Analysis – Main Improvements

There were no comparable properties within Morden for which current rental information was available. Accordingly, our search was expanded to other municipalities and to Winnipeg, itself.

An analysis of similar industrial buildings in the Morden and Winnipeg/Winnipeg Adjacent marketplaces was performed with the results as follows in the chart below:

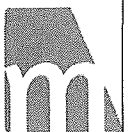
Index No.	Address	Address	Total Leased Area (s.f.) Plan Area	Asking/Achieved Net Rent	Building Age
Subject	418 South Railway	Morden	36,618 7,341 1,600 45,559		1952/2008 1971 1952
1	171 Cole	Winnipeg	8,601	\$6.85	1977/2016
2	Unit 13, 14-199 Omands Creek	Winnipeg	5,247	\$5.75	1979
3	850 Empress	Winnipeg	20,936	\$10.00	1971
4	999 Redonda	RM. Of Springfield	26,136	\$7.50	2007
5	2926 Saskatchewan	Portage la Prairie	28,300	\$5.95	1976/1979/2002
6	59 Limestone	Brandon	34,677	\$5.50	2012

COMPARABLE ANALYSIS

Comparable net rental rates range from a low of \$5.50 to a high of \$10.00 per square foot.

Indices 1 through 3, inclusive, and Index 5 are older light industrial properties originally built in the 1970s and refurbished thereafter. Index 4 and 6 were constructed in the 2000s. All of them but Index 3 are single storey properties.

The subject's main shop/industrial space has a ceiling height of approximately 20 feet to the trusses. This is similar to Indices 1 through 3, inclusive, and Index 5 but inferior to the newer properties.



Like the other indices, the subject is in an industrial area. Indices 1 through 3, inclusive, are located in Winnipeg. Indices 4 is located in the Springfield industrial area immediately adjacent to Winnipeg. The subject would be considered to have an inferior location to all of the Winnipeg and adjacent comparables and the Brandon comparable. The subject would be considered to have a similar location to Index 5.

Smaller spaces normally tend to rent for higher prices per square foot, than do larger ones, all other things being equal.

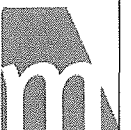
Properties with newer construction tend to rent for higher rates per square foot than do older properties, all other things being equal.

Buildings with higher ceiling height clear span rent for higher rates than do buildings with lower ceilings, all other things being equal.

Overall, the subject is most similar to Index 5 but would require a downward adjustment for size although the City of Portage la Prairie is considered to possess a similar type of industrial market to Morden. The subject is most similar in size to Index 6 but is significantly inferior in respect of construction and condition.

Based on our review and analysis, after all adjustments the subject space should rent for \$4.50 net per square foot.

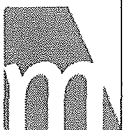
Gross Potential Income Buildings =	\$216,405 net per annum
Rental Income from Tower site =	<u>\$ 5,400 per annum</u>
Total Gross Potential Income	\$221,805 per annum



VACANCY ALLOWANCE

INDUSTRIAL VACANCY RATE SUMMARY – TOTAL INVENTORY										
DISTRICT	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
CENTRAL	1.8	1.5	1.0	1.5	1.4	1.1	2.0	1.6	1.6	3.2
EAST KILD	0.1	2.3	2.2	1.2	0.2	0.0	0.1	0	0.6	0.7
ELMWOOD	0.8	0.2	1.7	2.0	0	0	1.0	0.7	2.6	4.9
EXCHANGE	2.7	0	0	0	0	0	0	0	0	0
FT GARRY	0.8	1.9	.8	3.5	2.8	2.2	2.1	1.4	1.0	1.2
INKSTER	5.8	5.2	2.4	3.6	3.1	4.5	6.0	6.9	5.9	2.6
MURRAY PK	0.9	0.3	0	0.2	0	0.4	2.1	0	0	0.8
ST BONIFACE	0.6	2.3	1.5	0.6	0.4	1.0	1.1	1.9	2.0	3.3
ST JAMES	4.8	3.2	2.9	4.4	2.9	2.9	2.4	5.1	4.9	4.6
TRANSCONA	8.3	5.0	7.1	5.6	5.3	5.3	7.2	6.9	7.7	8.5
WEST END	2.8	0.8	1.0	0.8	1.3	2.6	3.1	1.5	1.5	0.6
OVERALL	3.1	2.5	2.0	2.7	2.1	2.3	2.7	3.2	3.1	3.1

There are no formal vacancy studies for the City of Morden. However, commercial vacancy space studies within the City of Winnipeg have been conducted by CMHC Rental Market Report, Collins, The Johnson Report, Avison Young, etc. According to the Johnson Report, the 2016 year end vacancy rate for investment industrial buildings in Winnipeg was 3.1%. Smaller centres and rural locations tend to have higher vacancy rates that are 2-4% higher than similar Winnipeg properties. The subject's large size would also be expected to place upward pressure on the vacancy rate. Given the subject's location condition and size, for the purpose of this report, a vacancy rate of 7.5% is believed appropriate and will be used in this report. The vacancy will be applied only to the buildings. The cellular rental income stream is independent of the main buildings being occupied



EXPENSES

When utilizing an absolute net basis of income, all property taxes, common area maintenance costs and management fees are charged directly back to the tenant and therefore they are not a direct cost to be incurred by the landlord. The owners would still be responsible for non-recoverable and structural expenses related to the replacement of short lived building components such as the roof membrane, structural repairs, windows, major mechanical replacements, etc. In general, allowances for structural repair are calculated to be between \$0.15 and \$0.25 per square foot (annually) applied to the gross floor area of the building, with most reserves allocated for roofing repair and renewal. Given the subject's age, construction and use, an average structural allowance of \$0.25 per square foot is believed to be reasonable for the subject properties, calculated based on all the improvements, including the polydome quonset. Recall that, including the polydome, the subject area is 48,559 square feet. Applying the \$0.25/square foot rate to the combined total area results in the following:

$$\text{Structural Allowance} = \$0.25/\text{Sq. Ft} \times 48,559 \text{ Sq. Ft.} = \$12,140 \text{ (rounded)}$$

Management fees usually range between three and five per cent of the effective gross income with lower rates for larger properties. More recently, Management fees have been either incorporated into lease rates or charged back as additional rent. For this report, no additional management fee expense will be applied

$$\text{Management Fees} = \text{included in additional rent}$$

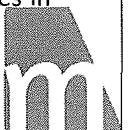
The owner would also be responsible for operating costs during vacancy. Landlords are responsible for utilities and the proportionate share of expenses relating to periods of vacancy or collection difficulties, and this must be accounted for in the Income Approach as well. Utility costs during periods of vacancy would be expected, although at reduced consumption, but other costs (e.g. security, insurance, etc.) would be incurred. Based on information in our files, a carrying expense of \$3.00 per square foot is believed appropriate. This expense is applied only to the main buildings.

$$\begin{aligned} \text{Carrying Expense} &= \$3.00/\text{Sq. Ft} \times 45,559 \text{ Sq. Ft} \times 7.5 \% \text{ vacancy} \\ &= \$10,251 \text{ (rounded)} \end{aligned}$$

CAPITALIZATION RATE

To convert the net operating income indicated from the subject property into a value, the net operating income is divided by a capitalization rate. Capitalization rates are obtained from the market by investigating sales and net operating incomes that are derived from investment properties. Information is from sources deemed reliable.

Capitalization or "Cap" rates have been declining in Manitoba for the past few years. In 2015, while downtown and suburban office cap rates were generally flat across the country, there were decreases in



Winnipeg, specifically and Manitoba, generally. Cap rates for all five segments of the office and retail sector were flat across Canada, ranging from a low of five per cent in the regional category up to 6.25 per cent for open-air centres not anchored by food or drug stores. According to Colliers, Industrial cap rates were stable nationally through 2016, resting between 5.25 and 5.75 per cent for Class-A buildings and 5.5 and 6.25 per cent for Class-B. These rates held constant through the first quarter of 2017, the most recent period for which information is available.

Typically, rural rates are 1-3% higher than Winnipeg rates for similar properties.

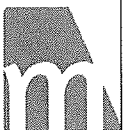
Taking into consideration the subject's age, location and condition, an estimated market capitalization rate of 9.0% is considered appropriate and will be applied.

SUMMARY OF INCOME APPROACH TO VALUE

Potential Gross Income			
	Area	Rate	
Rental Income			
Buildings	45,559	\$4.75	\$216,405
Poymdome Quonset	3,000	\$0.00	\$0
Cell tower			\$5,400
	48,559		\$221,805
Less: Vacancy		7.50%	\$16,230
Effective Gross Income			\$205,575
Less: Expenses			
Structural		\$0.25	\$12,140
Carrying		\$3.00	\$10,251
			\$22,391
Net Operating Income			\$183,184
Capitalized Value		9.00%	\$2,035,378
Rounded To:			\$2,035,000

Therefore, the estimated value of the income stream generated by the land and buildings as of the effective date by the Income Approach is:

<p>\$2,035,000 (TWO MILLION THIRTY-FIVE THOUSAND DOLLARS)</p>
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VALUE ESTIMATE: DIRECT SALES COMPARISON APPROACH:

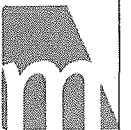
The Market Direct Comparison Approach, in one form or another, entails the adjustment of sales or other sales data of usually dissimilar but comparable properties towards a reasonable degree of identity with the subject property. It is the most common approach to value and may be applied to estimate value by comparison. This method is based on the proposition that an informed purchaser would pay no more for a property than the cost to them of acquiring an existing property with the same utility. This approach is applicable when an active market provides sufficient quantities or reliable data, which can be verified.

Market data is good evidence of value because it represents the reactions of typical buyers. The Direct Comparison Approach is justified on the principle of substitution, which affirms that a prudent purchaser will not pay more for a property than the price of an equally desirable substitute property available under similar conditions.

Comparable sold properties utilized in this report have been listed, and variances from the subject property compensated for by means of dollar amounts in order to reduce them to a common denominator. Adjustments of the comparable properties was based on location, use, physical condition, zoning, date of sale, non-realty components of value, real property rights conveyed and other extraneous influences in relation to the subject property.

Value is directly related to highest and best use. The relationship between highest and best use and land use may indicate whether an existing use is the highest and best use of the land. To apply this method, sales and other data for similar properties are analyzed, compared, and adjusted to provide a value indication for the land being appraised. In the comparison process, the similarity or dissimilarity of the properties is considered and adjustments are made.

Sales data information was obtained from the Winnipeg Land Titles Office. Recent arms-length sales of comparables were used in the sales analysis. These sales were considered to be the closest and most similar to the subject. The financing arrangements of the comparable sales are unknown therefore no comments or adjustments will be made for that reason within this report.



COMPARABLE SALES

Analysis

No value per square foot will be specifically attributable to the fabric covered quonset in the application of the Direct Comparison Approach in this appraisal. Instead, the quonset space supports a higher selling value for the main building.

For purposes of estimating the value of the subject property by the Direct Comparison Approach, sales of industrial buildings in the Morden and broader Manitoba marketplaces were researched, with the results presented in the following table:

#	Address	Location	Sale Date	Sale Price	Site Area Acres	Bldg Area	S.P./Sq. Ft.	Age
1	164005 Road 119N	RM of Russell- Binscarth	May -2015	\$1,705,000	6.42	27,967	\$61	1972 2007 2011
2	346 Kimberly	Winkler	Aug-2016	\$1,100,000	4.01	12,800	\$174	1980
3	680 Roblin E	Winkler	Jan-2017	\$2,500,000	7.54	33,000	\$76	2011
4	175&139 George	Winkler	Mar-2017	\$1,300,000	6.50	32,390	\$40	2004
5	205 Wilcocks	Morden	Mar-2015	\$675,000	1.70	16,264	\$42	1993/1998
6	300 Route 100	Morden	Nov-2015	\$1,600,000	1.30	26,280	\$61	1982/2003
7	2926 Saskatchewan	Brandon	Current Listing	\$2,200,000	15.67	28,300	\$78	1976 1979 2002
						36,618		
						7,341		1952/2008
						1,600		1971
	Subject 418 South Railway	Morden			8.60	45,559		1952

The Manitoba market has shown an average increase of approximately 0.5% per month from 2012. The table below shows the unit values of the comparable sales as of the date of sale and adjusted for time.



#	Address	Sale Date	Time Adj	Original Sale Price	Time Adj Sale Price	Site Area Acres	Bldg Area	Time Adj. S.P./Sq. Ft.
1	164005 Road 119N	May -2015	13%	\$1,705,000	\$1,918,125	6.42	27,967	\$69
2	346 Kimberly	Aug-2016	5%	\$1,100,000	\$1,149,500	4.01	12,800	\$174
3	680 Roblin E	Jan-2017	3%	\$2,500,000	\$2,575,000	7.54	33,000	\$78
4	175&139 George	Mar-2017	2%	\$1,300,000	\$1,326,000	6.50	32,390	\$41
5	205 Wilcocks	Mar-2015	14%	\$675,000	\$769,500	1.70	16,264	\$47
6	300 Route 100	Nov-2015	10%	\$1,600,000	\$1,752,000	1.30	26,280	\$67
7	2926 Saskatchewan	Current Listing	0%	\$2,200,000	\$2,200,000	15.67	28,300	\$78
							36,618	
							7,341	
							<u>1,600</u>	
Subject 418 South Railway						8.60	45,559	

The time adjusted selling prices of the above comparables ranged from \$41 to \$174 per square foot.

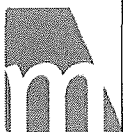
COMPARABLE ANALYSIS

All the comparables were industrial properties in terms of the building construction with varying levels of interior finish according to their use.

The subject would be considered to have an inferior location compared to the Brandon listing in terms of exposure and so would require a downward adjustment. It would be considered superior to Sale 1 in the RM of Russell-Binscarth and so would require an upward adjustment. The subject's location would be similar to the Morden and Winkler sales, and so no adjustment for location was required in those instances.

Buildings with newer construction (or refurbishment) dates are considered superior to older buildings, all other things being equal. Adjustments were made as required for the comparables.

Sale 3 is considered a heavy steel warehouse which is of superior construction to the subject and so a downward adjustment would need to be made.



Buildings with higher percentages of finished space are considered superior to buildings with smaller proportion of finished space, all things being equal. Similarly, the level of finish also impacts value. The subject would be considered to have a similar proportion of finished space to all the comparables.

Coverage represents the proportion of the site occupied by improvements. A lower ration is considered superior, all other things being equal, as it suggests that a property has a larger proportion of land available for parking or for expansion of existing improvements. Adjustments were made in all cases.

Related to coverage is site area. Adjustments for size were made to each of the properties. In cases of buildings with large site areas, the value of the land tends to place upward pressure on the selling price per square foot of the improvement. Sale No. 2's large site area would tend to place upward pressure on its selling price. A downward adjustment was required.

All the properties except Sale No. 5 and 7 were single storey improvements. As multi-story improvements without an elevator, an upward adjustment would be required to reflect the limited demand for walk-up industrial space.

Sale 1 and 7 included multiple buildings on the same site like the subject. Each were agricultural equipment dealerships with a small showroom/office area, a large shop area and storage warehouses.

It is noted that Sale 7 is, in fact, a current listing and not a completed sale. The final sale price may differ greatly from the list price. In fact, it is known that this property has reduced its asking price after being on the market for more than 6 months.

CONCLUSIONS

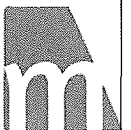
The subject is most similar to Sales No. 1, No. 3, No. 4, No.6 and No. 7 in size, site area, use, condition and percentage of finished space. These sales suggest a range of time adjusted selling prices of \$41 per square foot to \$78 per square foot.

Overall, the subject is most similar to Sale No. 4 (which also the most recent sale of the range) and would be expected to fall closer to that sale with respect to the unit value of the subject's main buildings. The upward adjustment required due to the subject's larger site area would be somewhat offset by the downward adjustment for building size.

After all adjustments were made for size, location and, in particular construction/refurbishment date and condition, the subject is expected to achieve a value above the time adjusted value for sale 4 but below the midpoint for the range. A value of \$45 per square foot is believed appropriate and will be applied to the plan area of the main buildings. As the subject's main buildings have a combined area of 45,559 square feet, the value of the subject property, as calculated using the Direct Comparison Approach, is as follows:

$$\$45/\text{square foot} \times 45,559 \text{ square feet} = \$2,050,155 \text{ land and buildings}$$

No value per square foot will be specifically attributable to the fabric covered quonset space in the application of the Direct Comparison Approach in this appraisal. Instead, the warehouse space supports a higher selling value for the main building.



However, the capitalized value of the income stream from the cellular tower must be added to this land and building value to reach the final market value.

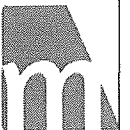
As noted earlier, the cellular tower generated \$5,400 per year in net revenue and the appropriate capitalization rate for the subject is 9.25%. Therefore, the capitalized value of the income stream from the cellular tower is \$58,378.

Therefore, the final market value for the subject is:

\$2,050,155 land and buildings + \$58,378 capitalized value of income from cellular tower
=\$2,108,533 **Rounded to \$2,110,000**

Estimated Fair Market Value by the Direct Comparison Approach for the subject property as the date of this appraisal report is:

\$2,110,000
(TWO MILLION ONE HUNDRED TEN THOUSAND DOLLARS)



RECONCILIATION AND FINAL ESTIMATE OF VALUE

The three approaches to value produced the following results:

Cost Approach	Not Applicable
Income Approach	\$2,035,000
Direct Comparison Approach	\$2,110,000

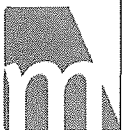
The Income Approach is usually considered the most accurate determinant of Market Value and the best in the valuation of property whose existence is measured solely by its ability to produce income. This approach reflects current market rentals, expenses and capitalization rates and is a strong indication of economic forces at work in the market place.

The Direct Comparison Approach tends to indicate the actions of willing buyers and sellers in the market place, and usually reflects current market conditions. This method is based on the principle of substitution and assumes that a prudent purchaser will not pay more for a property than it would cost to buy an equally desirable substitute providing a sufficient number of comparisons can be found. The Direct Comparison Approach is normally an excellent test of value, although in some cases it is not possible to make accurate adjustments to eliminate dissimilarities between the comparable properties and the subject properties based on the information available.

Both the income and Direct Comparison methods are considered to be reliable and the final market value for the subject would be expected to fall within the range as suggested by the two approaches.

Based on the facts herein, together with other data discussed throughout this report, it is the writer's opinion that the Market Value of Subject Property, located at **418 South Railway Street, Morden, Manitoba**, as at **June 12, 2017** is:

\$2,100,000
(TWO MILLION ONE HUNDRED THOUSAND DOLLARS)



CONTINGENT AND LIMITING CONDITIONS:

The certification that appears in this appraisal report is subject to the following conditions:

1. Because market conditions, including economic, social and political factors change rapidly and, on occasion, without warning, the market value estimate expressed as of date of this appraisal cannot be relied upon as of any other date except with further advice from the appraiser confirmed in writing.
2. No responsibility is assumed for matters of a legal nature that affect either the property or the title to it. It has been assumed that the title is good and marketable and, therefore, no opinion is rendered about the title. The subject property must comply with government regulations, including zoning, building code and health regulations and, if it doesn't comply, its non-compliance may affect market value. To be certain of compliance, further investigation may be necessary. The property is appraised on the basis of it being under responsible ownership.
3. No survey of the properties has been made. Any sketch in the appraisal report shows approximate dimensions and is included only to assist the reader of the report in visualizing the properties.
4. This report is completed on the basis that testimony or appearance in court is not required as a result of this appraisal 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 appraisal report and data related thereto and the provision of appropriate compensation.
5. Unless otherwise stated in the appraisal report, there are no known unapparent or hidden conditions of the properties [including but not limited to its soils, physical structure, mechanical and other operating systems, its foundation etc.] or adverse environmental conditions [on it or a neighbouring property, including the presence of hazardous wastes, toxic substances etc.] that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in completing the appraisal. Responsibility is not accepted for any such unapparent or hidden conditions that do exist, or for any research, testing or engineering that might be required to discover whether such conditions exist.
6. Information, estimates, and opinions that have been expressed in the appraisal report are obtained from sources considered to be reliable and they are believed to be true and correct. No responsibility is assumed for the accuracy.
7. 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.



8. The contents of this report are considered confidential and will not be disclosed by the author to any party except as provided for in the Canadian Uniform Standards of Professional Practice of the Appraisal Institute of Canada and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body.

9. Written consent from the author must be obtained before all [or any part] of the content of the appraisal report can be used for any purpose by anyone except the client specified in the report and, where the client is the mortgagee, its insurer and the borrower, if he/she paid the appraisal fee. The author's written consent and approval must also be obtained before the appraisal [or any part of it] can be conveyed by anyone to any other parties, including mortgagees other than the client and the public through prospectus, offering memo, advertising, public relations, news, sales or other media.

10. The extraordinary assumptions that are outlined refer to the hypotheses, which if not true or achieved, could alter the fair value conclusions reached

11. Extraordinary Assumptions of this report:

Extraordinary Limiting Conditions include the exclusion of a Standard Rule. The Cost Approach to Value will not be employed in this report. The Direct Comparison Approach to Value and the Income Approach to Value will be investigated to estimate a fair market value. The data reported under these approaches to value will be reconciled to a final estimate of a fair market value.



APPRAISER'S CERTIFICATION

We certify to the best of our 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, impartial, and unbiased professional analyses, opinions, and conclusions;
- We have no present or prospective interest in the property that is the subject of this report.
- We have no bias with respect to the properties that is the subject of this report or to the parties involved with this assignment;
- Our engagement in, and compensation for, this assignment were not contingent upon developing or reporting predetermined results, the amount of the value estimate, or a conclusion favouring the client;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with "Canadian Uniform Standards";
- We have the knowledge and experience to complete the assignment competently;
- No one provided significant professional assistance to the persons signing this report;
- As at the date of this report the undersigned had fulfilled the requirements of the Appraisal Institute of Canada Mandatory Recertification Program;
- The undersigned personally inspected the subject property on June 12, 2017.

Based on the facts herein, together with other data discussed throughout this report, it is our opinion that the Market Value of Subject Property, located at **418 South Railway Street, Morden, Manitoba**, as at **June 12, 2017** is:


\$2,100,000
(TWO MILLION ONE HUNDRED THOUSAND DOLLARS)

APPRAISERS

Signature:

McMullan & Associates

per:


Paul J. McMullan, MBA LLB
Candidate Appraiser

Date of the Estimate:

June 12, 2017

Date Signed:

July 5, 2017

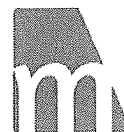

Bernie F. McMullan, AACI (Fellow), P. App.



QUALIFICATIONS OF THE CONSULTANTS

Paul J. McMullan **MBA, LLB.**

- Is a member in good standing of the Appraisal Institute of Canada and is a Candidate Member of the Appraisal Institute of Canada working towards accreditation.
- Graduated from the University of Manitoba in 1992 with a Bachelor of Commerce (Honours) and from the same institution in 1995 with a Bachelor of Laws (LLB). Mr. McMullan graduated from Queen's University (Kingston, ON) in 2005 with a Master's in Business Administration and in 2010 received a Master's Certificate in Project Management from the University of Winnipeg.
- Has been providing technical assistance to accredited appraisers since 1988 and has been apprenticing under the tutelage of Mr. Bernie McMullan AACI (Fellow), P. App., C. Arb., SR/WA, FRI, C.I.M., A.A.M and Mr. Dennis T. Browaty AACI, P.App
- Is a Partner in the firm of McMullan Associates since 2002, where he consults on matters of strategic planning, market analysis and business development. Clients have included various federal government departments, such as Industry Canada and Western Economic Diversification, business start-ups, and not-for profit organizations.
- Co-authored a 2013 report commissioned by the Clean Environment Commission (Manitoba) outlining the impact of the presence of hydroelectric transmission lines on agricultural property values
- Has practiced as an Arbitrator since 1996 and is a member in good standing of the ADR Institute of Canada. Mr. McMullan was the founding President of the ADR Institute of Manitoba, Inc. and a National Director of the ADR Institute of Canada in 2013-2014.
- Established the law firm of Sullivan McMullan Barristers and Solicitors and was and Managing Partner from 1996 until 2002. He has appeared as counsel before various levels of Court including Queen's Bench, the Manitoba Court of Appeal, and Federal Court of Canada and before multiple administrative tribunals.



Bernard F. McMullan,

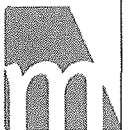
AACI (Fellow), P. App., A.A.M., SR/WA, F.R.I., C.I.M., C. Arb. (Fellow)

EDUCATION:

- AACI, Appraisal Institute of Canada
- A.A.M., Association of Assessing Officers of Manitoba
- SR/WA, International Right-of-Way Association
- Certificate in Management (3years), University of Manitoba (Winnipeg)
- Arbitrator's Institute Correspondence Course, University of Toronto
- Certificate in Arbitration, Arbitration and Mediation Institute of Manitoba
- Chartered Arbitrator, Arbitration and Mediation Institute of Canada

OTHER COURSES IN ADDITION TO THE ABOVE NOTED DESIGNATIONS

- Boeckh Valuation and Cost Seminar
- Building Cost Estimating Seminar for:
(1) Residential and Agricultural Structures
(2) Commercial, Industrial, and Institutional Structures
- Accounting, Queen's University (correspondence)
- Soil Analysis, University of Manitoba
- IRWA 100 - Principles of Land Acquisition
- IRWA 212 - Creatively Solving Problems in Groups
- IRWA 222 – Negotiating for Rights on Aboriginal/First Nation Lands
- IRWA 400 - Principles of Real Estate appraisal
- IRWA 401 - The Appraisal of partial Acquisitions
- IRWA 402 - Introduction to the Income Capitalization Approach
- IRWA 403 - Easement Valuation
- IRWA 406 - Uniform Standards of Professional Appraisal Practice
- IRWA 407 - Valuation of Contaminated Properties
- IRWA 408 - C Valuation of Native Lands in Canada



- IRWA 600 - Environmental Awareness
- IRWA 603 - Understanding Environmental Contamination in Real Estate
- IRWA 801 - Land Titles
- IRWA 803C - Expropriation Law Basics for the Right of Way Professional
- IRWA 900 - Principle of Engineering
- American Society of Farm Managers and Rural Appraisers, Course A20, A specialized course which expands appraisal knowledge on contemporary issues of rural appraisals, expands on practical applications of the three approaches to value, addresses the calculation of discounts for favourable financing, and examines current issues in developing market derived adjustments to value.
- Appraisal Institute of Canada Mandatory Re-certification Program – A minimum of 60 Hours in continuing education courses must be completed every five years in order to maintain the AACI designation. Typically, I have completed over 100 hours each term.

PROFESSIONAL MEMBERSHIPS:

Accredited Assessor Manitoba (A.A.M)

Have held positions as President (1973), Director, Chairman of Examining Committee, Member of Accreditation Board, and Review Grader for assessor demonstration reports and Recertification Program Committee Presently chairperson of the AAM Professional Conduct Committee and member of the Education Committee

Accredited Appraiser of the Appraisal Institute of Canada (AACI- Fellow)

Winnipeg Chapter:

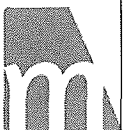
Have held positions as Director and Chairman of the Chapter and as Education and Admission Chairman a past lecturer for the Appraisal courses 1101, 1102, 1106, 2001, and 2002.

Manitoba Association

Have held positions as Director, President, and Past-President and as Education Chairman 1994/2000 a past lecturer and course reviewer for the Appraisal courses 1101, 1102, 1106, 2001, and 2002 Since September 2000 to 2003 was a member of the Education Committee and since January 1999 and 2003 was an Admissions Committee member. As AIC Liaison with the American Society of Farm Managers and Rural Appraisers, and as requested will be Team Teaching their courses on rural appraising in Canada.

National Governing Council:

Have held the national offices of: National President (1992/1993); Chairman of the Education Advisory Committee; member of the Examination/Faculty Certification



Committee; Co-coordinator of correspondence courses of Appraisal courses 101, 201, and 301; liaison member with University of Manitoba and McGill University Continuing Education; Review Grader for appraisal demonstration reports
I received my Fellowship in June 1993.

International Right-of-Way Association (SR/WA)

Chapter # 66 - Past-President and member of the Education Committee, IRWA National Appraisal Courses Reviewer, a Past member of the International Nominations, Elections and Special Awards Committee and Past Chairman of Region #10. Have held positions as Programs Committee Chairman, Membership Committee Chairman, Education Committee Chairman, Utilities Committee Chairman, Winnipeg/Manitoba Chapter (66) President in 1986, 1994, 1998, 1999 and 2000.

Fellow of the Real Estate Institute of Canada (F.R.I)

Arbitration and Mediation Institute of Manitoba:

Member since 1993. Past Membership Chairman, Past-President, and currently Education Chairman and the Manitoba National Director. Also Vice-Presidents and Chairman of the Membership Committee of the National Arbitration and Mediation Institute of Canada. Completed requirements and granted Arbitration Charter in 1999. I received my Fellowship in October 2007.

Completed over forty hours of mediation course work towards the requirements for the Mediation Charter.

Better Business Bureau (Winnipeg)

Adjudicator, 1988-present

Canadian Vehicle Arbitration Plan CANVAP (Manitoba)

Arbitrator, 1995 - present

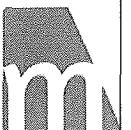
Immobilizer Quality Care Group (IQCG) Arbitration Plan Better Business Bureau Serving MB & N. W. ON - Arbitrator, 2009 - present

Manitoba Association of Cottage Owners.

President, 1999-2000

INDEPENDENT APPRAISAL AND RIGHT-OF-WAY EXPERIENCE

Fee appraisal experience for thirty (30) years for a variety of clients. Has provided expert witness testimony in court, and has appeared at the Provincial Land Value Appraisal Commission (LVAC) hearings.



Appraised fair market value and negotiated to secure rights-of-way for Electrical 230 and 500 Kv Transmission Lines on farms, rural and city residences, and northern Manitoba sites

Have completed, Commercial, Industrial, Residential, Agricultural, Treaty Land, and Recreational property appraisals, with assignments relating to a wide range of purposes, including mortgage lending, purchase and sale, fire insurance claims, costing analysis, foreclosure, expropriation, assessment appeal, relocation, V-day, bankruptcy, divorce and estate appraisals.

Extensive experience in valuation of northern Manitoba/ northwestern Ontario properties for Indian Bands considering the purchase of vacant land, fishing and hunting lodges, hotels, lumberyards, stores, rental agreements, etc. The primary clients were Indian Bands, Indian Affairs (Canada), Public Works (Canada), DREE (Canada) and Western Economic Diversification Program.

Review of appraisal/valuation reports (for properties in British Columbia and Manitoba) at the request of Thompson, Dorfman, Sweatman Barristers and Solicitors for use in the case Bank of Nova Scotia v Imperial Group (1990) (Man QB).

Developed a Policy and Guide Line on Compensation/Conservation Easement Agreements for Ducks Unlimited Canada and provided training re: same.

Assisted in the development of Manitoba Legislation for the benefit of both landlords and tenants of life lease complexes.

Served on one of the City of Winnipeg General Assessment advisory groups established to improve the assessment process and served on the City of Winnipeg General Residential Assessment Advisory Committee and Commercial Assessment Advisory Committee.

Prepared a market analysis/ feasibility study on the competitive impact of introducing a homeowner's maintenance/ improvement manual to the general market Special consideration was also given to the analysis of the strengths of existing Canadian competitors for the product.

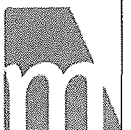
Assisted in the co-ordination of General Administration duties associated with Treaty Land Entitlement.

Worked (on a project basis)with band councils at Split Lake, Nelson House, Cross Lake, Norway House, South Indian Lake and other northern areas on matters of mutual concern or interest for Manitoba Hydro.

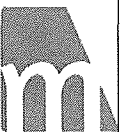
Appointment to the Appraisal Review Panel of the Environment Canada/Canadian Wildlife Service Ecological Gifts Program (EGP) 2000-2003.

Appointed as a Member of the Public Works and Government Services Payments-in-Lieu of Taxes Advisory Panel December 11, 2008 to present.

Appointed by the Minister of Natural Resources Canada as a Member of a Pipeline Arbitration Committee to resolve compensation disputes November 19, 2012 to present.



CERTIFICATE OF TITLE
(Following Page)



STATUS OF TITLE

Title Number **2329556/4**
Title Status **Accepted**
Client File **418 South Railway**

The Property Registry

A Service Provider for the Province of Manitoba



1. REGISTERED OWNERS, TENANCY AND LAND DESCRIPTION

5274398 MANITOBA LTD.

IS REGISTERED OWNER SUBJECT TO SUCH ENTRIES RECORDED HEREON
IN THE FOLLOWING DESCRIBED LAND:

LOT 1 BLOCK 4 PLAN 1924 MLTO
IN W 1/2 5-3-5 WPM

The land in this title is, unless the contrary is expressly declared, deemed to be subject to the reservations and restrictions set out in section 58 of *The Real Property Act*.

2. ACTIVE INSTRUMENTS

Instrument Type: **Caveat**
Registration Number: **1088419/4**
Instrument Status: **Accepted**

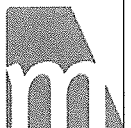
Registration Date: **2005-06-22**
From/By: **ROGERS WIRELESS INC.**
To: **WINSTON E. GASKIN, AS AGENT**

Amount:
Notes: **No notes**
Description: **TELECOM SITE LEASE DATED 2005/04/01-5 YRS. PLUS RENEWAL**

Instrument Type: **Mortgage**
Registration Number: **1129348/4**
Instrument Status: **Accepted**

Registration Date: **2008-10-10**
From/By: **5274398 MANITOBA LTD.**
To: **BUSINESS DEVELOPMENT BANK OF CANADA**

Amount: **\$450,000.00**
Notes: **No notes**
Description: **No description**



INSTRUMENTS THAT AFFECT THIS INSTRUMENT

<u>Registration Number</u>	<u>Instrument Type</u>	<u>Status</u>
1136548/4	Amending Agreement	Accepted
1178300/4	Amending Agreement	Accepted

Instrument Type: Personal Property Security Notice
Registration Number: 1129349/4
Instrument Status: Accepted

Registration Date: 2008-10-10
From/By: BUSINESS DEVELOPMENT BANK OF CANADA
To: MARIA C. REIMER, AS AGENT

Amount:
Notes: No notes
Description: PPSR REG. NO. 200618709700 EXPIRES 2033/10/15

Instrument Type: Amending Agreement
Registration Number: 1136548/4
Instrument Status: Accepted

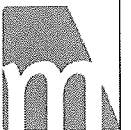
Registration Date: 2009-05-21
From/By: BUSINESS DEVELOPMENT BANK OF CANADA
To: 5274398 MANITOBA LTD.

Amount:
Notes: No notes
Description: No description

Instrument Type: Amending Agreement
Registration Number: 1178300/4
Instrument Status: Accepted

Registration Date: 2013-01-21
From/By: BUSINESS DEVELOPMENT BANK OF CANADA
To: 5274398 MANITOBA LTD.

Amount:
Notes: No notes
Description: No description



Instrument Type:	Certificate Of Judgment
Registration Number:	1225001/4
Instrument Status:	Accepted
Registration Date:	2017-06-08
From/By:	THE WORKERS COMPENSATION BOARD
Against:	5274398 MANITOBA LTD.
Amount:	\$51,150.77
Notes:	No notes
Description:	Q.B. FILE NO. CI17-01-08249

3. ADDRESSES FOR SERVICE

5274398 MANITOBA LTD.
 418 SOUTH RAILWAY STREET
 MORDEN MB
 R6M 2G2

4. TITLE NOTES

PLANNING APPLICATION NO. 4433-02-4525 MORDEN OFFICE
 OCTOBER 11TH, 2002 B. KLASSEN
 PLANNING APPLICATION FILE NO. 4433-02-4525 REJECTED AS PER
 LETTER DATED 2009/09/04 - W. KLASSEN

5. LAND TITLES DISTRICT

Morden

6. DUPLICATE TITLE INFORMATION

Duplicate not produced

7. FROM TITLE NUMBERS

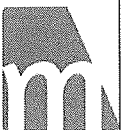
1958633/4 All

8. REAL PROPERTY APPLICATION / CROWN GRANT NUMBERS

No real property application or grant information

9. ORIGINATING INSTRUMENTS

Instrument Type:	Transfer Of Land
Registration Number:	1129347/4
Registration Date:	2008-10-10
From/By:	KATHERINE FRIESEN
To:	5274398 MANITOBA LTD.
Consideration:	\$450,000.00



PHOTOGRAPHS OF THE SUBJECT
(Following Page)

