



Source: SCAD, Property Information & Mapping System

THE ASSIGNMENT

Intended Use of the Appraisal

All Canadian Investment Corporation owns the subject properties and requires an estimate of market value to assist with first mortgage financing. One condition precedent to obtain first mortgage financing is an independent valuation by a professional appraiser. We have prepared this report in accordance with instructions obtained from Mr. Don Bergman, exclusively for All Canadian Investment Corporation.

Our analyses, opinions, and conclusions are subject to the assumptions, limiting conditions and disclosures provided herein.

We did not prepare this report in contemplation of any other use, for property assessment or court purposes, or for reliance by any other party. Absent our prior written agreement, which we may withhold, we reserve the right to refuse any other assignment involving this report, and expressly deny responsibility to third parties for any use.

Purpose of the Appraisal

The purpose of this report is to provide our estimate of the current market value of the fee simple interest in the subject property, as at the effective date of this report. An accepted Canadian definition of market value is:

the most probable price which a property should bring in a competitive and open market as of the specified date under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition are the consummation of a sale as of the 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.¹

¹ Canadian Uniform Standards of Professional Appraisal Practice: Appraisal Institute of Canada, 2014, Ottawa, Ont.), 14.15.3

The fee simple estate is defined as "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat."² This is the most comprehensive form of ownership. It gives a "bundle of rights" that allows the owner the right to use the property, to sell it, to lease it, to enter it, or to give it away. It also includes the right to refuse to take any of these actions. A fee simple interest excludes existing financing and leases.

All property rights are subject to land use regulation, "legal restrictions (e.g., a zoning ordinance) that control the use to which land may be put; may include controls established by restrictive covenants or contained in redevelopment or urban renewal plans approved by local governing bodies."³

Scope of Assignment

The scope of this assignment included:

- an inspection of the property on October 13, 2017, at which time the photographs herein were taken;
- a review of land use control information obtained from the Sunshine Coast Regional District;
- a review of the reliance documents described below;
- investigation of relevant market activity, with sources including the local real estate board, Land Titles office, transactions (including those reported by B.C. Assessment), real estate agents, vendors and purchasers active in the market, and our corporate real estate database; and,
- completion of market analyses and valuation as described later herein.

Reliance Documents

Documents relied on for our analysis include:

- title search prints obtained from B.C. Online dated September 16, 2015 and reproduced herein; and
- registered plan BCP15562.

² Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 5th ed. (Chicago: Appraisal Institute), 2010; *fee simple*.
³ *Ibid.* *land use regulation*

Technical Investigations

We did not complete technical investigations such as:

- inspections or an engineering review of the structure, roof or mechanical systems;
- a technical review of the utility servicing;
- a site survey;
- a building survey;
- investigations into the bearing, percolation or other qualities of the soils;
- an environmental review;
- an archaeological survey;
- a hydrological study;
- a tree inventory; or
- research into the presence of sensitive species or protected habitat such as raptor nesting sites.

Type of Analysis

This narrative appraisal report complies with the Canadian Uniform Standards of Professional Practice of the Appraisal Institute of Canada. We have competence in this type of appraisal analysis and have valued this class of real property before.

Verification of Third Party Information

The analysis set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. Unless otherwise stated herein, we did not verify client-supplied information, which we assumed to be correct. Any party wishing to rely on this report should confirm the source of any important information herein as well as the assumptions that underlie any significant conclusion.

Hypothetical Assumptions and Extraordinary Limiting Conditions

We have not inspected the property since September 4, 2015. Our valuation assumes that the current state and condition of the land and improvements as at the effective date of this appraisal is essentially the same as when viewed on the date of inspection.

PROPERTY INFORMATION

Civic Address

Lot 6 has a municipal address of 4174 Packalen Boulevard, Garden Bay, British Columbia. Lots 4 and 5 do not have municipal addresses.

Legal Description

Lots 4, 5 & 6, each with an undivided 3/12 share in Lot 7, District Lot 3923, Group 1, New Westminster District, Plan BCP15562

Parcel Identifier

026-192-993
026-193-001
026-193-019

Title Information and Encumbrances

Included in the addenda is a title status print dated September 16, 2015 for each of the three subject lots. All Canadian Investment Corporation is the registered owner. For the purpose of this assignment, the current title is assumed to be the same as at September 16, 2015.

All three parcels have easements registered over their respective undivided shares of Lot 7, Plan BCP15562. This easement provides access to Lots 1 to 6 of the subject subdivision. All three lots are also encumbered by a statutory building scheme. Several covenants are registered against the properties, though no further investigation has been undertaken.

Subject to the limitations of this assignment and based on our interviews, client-supplied information and our review of the title search print, we believe that title encumbrances do not materially affect the value of the property except as discussed specifically herein. However, we did not obtain a legal opinion of the state of title or any of the encumbrances, we lack qualifications in this area and we have not read the documents registered against title. Our appraisal therefore assumes that title is good and marketable and that encumbrances do not affect the value of the appraised interest.

ASSESSMENTS AND TAXES

Actual 2017 value assessments and taxes for the subject property as provided by BC Assessment are as follows:

Lot	Roll No.	Land Assessed Value	Building Assessed Value	Total Assessed Value	Gross Taxes
4	06165315	\$728,000	\$0	\$728,000	\$3,030
5	06165320	\$673,000	\$0	\$673,000	\$2,829
6	06165325	\$985,000	\$157,000	\$1,142,000	\$4,684
Total		\$2,386,000	\$157,000	\$2,543,000	\$10,543

Assessed value reflects the opinion of BC Assessment of the market value of the property as at July 1st of the previous year based on the physical condition of the property as of October 31st of the previous year.

Assessors disregard encumbrances such as leases and financing, and can base their assessments on mass appraisal techniques such as multiple regression analysis and on dated inspection information. Consequently, actual values can be a less precise estimate of market value than provided by a full appraisal.

HISTORY AND USE

Sales History

Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada require investigation and consideration of transactions of the subject property occurring near the effective date of the appraisal. When a recent arm's length market transaction has occurred compelling evidence of value arises, often requiring only an adjustment for market conditions.

Title documents show that the three subject parcels were last transferred in August 2015 with declared values that are equal to the BC Assessment's estimates of value for 2015, a total of \$2,535,000. BC Assessment records classify these transfers as "not suited for sales analysis."

More recently, the property was listed in August 2016 for \$3,900,000. The listing expired on February 28, 2017.

The property was previously listed in August 2009 for \$3,950,000. The listing expired in March 2010.

We are unaware of any other marketing activity or of any offering of or for the property. Land Titles Office records, a primary source of data on real estate sales, do not include transfers of property accomplished by the sale of shares by an owner holding title to the property. Since no public database records transactions of shares for privately held companies, we cannot investigate sales of this nature.

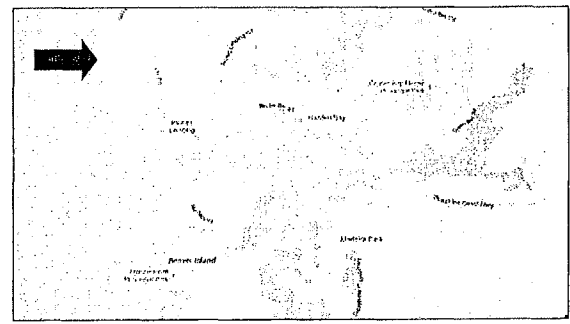
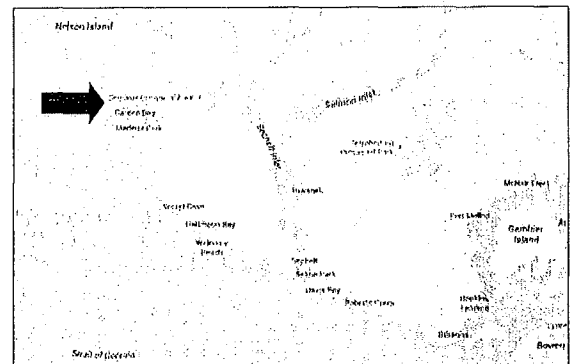
Present and Historic Use

As at the date of inspection, one of the properties was improved with a single-family dwelling with an attached garage/shop. The property was reportedly used for fish farming in the 1960s. We are unaware of any other previous use.

THE SITE

Location

The subject properties are located at the west end of Packalen Boulevard in the Garden Bay area of Pender Harbour, within the Sunshine Coast Regional District, British Columbia.

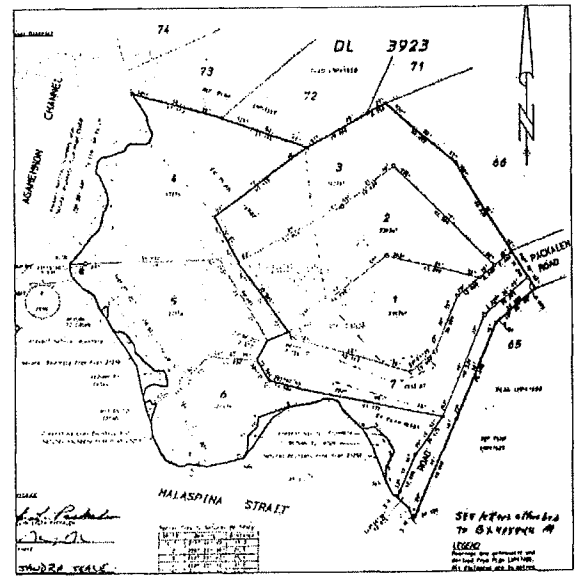




Shape and Size

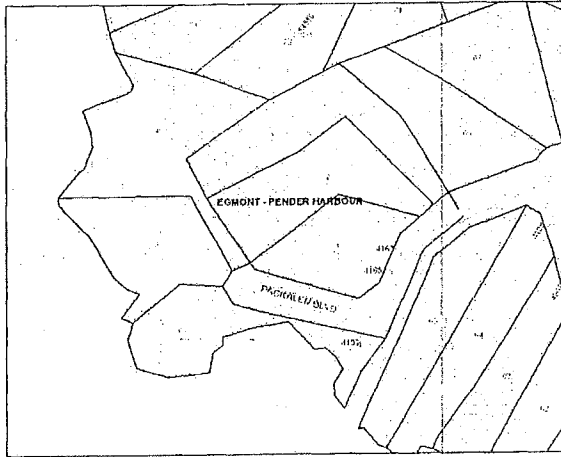
The three subject parcels are contiguous and Irregular in shape, with site areas and frontages that are summarized as follows:

Lot	Size (Acres)	Size (SF)	Frontage (Ft)
Lot 4	1.084	47,232	320
Lot 5	0.745	32,453	281
Lot 6	0.703	30,602	575
Total	2.532	110,287	1,176



Topography

The subject has two very steep and completely unusable areas: one on the northeast corner of Lot 4, and the other on the eastern end of Lot 6. The remainder of the site is unusually level for a waterfront site in this area, and will allow for single-family residential use with little, if any, blasting or site preparation required. The topography provides for direct access to the water from all three lots.



View Characteristics

The subject's waterfront location on a point provides for over 180 degrees of uninterrupted ocean views.

Soil Conditions

We have not been provided with a soil survey for the subject site, and we have not commissioned one. For the objective of this report, we have assumed that the bearing, percolation and other characteristics of the land are adequate to permit development under the present land use controls, without undue and costly site preparation or engineering.

We did not observe any contaminants or hazardous materials at the property and do not have the knowledge or qualifications to detect the existence of such materials on or in the property. Our value estimate assumes that there are no contaminants or hazardous materials on, in, or near the property that would cause a loss in value. We recommend retaining an expert in these matters if doubt exists regarding the quality of the soils or groundwater.

Access

Vehicle and pedestrian access to the three lots is provided via an easement over Lot 7 of the subject subdivision. Lot 7 serves as a private road dedication that is jointly shared by the other 6 lots within the subdivision, providing access from Packalen Boulevard via a gated driveway.

Pender Harbour and the Sunshine Coast are connected to the Greater Vancouver Region via the BC Ferries Langdale terminal 74 km to the southeast of the subject; the sailing time to connect to Horseshoe Bay is approximately 40 minutes. BC Ferries also provides transportation to Powell River/the Upper Sunshine coast via the Earl's Cove ferry terminal approximately 26 km north of the subject.

Street Improvements

Packalen Boulevard is asphalt-paved and two lanes in width. It terminates in a cul-de-sac at Lot 7 of the subject development. The private access road over Lot 7 is asphalt paved.



Packalen Blvd, view to northwest



View towards driveway over Lot 7

Utilities

Utility services are available at the lot line, including including water (provided via the Garden Bay Waterworks District, a public water utility administered by the SCRDI), domestic sewer, electricity, telephone and television cable. Natural gas is not available.

Surrounding Developments



The subject is located in the Daniel Point area, which forms part of the larger Garden Bay area. The neighbourhood immediately surrounding the subject has been populated with high quality homes that were generally constructed within the past 10 to 15 years, though many lots remain vacant.

Garden Bay, according to the 2011 census, has a population of 370 and reportedly contains approximately 1/3 of Pender Harbour's population. The Garden Bay commercial area is 5 km east of the subject and includes several marinas, two yacht clubs, restaurants, a pub and an inn.

Madeira Park is the main commercial hub of Pender Harbour, including a grocery store, government liquor store and some medical services, but is located over 16 km by road away from Daniel Point.

Pender Harbour is a popular boating destination. The subject is located just outside the harbour entrance, and at the south end of Agamemnon Channel. Nelson Island lies across this channel to the northwest. From the north end of Agamemnon Channel, boaters can continue on into Jervis Inlet and Sechart Inlet.

THE IMPROVEMENTS

Design and Plan

The improvements comprise a one-storey plus walk-out basement dwelling, with attached workshop. The building includes a mix of concrete-block and wood-frame construction. According to an appraisal report prepared by Royal LePage Advisors Inc. in 2003, the building was constructed circa 1996, though we were unable to verify this. It is our understanding that the shop portion of the building was constructed well before this date.

The main floor comprises a kitchen, living room and dining area, a full bathroom, two bedrooms and a laundry room. The full-height, walk-out basement is almost entirely above grade and could accommodate additional living space. It has several overhead loading doors. According to plans provided, both the main floor and lower level measure approximately 1,120 square feet, for a total of 2,240 square feet of gross building area.

The shop is located above and behind the living area and measures approximately 30 feet wide by 39 feet long, with a floor area of 1,170 square feet. It has a 12-foot clear ceiling height and a 12-foot loading door.

The interior finishes on the main level include hardwood floors in the living areas and kitchen, carpets in the bedrooms, laminate countertops and stainless steel appliances. The rear walls in the bedroom are painted concrete block.

We have been provided with preliminary drawings prepared by I3 Design Group for the purposes of renovation of the existing building (see addenda). They provide for a built-out lower level with a master bedroom with ensuite, two additional bedrooms and a laundry room. The main floor is opened up to provide for a larger kitchen, dining and living room area, along with a two-piece powder room. The shop area is largely built out to include a media and games room with two-piece washroom, along with three smaller rooms intended for use as an office, hobby room and gym. A typical two-car garage is also provided. A fully renovated exterior is also indicated in the plans.

In the absence of technical studies by experts, we have assumed that:

- no latent defect or deferred maintenance exists;
- the improvements are structurally sound;
- the services to the improvements are sound and adequate;
- the roof, electrical and mechanical facilities are sound and adequate for their purpose;
- the subject improvements contain no environmentally hazardous substances; and

- the subject improvements are free from insect and rodent infestation or dry rot, moulds, mildews or the conditions that might give rise to any.

We make no representations on these matters. A building condition survey could confirm these assumptions. We have also assumed that:

- no encroachments exist involving the property lines or required building or utility setbacks; and
- no outstanding work orders or regulatory infractions exist.

PHOTOGRAPHS



View to west from Lot 4



View to southwest from Lot 4



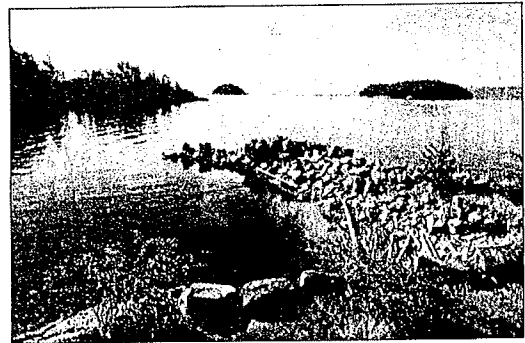
Build site on Lot 4



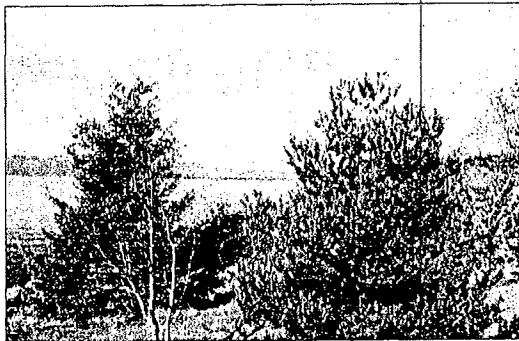
Level clearing on lot 5



View to northwest from Lot 5



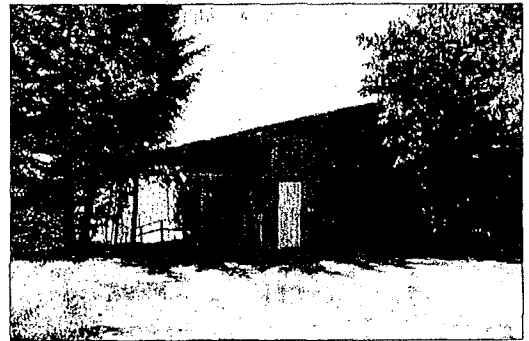
View to south from dwelling on Lot 6, breakwater in foreground



View to west from dwelling on Lot 6



Dwelling on lot 6, south and west elevations



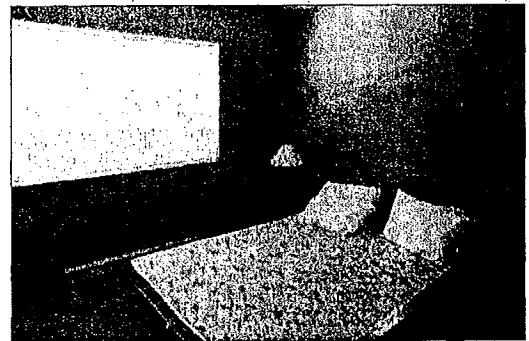
North and east elevations



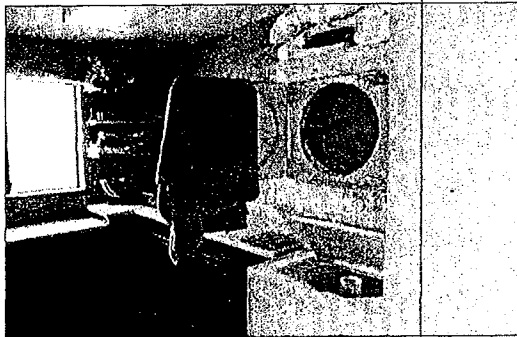
Kitchen



Living room



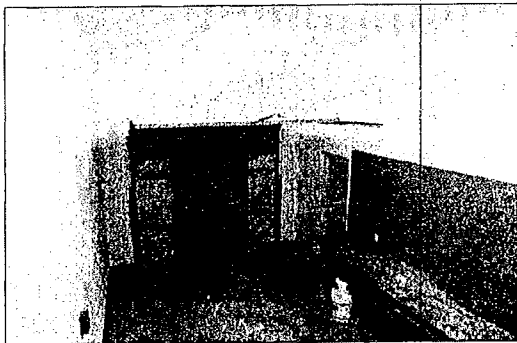
Bedroom



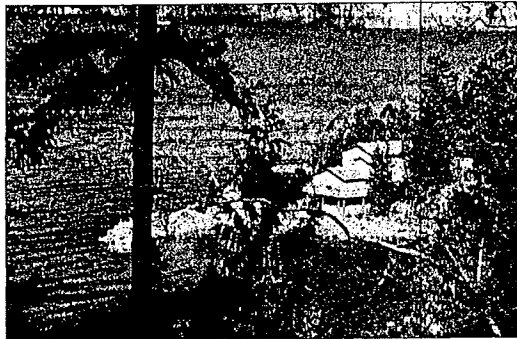
Laundry room



Shop/garage

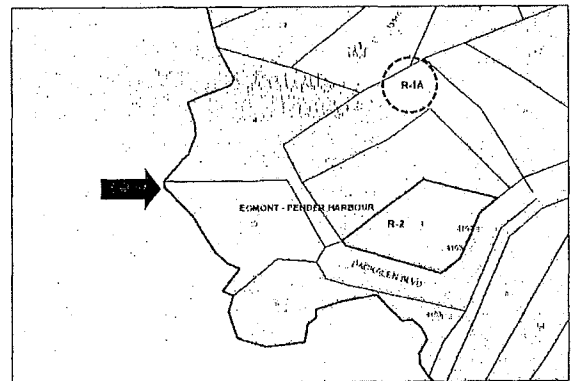


Basement area with high ceilings



View of subject dwelling on Lot 6 from Orca Road

LAND USE CONTROLS



The subject property is zoned R1-A, Single Family Residential. The intent of the zone is to allow for single-family development. Complete details of this zoning designation are in the Sunshine Coast Regional District Zoning Bylaw No. 337, as amended to date. A brief summary of this zone follows. A copy of the R1-A schedule is included in the addenda.

The subject is also designated as C for subdivision purposes. The C Subdivision District allows for a minimum parcel area of 2,000 square metres, or 21,528 square feet.

Other municipal policies exist for matters such as building codes, heritage, parking and loading.

The subject dwelling's setback from the high water mark is estimated at approximately four or five metres, which is less than currently required. Based on the information available to us, with the exception of the siting, which is assumed to be grandfathered, the existing use of the property appears to conform to the land use controls.

Most provincial municipalities have also adopted official community plans, area plans and other planning devices that supplement their zoning bylaws. The process for developing an Official Community Plan ("OCP") typically involves considerable social, economic and demographic research and an extensive public consultation process. OCPs serve to express municipal

aspirations for future land uses within its borders, guide capital budgeting and direct the handling of rezoning applications. In British Columbia, municipalities generally do not rezone properties for a use or development scale that is contrary to the DCP; rezonings of this nature first require an amendment to the OCP.

The OCP designation of the subject is Residential A, which is consistent with the present zoning schedule.

Municipal councils can change only some aspects of the land use controls that apply to certain properties. Provincial, regional and federal controls that also affect development include:

- environmental and fisheries regulations,
- heritage policies,
- public health, building and fire codes, and
- highways and transit plans.

We obtained the information on land use controls contained in this report from the local government website at the time of the appraisal. Unless specifically mentioned herein, we have not verified with municipal officials this information, which we assume was correct and current on the date obtained. In the event of change, our conclusions herein might no longer be valid.

The mandate for this appraisal did not require research into all of the land use regulations that possibly apply. Further, existing land use controls do not always bind regulators, who can develop new policy and rescind or modify existing land use policies. Municipal planning officials and independent planning consultants can assist with specific questions on land use matters.

HIGHEST AND BEST USE

An accepted definition of highest and best use is:

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.⁴

The highest and best use of a property is an economic concept that measures the interaction of four criteria: legal permissibility, physical possibility, financial feasibility and maximum profitability. Estimating the highest and best use of a property is a critical appraisal component that provides the valuation context within which market participants and appraisers select and analyze comparable market information.

An appraiser considers the highest and best use of the property "as if vacant" separately from the highest and best use of the property "as improved". This is because the highest and best use of the site, as if vacant and available for development, determines the value of the land, even if the property's existing improvements may not represent the highest and best use of the site.

Highest and Best Use as if Vacant Land

An accepted definition of the highest and best use of land or site is:

the use among all reasonable alternative uses that yields the highest present land value, after payment for labour, capital and co-ordination. The conclusion assumes that the parcel of land is vacant or can be made vacant by demolishing any improvements.⁵

Zoning policies in place contemplate use of the property as single family residential, pursuant to the R1-A, Single Family Residential schedule. It is designated as Residential A in the OCP. Changing the land use controls requires approval by municipal council of a rezoning. Given the nature of development in the area and the pattern of municipal land use policy, we consider the prospect of achieving a rezoning to a higher use or density as unlikely.

For the purposes of our analysis, we have assumed that the non-financial title limitations do not restrict the use of the site beyond the restraints of the land use controls.

Market values and rents for single-family properties in the neighbourhood are sufficient to retire the cost of construction, adequately compensate the developer and to provide a positive return to the underlying land.

⁴ Canadian Uniform Standards, 2.33.

⁵ *Ibid*, 14.33.4

The site size, utility servicing, exposure and topography generally suit the requirements of development. Based on the surrounding development pattern we have assumed that soil conditions could support development as contemplated under the land use controls without undue or costly site preparation.

Consequently, we conclude that the highest and best use of the properties, as if vacant and available, entails single-family residential development pursuant to the applicable land use controls, as market conditions permit.

Highest and Best Use as Improved

The highest and best use of a property as improved is:

the use that should be made of an improved property in light of the existing improvements and the ideal improvement described at the conclusion of the analysis of highest and best use as though vacant.⁶

An owner would renovate or retain an existing property "as is" while the improvements continue to contribute to the total market value or until the return from new improvements would more than offset the cost of demolishing the existing development.

For the objective of this analysis, we have assumed that present improvements comply with the requirements of the zoning bylaws and other land use controls.

The usual opportunities to enhance the utility of an existing improvement involve changing the use (typically requiring a change to the zoning), substantially renovating the structure and/or constructing an addition. While the existing improvements on Lot 6 are below a standard that is fitting of the subject's waterfront location, they do contribute in that they provide a good foundation for a renovation to a higher standard. We note that the proximity to the high water mark would not be achievable for a new development, thus retaining and renovating the existing dwelling will allow for the best siting, along with significant cost savings over a new build.

Based on the above, the highest and best use of Lot 6 is for single-family residential purposes, pursuant to the applicable land use controls, with renovation of the existing dwelling to a higher standard, as economic conditions permit.

⁶ Larry Dybvig, et al., *The Appraisal of Real Estate Third Canadian Edition* (Vancouver: UBC Real Estate Division, 2010) 12.11.

VALUATION

Introduction

The mandate for this appraisal entails an estimate of market value to aid with first mortgage financing. There are three methods to estimate market value: the Income approach, the cost approach and the direct comparison approach.

Single-family residential lots and dwellings typically trade based on their physical characteristics and value, so the direct comparison approach is most applicable. Given the subject's lack of income generation and the age of the improvements in place on Lot 6, the Income approach and cost approach have limited application.

Valuation of Lot 6

Lot 6 is improved with a single-family dwelling and shop, with a finished floor area of 1,120 square feet and an unfinished floor area of 2,290 square feet (including 1,170 square feet of shop area).

Where sufficient data are available, direct comparison is a commonly used method to estimate the market value of single-family dwellings. This technique entails a comparative analysis of transactions involving essentially similar properties and market conditions. We surveyed the Pender Harbour area for evidence of sales, listings or offers to purchase on properties that provide useful benchmarks of value for the subject property with an emphasis on:

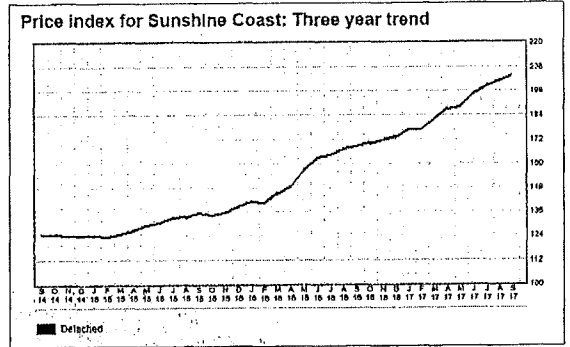
- recent transactions;
- waterfront setting;
- similar in size and shape;
- comparable improvements in place; and,
- location.

The result of our research is summarized as follows:

Residential Sales Summary

Index	Address	Area	Sale Date	Sale Price	Lot area (acres)	Water Frontage (feet)	Fin. Area (sq ft)	# Bdrm	# Bath	Year Built	Comments
1	4435 Francis Peninsula Road	Gerrans Bay	Sep-16	1,060,000	3.07	145'	1,430	3	2 Full	1989	Older cottage style, close to beach, deck, shallow bay
2	4650 Gerrans Bay Road	Gerrans Bay	Sep-16	1,350,000	0.74	146'	1,872	1	2 Full	1974	Superior Two lots, renovated carriage dock, bothouse
3	4035 Francis Peninsula Road	Francis Peninsula	Oct-16	1,575,000	0.68	267'	3,322	4	3 Full 1 Half	2008	Modern home, no dock
4	4310 Sea Otter Road	Garden Bay	Nov-16	969,900	0.45	55'	3,430	4	3 Full	1995	Inferior No dock, steep topography, cul-de-sac
5	4330 Sea Otter Road	Garden Bay	Apr-17	1,295,000	0.44	140'	3,009	2	3 Full	1982	Superior Mid-Bank
6	3955 Francis Peninsula	Francis Peninsula	May-17	1,008,000	0.34	115'	4,200	4	2 Full 2 Half	1989	Inferior Steep topography, no dock
7	12424 Arbutus Landing Road	Francis Peninsula	Jul-17	1,195,000	0.54	150'	3,460	3	3 Full	1998	Similar Low-Bank
8	12089 Bryan Road	Middlepoint	List	1,350,000	1.79	175'	2,236	4	2 Full	1964	Inferior Low-Bank
9	4335 Sea Otter Road	Garden Bay	List	1,689,000	0.41	106'	2,835	3	3	1998	Low-Bank
Subject: 0.70 - 575 Low bank											

Referring to the table on the preceding page, the nine comparable sales occurred between September 2016 and July 2017. All of the properties are waterfront homes located in the Pender Harbour area. They show sale and list prices ranging from \$989,900 to \$1,689,000; this is a broad range that should bracket the subject value. Site sizes range from 0.34 to 3.1 acres and water frontage ranges from 55 feet to 260 feet. Residence sizes range from 1,490 to 4,200 square feet. Detailed MLS sheets are provided in the addenda.



Market conditions have been steadily improving on the Sunshine Coast since 2015. However, we note that the marketplace for detached homes on the Sunshine Coast has two distinct segments: full time residences and recreational properties. The subject falls into the recreational category, and it is not clear that recreational properties have increased at the same rate as full time residences, which predominate in Sechtel and Gibsons. Nevertheless, it is our opinion that modest upward adjustment is required to most sales within the data set.

Index No: 1 pertains to the September 2016 sale of a large, but irregularly shaped lot located at the south end of Gerrans Bay. The views and water frontage are significantly inferior, and the improvements in place contribute little value to the property. Upward adjustment is also appropriate for market conditions. Overall, a value above \$1,060,000 is indicated for the subject.

Index No. 2 relates to the September 2016 sale of two adjacent properties located on Gerrans Bay Road. The improvements in place were modest and the view and topography are significantly inferior compared to the subject; however, these factors are offset by the potential to build a second home on the adjacent lot. Overall, value near or slightly below \$1,350,000 is indicated for the subject.

Index No. 3, which sold in October 2016 for \$1,575,000, is a triangular shaped lot, improved with a modern house. The home has northerly views from the north side of Francis Peninsula. While the views and frontage are inferior to the subject, the home is significantly superior, thus the sale price is a clear upper limit.

Index No. 4 is an irregularly shaped mid-bank waterfront property located at the end of a cul-de-sac in the subject's Daniel Point area of Garden Bay. It is in close proximity to the subject and offers good southerly views. The home appears to be in good condition, but is somewhat dated in terms of aesthetics. Overall, the improvements are superior, while the views and topography are inferior. Upward adjustment is also necessary for market conditions. Overall, a value above \$989,900 is indicated.

Index No. 5 is another property located in the Daniel Point area, on Sea Otter Road. It sold in April 2017 for \$1,295,000. The home in place was extensively renovated in 2008, and is significantly superior to the subject improvements. The property offers very good southwesterly views, though topography is inferior. Overall, a slightly lower value is indicated for the subject.

Index No. 6 is located on the west side of Francis Peninsula, offering good west and southwesterly views. Like Index No. 4, the improvements are spacious and appear to be in good condition but are dated. There does not appear to be potential for a dock and access to the water is very difficult. Overall, a value above \$1,008,000 is indicated for the subject.

Index No. 7 relates to the July 2017 sale of a strata-titled waterfront property on the southeast side of Francis Peninsula. The property has low to mid-bank frontage and no potential for a dock. The improvements are superior. Slight upward adjustment is appropriate to account for the strata-titled tenure. Overall a similar or slightly higher value is indicated for the subject.

Index No. 8 is a current listing for a waterfront property in the Middlepoint area, to the south of Pender Harbour. The lot is larger, though it is very long and narrow, with an average width of approximately 75 feet. The improvements in place are modest and contribute little value to the property. It has a boat launch and boat house, but no dock. Overall, the property is slightly inferior to the subject; however, this factor is offset by the list status.

Index No. 9 pertains to another property on Sea Otter Road, in the subject's Daniel Point area. It is improved with a newer home and has low-bank frontage providing for good access to the water. Overall, the asking price of \$1,689,000 is a clear upper limit due to the superior improvements in place and list status.

Based on the above, market value for the subject will lie above \$1,060,000, as indicated by indices 1 and 6, and slightly below \$1,300,000, as indicated by indices 2, 5 and 8. In our view, after consideration for the subject's excellent views, generous frontage and improvements in place, valuation lies in the order of \$1,200,000 to \$1,300,000. We have settled at the midpoint of this range, at \$1,250,000.

Valuation of Lots 4 and 5

An appraiser may value land that is vacant and available for development in various ways:

- 1) Direct comparison
- 2) Allocation
- 3) Extraction
- 4) Income capitalization, divided into two direct capitalization techniques:
 - a) Land residual technique, and
 - b) Ground rent capitalization
- 5) Two yield capitalization techniques:
 - a) Discounted cash flow analysis (subdivision development analysis), and
 - b) Leased fee/leasehold valuation

For single-family lots, direct comparison is a commonly used method to estimate the market value of land as if vacant and available for development. This technique entails a comparative analysis of transactions involving essentially similar properties and market conditions. We surveyed the Pender Harbour area and surrounding areas for evidence of sales, listings or offers to purchase on properties that provide useful benchmarks of value for the subject property with an emphasis on:

- recent transactions;
- similar in size and shape;
- similar frontage;
- similar zoning; and,
- comparable location and views.

The result of our research is summarized as follows:

Index	Address	Area	Sale Date	Sale Price	Lot area (acres)	Water frontage (feet)	Ranking
1	10062 Lost Lane	Secret Cove	Apr-16	875,000	0.52	195	Inferior
2	Lot 9 Welcom Wynd	Secret Cove	May-17	775,000	0.65	115	Inferior
3	Lot 1 Iska Road	Middlepoint	May-17	1,100,000	3.14	200	Superior
4	4147 Francis Peninsula Road	Francis Peninsula	Jun-17	647,500	1.40	246	Inferior
5	Lot 1, Sea Otter Road	Garden Bay	Aug-17	515,000	0.43	140	Inferior
6	Williams Island	Pender Harbour	Aug-17	850,000	2.55	750	Inferior
7	10719 Sunshine Coast Highway	Secret Cove	List	988,000	2.50	150	Similar
	Subject Lot 4				1.084	320	
	Subject Lot 5				0.745	281	

The seven comparables include six sales that occurred between April 2016 and August 2017, at prices ranging from \$515,000 to \$1,100,000. Lot sizes range from 0.43 to 3.14 acres and frontages range from 115 to 750 feet.

Index No. 1 relates to a proposed half-acre waterfront lot located in Secret Cove. The property has 195' of mid-bank frontage with northerly views. Upward adjustment is required for market conditions, along with the properties smaller size and inferior views, though it benefits from closer proximity to Sechart and the Langdale Ferry. Overall, a value above \$875,000 is indicated for the subject lots.



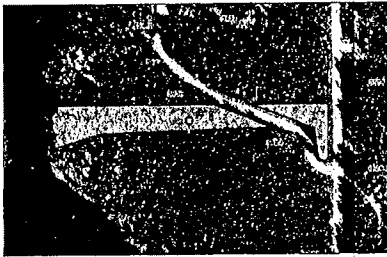
Index No. 1

Index No. 2 is a bareland strata lot located in the Secret Cove area. It sold in May 2017 for \$775,000. While it benefits from common amenities, including a 21' boat slip, this factor is more than offset by the smaller size and inferior high-bank frontage.



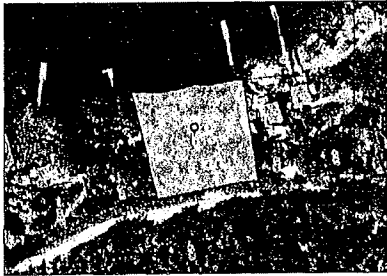
Index No. 2

Index No. 3 refers to a long and narrow lot located on Iska Road in the Middlepoint area, to the south of Pender Harbour. It sold in May 2017 for \$1,100,000. The property has 200' of low-bank frontage and good westerly views. A portion of the property lies on the upland side of Iska Road. The subject lots have superior topography and comparable frontage and views; however, a slightly lower value is indicated for the subject lots due to their smaller size.



Index No. 3

Index No. 4, which is located on the north side of Francis Peninsula and sold in June 2017 for \$647,500, is a clear lower limit due to the inferior topography and views, and lower sun exposure.



Index No. 4

Index No. 5 refers to the recent sale of a 0.43-acre lot in the subject neighbourhood of Daniel Point. The property has inferior topography compared to the subject, and extensive frontage

along Lee Road, reducing privacy, but offers good southwesterly views. Overall, a value well above \$515,000 is indicated for the subject.



Index No. 5

Index No. 6 pertains to the recent sale of a small island located at the entrance to Pender Harbour. The island measures 2.55 acres and has 750' of low-bank frontage. It does not have water or electricity, and access will be difficult with obtaining approval for a dock. While difficult to compare directly to the subject, in our view, the prestige of owning a private island is more than offset by the inferior access and services. As such, a value above \$850,000 is indicated for the subject.



Index No. 6

Index No. 7 relates to a proposed 2.0-acre waterfront lot in the Halfmoon Bay area. The lot is to be subdivided from a larger 6.9 acre parcel. The property has low-bank water frontage reported at 150 feet and offers good southwesterly views. In our view, the list price of \$988,000 is a useful indicator as the larger size and 1st status are offset by the inferior topography and lesser frontage.



Parent parcel from which index No. 7 will be subdivided

Based on the above, value for the subject lots will lie slightly above \$875,000, as indicated by indices 1, 2, 4 and 6, and below \$1,100,000, as indicated by Index No. 3. After consideration for the subject lots' individual sizes, frontages, topographies, views, and servicing in place, we estimate that values will lie above the midpoint of the established range, in the order of \$850,000 to \$900,000. Lot 5 offers a more south-westerly view exposure and a slightly larger usable area, thus we have adopted values of \$900,000 for Lot 4 and \$950,000 for Lot 5.

Summary and Conclusion

Our analysis of the property relied solely on the direct comparison approach, which considers market evidence to establish value and presumes that the property sells on the date of valuation, and ignores marketing and holding costs.

Based on our analysis of the subject, we conclude that the market values of Lots 4, 5 and 6, Packalen Boulevard, as at October 13, 2017, are as follows:

Lot	Value
4	\$900,000
5	\$950,000
6	\$1,250,000
Total	\$3,100,000

The value estimate for the aggregate project is shown on a gross aggregate quantum with no allowances made for marketing, promotion, commissions, etc.

The appraisal of this property is more difficult than usual. The subject properties offer a unique combination of size, frontage, views, topography and services, and we were unable to locate highly comparable transactions. The margin of uncertainty associated with our value estimate is thus greater than usual.

Exposure Time

Exposure time is the time a property remains on the market. In an appraisal, the term means the estimated length of time an owner would likely need to market the appraised property interest before the hypothetical consummation of a sale at market value on the effective date of the appraisal.⁷ An opinion of exposure time is a retrospective estimate that has its basis in an analysis of past events assuming a competitive and open market.

The exposure period occurs immediately before the effective date of the appraisal. The concept of reasonable exposure time encompasses not only adequate, sufficient and reasonable time, but also adequate, sufficient and reasonable marketing effort. Exposure time is different for various types of real estate and value ranges and under various market conditions.

In our view, the subject property ought to trade within a time typical for its market. As the MLS sheets provided in the addenda show, exposure times for the comparable properties ranged from a few days to almost three years. For the subject properties, we estimate that a reasonable exposure period will be 12 months, though it may be longer if all three lots are listed at the same time. This time estimate assumes no known or suspected defects, reasonable pricing and professional marketing. It does not include the time for normal due diligence, nor the closing time after an agreement in principle.

⁷ Canadian Uniform Standards of Professional Appraisal Practice: Appraisal Institute of Canada, 2014, Ottawa, Ont.), 7.7.1

CERTIFICATION

Re: Lots 4, 5 and 6, Packalen Boulevard, Garden Bay, British Columbia

We hereby certify that, except as otherwise noted in the preceding analysis, to the best of our knowledge and belief:

- 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 our personal impartial, and unbiased professional analyses, opinions and conclusions;
- we have no present or prospective interest or bias in the subject property, and no personal interest or bias with respect to the parties involved;
- 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 the Canadian Uniform Standards;
- we have the knowledge and experience to complete this assignment competently;
- as of the date of this report, the undersigned is a member in good standing of The Appraisal Institute of Canada, and has fulfilled the requirements of the Continuing Professional Development Program for designated members;
- no one provided significant professional assistance to the person signing this report;
- Brent McLaren personally inspected the subject property on September 4, 2015;
- based upon the data, analyses and conclusions contained herein, the market value of the interests in the properties described, as at October 13, 2017, is estimated at:

THREE MILLION, ONE HUNDRED THOUSAND DOLLARS
\$3,100,000


Brent McLaren, B.Comm., AACI, P.App.
Grover, Elliott & Co Ltd.
October 18, 2017

ASSUMPTIONS AND LIMITING CONDITIONS: Appendix 1
Re: Lots 4, 5 and 6, Packalen Boulevard, Garden Bay, British Columbia

The only party who may rely on the opinions expressed in this report is the client, even where the report is for financing purposes. Where the client is a lender, its borrower and the loan insurer may also rely on this report. This report assumes that only the addressee will rely upon it, and only for the intended use stated herein. No one else may rely on this report without the written consent of the appraiser, which we may not provide retroactively. We expressly deny any legal liability for unauthorized reliance and for any other use.

When preparing an appraisal for lending purposes, appraisers do not investigate if the prospective loan and applicant satisfy prudent loan underwriting criteria. Correspondingly, we assume no responsibility for loans made where the borrower lacks the ability or motivation to repay the loan, or where the lender has not followed prudent lending practices. When we authorize a lender to rely on this report, we grant such authorization subject to the lender completing a thorough due diligence investigation, which reasonably concludes that the borrower has the intention and capacity to repay the loan.

The basis of the opinions and estimates herein is information gathered from various sources considered reliable and believed to be correct.

We assume no responsibility for factors relating to the legal description, state of title or for unapparent conditions of the property not brought to our attention that might affect value.

We have included plans and sketches for visual reference only. We cannot assume responsibility for the accuracy of such illustrations where the basis was third party sources.

The client or identified third parties provided figures in this report relating to land and floor areas unless stated otherwise. Incorrect land and floor areas could render our analysis and conclusions invalid.

The economic conditions and outlook current at the date of valuation form the basis of our opinions and conclusion of value. Because market conditions, including economic, social and political factors change rapidly, and, on occasion, without warning, it could be misleading to rely on the market value estimate expressed herein as of any other date except with further advice from the appraiser, for which advice we will accept no responsibility unless made formally and confirmed in writing.

We undertook no investigation with the local zoning office, the fire department, the building inspector, the health department or any other government regulatory agency except as expressly described in this report. The subject property must comply with such government regulations. Any noncompliance may affect market value. Confirming compliance could require further investigations.

We were not provided with studies of hazardous materials or contaminated land, and we were not authorized to commission such studies. We therefore offer no opinion with respect to the status of the lands or soils. We assume no responsibility for any such conditions or for any

specialized expertise or engineering knowledge required to discover, remove or eliminate them. We recommend retaining an expert in this field if doubt exists about the quality of the soils or groundwater.

The appraiser is not qualified to comment on environmental issues 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. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the property appraised.

Except as this report specifically notes otherwise, our conclusions presume that the appraised property is free and clear of all liens or encumbrances and is capable of attracting normal mortgage financing. Our valuation excludes the cost to retire the mortgage obligation.

Our report presumes that adequate fire, peril and liability insurance are available to cover any reasonable use of the property, at costs and terms that have been typical over the years.

The liability of Grover, Elliott & Co. Ltd. for a claim related to professional service provided pursuant to this service in either contract negligent misrepresentation or tort, including the owner's, officers, employees or subcontractors of the firm is limited to the extent that such liability is covered by the Appraisal Institute of Canada's errors and omissions insurance in effect from time to time, which is available to indemnify the company and its appraisers at the time the claim is made and not more than two years after the services are rendered.

No one should rely on this report in any context other than that in which we present it. Use in excerpted or partial form could mislead.

Possession of this report, or a copy of it, does not carry the right to reproduction or publication, in full or in part. No one other than the identified intended user can use this report for its stated purpose. No one can use this report for any other purpose without our written consent. Exceptions exist for due process of law and for confidential review by the Appraisal Institutes of Canada and the United States.

Attendance at any legal proceedings with respect to this report, and any fees and expenses for preparation and attendance requires our prior agreement. However, neither this nor any other limiting condition is an attempt to limit the use that a judicial body might make of this report should it properly become evidence in duly constituted proceedings. In such a case, the judicial body will decide the use of the report that best serves the administration of justice.

This report is valid only if it bears the original signature of the author.

We cannot monitor changes to our reports once they leave our office, nor can we prevent changes, additions or deletions in copies of our reports. We recommend that people intending to rely on our report do so only after reading an original copy in its entirety. With the prior consent of our client, we will provide an original of this report.

TITLE SEARCH

Appendix 2

TITLE SEARCH PRINT

File Reference: 2015-0698-O
Declared Value \$750000

2015-09-16, 16:06:55
Requestor: Grover Elliott

CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN

Land Title District Land Title Office	VANCOUVER VANCOUVER
Title Number From Title Number	CA4508539 CA3052323
Application Entered	2015-08-17
Application Received	2015-08-11
Registered Owner in Fee Simple Registered Owner/Mailing Address:	ALL CANADIAN INVESTMENT CORPORATION, INC. NO. BC0570425 625 LAKESHORE DRIVE SW SALMON ARM, BC V1E 1E4
Taxation Authority	NORTH SHORE - SQUAMISH VALLEY ASSESSMENT AREA PENDER HARBOUR FIRE PROTECTION DISTRICT
Description of Land Parcel Identifier: Legal Description:	026-192-993 LOT 4 AND AN UNDIVIDED 3/12TH SHARE IN LOT 7, DISTRICT LOT 3923 GROUP 1 NEW WESTMINSTER DISTRICT PLAN BCP15662
Legal Notations	HERETO IS ANNEXED EASEMENT BX106854 OVER LOT 7 PLAN BCP15662
Charges, Liens and Interests Nature: Registration Number: Registration Date and Time: Registered Owner: Remarks:	STATUTORY RIGHT OF WAY P80244 1986-08-30 10:25 BRITISH COLUMBIA HYDRO AND POWER AUTHORITY INTER ALIA

Title Number: CA4508539

TITLE SEARCH PRINT

Page 1 of 2

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TITLE SEARCH PRINT

File Reference: 2015-0690-D
Declared Value \$750000

2015-09-16, 10:08:55
Requestor: Grover Elliott

Nature: COVENANT
Registration Number: R50089
Registration Date and Time: 1997-06-26 15:01
Registered Owner: HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA
Remarks: INTER ALIA
PART IN EXPLANATORY PLAN 18467
SEC. 215 LTA
MODIFIED BY BX405840

Nature: COVENANT
Registration Number: BX405840
Registration Date and Time: 2005-01-24 14:18
Remarks: INTER ALIA
MODIFICATION OF R50089

Nature: COVENANT
Registration Number: BX405842
Registration Date and Time: 2005-01-24 14:18
Registered Owner: THE CROWN IN RIGHT OF BRITISH COLUMBIA
Remarks: INTER ALIA

Nature: EASEMENT
Registration Number: BX405852
Registration Date and Time: 2005-01-24 14:19
Remarks: PLAN BCP15582
APPURTENANT TO LOT 2 PLAN BCP15582

Nature: EASEMENT
Registration Number: BX405854
Registration Date and Time: 2005-01-24 14:19
Remarks: INTER ALIA
OVER THE UNDIVIDED 3/12 SHARE IN LOT 7 PLAN BCP15582 APPURTENANT TO LOTS 1, 2, 3, 4, 5 AND 6 PLAN BCP15582

Nature: STATUTORY BUILDING SCHEME
Registration Number: BX412412
Registration Date and Time: 2006-02-17 13:28
Remarks: INTER ALIA

TITLE SEARCH PRINT

File Reference: 2015-0690-D
Declared Value \$750000

2015-09-16, 10:08:55
Requestor: Grover Elliott

Nature: MORTGAGE
Registration Number: CA4598682
Registration Date and Time: 2015-08-11 16:20
Registered Owner: CAMBRIDGE MORTGAGE INVESTMENT CORPORATION
INCORPORATION NO. BC0783243
Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
Registration Number: CA4598683
Registration Date and Time: 2015-08-11 16:20
Registered Owner: CAMBRIDGE MORTGAGE INVESTMENT CORPORATION
INCORPORATION NO. BC0783243
Remarks: INTER ALIA

Duplicate Indefeasible Title: NONE OUTSTANDING

Transfers: NONE

Pending Applications: NONE

TITLE SEARCH PRINT

File Reference: 2015-0690-O
Declared Value \$710000

2015-09-10, 10:06:55
Requestor: Grover Elliott

"CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN"

Land Title District
Land Title Office: VANCOUVER
VANCOUVER

Title Number
From Title Number: CA4598540
CA3982324

Application Entered
2015-08-17

Application Received
2015-08-11

Registered Owner In Fee Simple
Registered Owner/Mailing Address: ALL CANADIAN INVESTMENT CORPORATION, INC. NO.
BC0670426
826 LAKESHORE DRIVE SW
SALMON ARM, BC
V1E 1E4

Taxation Authority
NORTH SHORE - SQUAMISH VALLEY ASSESSMENT AREA
PENDER HARBOUR FIRE PROTECTION DISTRICT

Description of Land
Parcel Identifier: 026-193-001
Legal Description: LOT 5 AND AN UNDIVIDED 3/12TH SHARE IN LOT 7, DISTRICT LOT 3923 GROUP 1
NEW WESTMINSTER DISTRICT PLAN BCP15502

Legal Notations
HERETO IS ANNEXED EASEMENT BX406854 OVER LOT 7 PLAN BCP15502

Charges, Liens and Interests

Nature: STATUTORY RIGHT OF WAY
Registration Number: P90244
Registration Date and Time: 1988-06-30 10:25
Registered Owner: BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
Remarks: INTER ALIA

Nature: COVENANT
Registration Number: BX406842
Registration Date and Time: 2005-01-24 14:18
Registered Owner: THE CROWN IN RIGHT OF BRITISH COLUMBIA
Remarks: INTER ALIA

TITLE SEARCH PRINT

File Reference: 2015-0688-O
Declared Value \$710000

2015-09-10, 10:06:55
Requestor: Grover Elliott

Nature: EASEMENT
Registration Number: BX405864
Registration Date and Time: 2006-01-24 14:19
Remarks: INTER ALIA
OVER THE UNDIVIDED 3/12 SHARE IN LOT 7 PLAN
BCP15502 APPURTENANT TO LOTS 1, 2, 3, 4, 5
AND 6 PLAN BCP15502

Nature: STATUTORY BUILDING SCHEME
Registration Number: BX412412
Registration Date and Time: 2005-02-17 13:28
Remarks: INTER ALIA

Nature: MORTGAGE
Registration Number: CA4596682
Registration Date and Time: 2015-08-11 16:20
Registered Owner: CAMBRIDGE MORTGAGE INVESTMENT CORPORATION
INCORPORATION NO. BC0783243
Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS
Registration Number: CA4596003
Registration Date and Time: 2015-08-11 15:20
Registered Owner: CAMBRIDGE MORTGAGE INVESTMENT CORPORATION
INCORPORATION NO. BC0783243
Remarks: INTER ALIA

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

TITLE SEARCH PRINT
File Reference: 2015-0680-O
Declared Value \$1068000

2015-09-16, 16:08:58
Requestor: Grover Elliott

"CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN"

Land Title District
Land Title Office: VANCOUVER
VANCOUVER

Title Number
From Title Number: CA4598541
BX15397

Application Entered
2015-08-17

Application Received
2015-05-11

Registered Owner in Fee Simple
Registered Owner/Mailing Address: ALL CANADIAN INVESTMENT CORPORATION, INC.NO.
BC0670426
826 LAKESHORE DRIVE SW
SALMON ARM, BC
V1E 1E4

Taxation Authority
NORTH SHORE - SOUAMISH VALLEY ASSESSMENT AREA
PENDER HARBOUR FIRE PROTECTION DISTRICT

Description of Land
Parcel Identifier: 028-193-019
Legal Description: LOT 8 AND AN UNDIVIDED 3/12TH SHARE IN LOT 7, DISTRICT LOT 3923 GROUP 1
NEW WESTMINSTER DISTRICT PLAN BCP15502

Legal Notations
HERE TO IS ANNEXED EASEMENT BX405854 OVER LOT 7 PLAN BCP15502

Charges, Liens and Interests
Nature: STATUTORY RIGHT OF WAY
Registration Number: P60244
Registration Date and Time: 1986-06-30 10:25
Registered Owner: BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
Remarks: INTER ALIA

Title Number: CA4598541

TITLE SEARCH PRINT

Page 1 of 3

TITLE SEARCH PRINT
File Reference: 2015-0680-O
Declared Value \$1008000

2015-09-16, 16:08:56
Requestor: Grover Elliott

Nature: COVENANT
Registration Number: R60980
Registration Date and Time: 1987-05-26 15:01
Registered Owner: HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF
BRITISH COLUMBIA
Remarks: INTER ALIA
PART IN EXPLANATORY PLAN 18467
SEC. 215 LTA
MODIFIED BY BX405840

Nature: COVENANT
Registration Number: BX405840
Registration Date and Time: 2005-01-24 14:19
Registered Owner: INTER ALIA
Remarks: MODIFICATION OF R60980

Nature: COVENANT
Registration Number: BX405842
Registration Date and Time: 2005-01-24 14:18
Registered Owner: THE CROWN IN RIGHT OF BRITISH COLUMBIA
Remarks: INTER ALIA

Nature: CASEMENT
Registration Number: BX405864
Registration Date and Time: 2005-01-24 14:19
Registered Owner: INTER ALIA
Remarks: OVER THE UNDIVIDED 3/12 SHARE IN LOT 7 PLAN
BCP15502 APPURTENANT TO LOTS 1, 2, 3, 4, 5
AND 6 PLAN BCP15502

Nature: STATUTORY BUILDING SCHEME
Registration Number: BX412412
Registration Date and Time: 2005-02-17 13:20
Registered Owner: INTER ALIA

Nature: MORTGAGE
Registration Number: CA459862
Registration Date and Time: 2015-08-11 15:20
Registered Owner: CAMBRIDGE MORTGAGE INVESTMENT CORPORATION
INCORPORATION NO. BC0783243
Remarks: INTER ALIA

Title Number: CA4598541

TITLE SEARCH PRINT

Page 2 of 3

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TITLE SEARCH PRINT
File Reference: 2015-0095-D
Declared Value \$1009000

2015-09-16, 16:08:58
Renewal: Gruver Elliott

Nature:
Registration Number:
Registration Date and Time:
Registered Owner:
Remarks:

ASSIGNMENT OF RENTS
CA4698683
2016-06-11 16:20
CAMBRIDGE MORTGAGE INVESTMENT CORPORATION
INCORPORATION NO. 9C0783243
INTER ALIA

Duplicate Indefeasible Title NONE OUTSTANDING
Transfers NONE
Pending Applications NONE

ZONING SCHEDULE

Appendix 3

R1A ZONE (SINGLE FAMILY RESIDENTIAL)

Permitted Uses

602.1 (1) Except as permitted in Part V, buildings and structures on parcels 2,000 square metres or less in the R1A zone shall be used for the following purposes only:

(a) one single family dwelling per parcel.

(2) On parcels exceeding 2,000 square metres the additional permitted uses are:

(a) bed and breakfast home.

Dwelling Units Per Parcel

602.2 No more than one dwelling may be located on a parcel.

Siting of Structures

602.3 No structure may be located within:

- (a) 5 metres of a front parcel line;
- (b) 2 metres of a rear parcel line;
- (c) 1.5 metres of a side parcel line; or
- (d) 4.5 metres of an exterior side parcel line.

Width of Dwellings

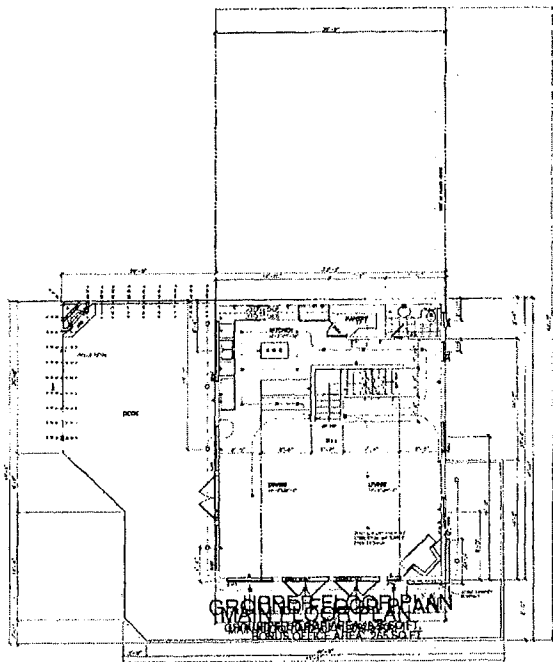
602.4 No building containing a dwelling may have a width less than 8 metres.

Parcel Coverage

602.5 With the exception of public utility buildings and structures on parcels less than 100 square metres, the parcel coverage of all buildings and structures shall not exceed 35 percent.

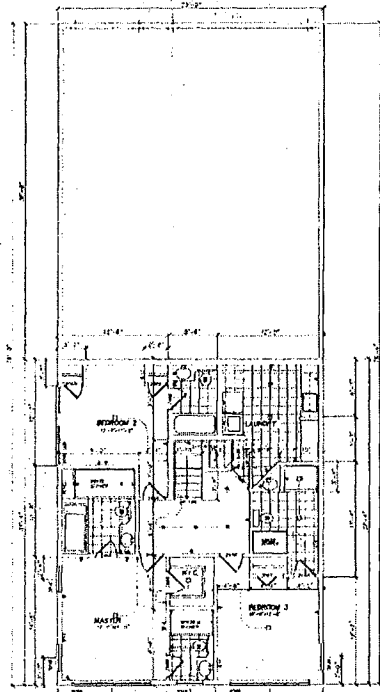
RENOVATION PLANS

Appendix 4

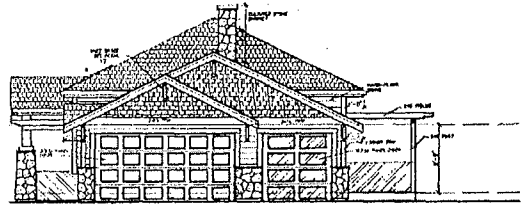
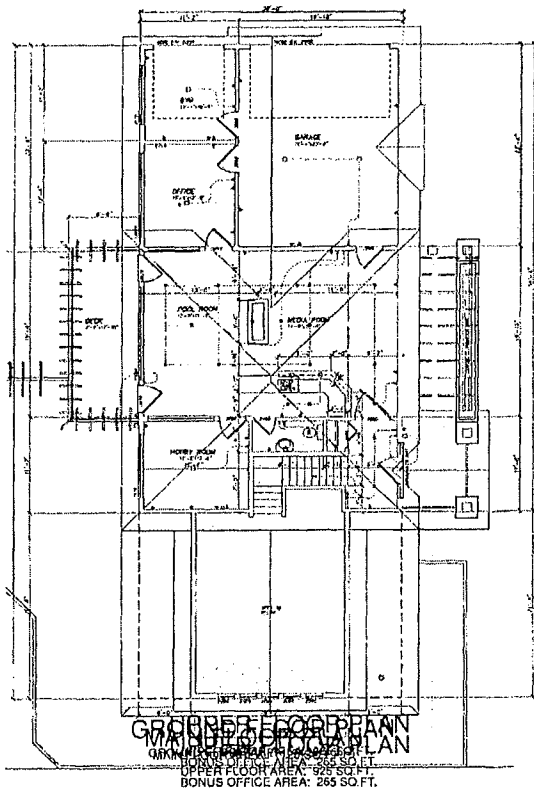


GROUND FLOOR PLAN

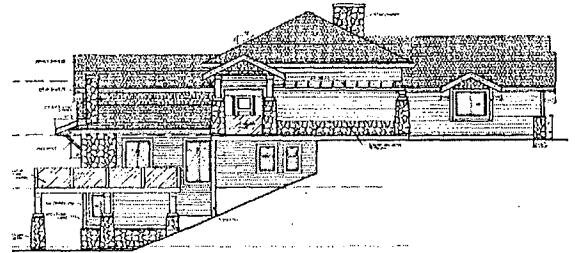
MAIN FLOOR PLAN
MAIN FLOOR AREA: 1120 SQ.FT.



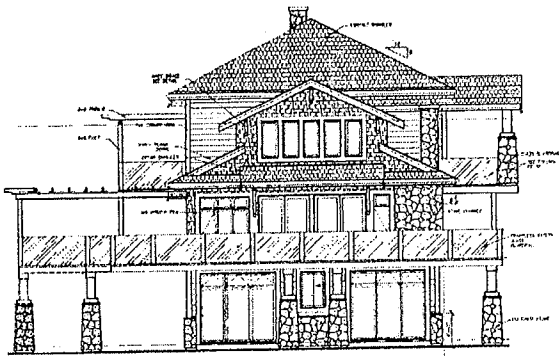
GROUND FLOOR PLAN
GROUND FLOOR AREA: 1120 SQ.FT.



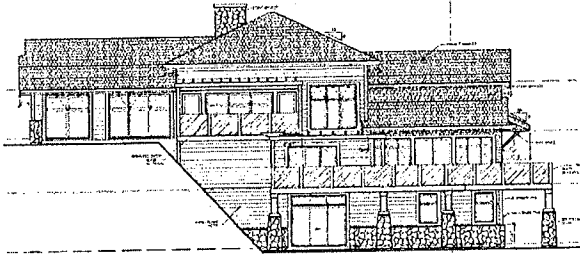
NORTH ELEVATION



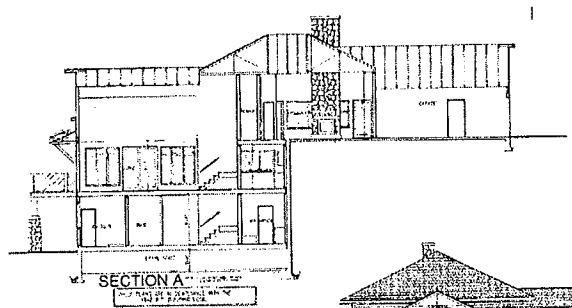
EAST ELEVATION



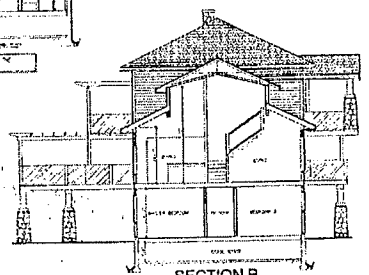
SOUTH ELEVATION



WEST ELEVATION



SECTION A



SECTION B


MLS SHEETS - Improved Comparables

Appendix 5

4498 FRANCIS PENINSULA ROAD
Seymour Centre
Penikese Island
51,149,000 (1P)
\$1,040,000 (5P)

Days on Market: 16
Original Price: \$3,149,000
List Price: \$7,767,018
Epiry Date: 12/15/2016
Sold Date: 9/15/2016

Area: 999
Zoning: R1-Q
Gross Taxes: \$4,198.89
For Tax Year: 2016
Year Inc. Method: 007-193-938
Tour: Virtual Tour URL



4498 FRANCIS PENINSULA ROAD
Seymour Centre
Penikese Island
51,149,000 (1P)
\$1,040,000 (5P)

Days on Market: 16
Original Price: \$3,149,000
List Price: \$7,767,018
Epiry Date: 12/15/2016
Sold Date: 9/15/2016

Area: 999
Zoning: R1-Q
Gross Taxes: \$4,198.89
For Tax Year: 2016
Year Inc. Method: 007-193-938
Tour: Virtual Tour URL

View: Yes Ocean/Golf Course Bay & mountains
Complex / Subdiv: Yes
Services Connected: Electricity, Septic, Water

Interior: Hardwood, Marble, Granite, Stainless Steel, Concrete Perimeter, CS/SPACE, Stone Veneer, 21 ft ceiling, H.P., 3.3 Bathrooms, Hardwood, Stone, Marble, Granite, Stainless Steel, Concrete Perimeter, CS/SPACE, Stone Veneer, 21 ft ceiling, H.P., 3.3 Bathrooms, Hardwood, Stone, Marble, Granite, Stainless Steel, Concrete Perimeter, CS/SPACE, Stone Veneer, 21 ft ceiling, H.P., 3.3 Bathrooms

Room Schedule:
Main: Kitchen 9'8" x 13'0"
Main: Dining Area 11'0" x 12'6"
Main: Living Room 12'8" x 10'
Main: Master Bedroom 12'8" x 10'
Main: Bedroom 12'8" x 10'
Main: Bedroom 9'8" x 11'
Main: Family Room 12'8" x 13'10"
Below: Bedroom 11'6" x 11'7"

Finished Area (Sq Ft): 1,050
Unfinished Area (Sq Ft): 0
Total Area (Sq Ft): 1,050

Pool: 18' x 32'
Deck: 11' x 14'
Other: Decking

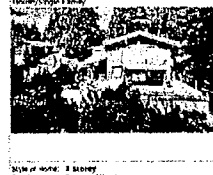
Lot: 1.680 Ac. P.L.
Front: 120 ft
Side: 120 ft
Rear: 120 ft

Map: 18' x 32'
Deck: 11' x 14'
Other: Decking

4650 GERRANS BAY ROAD
Sydney Cove
Penikese Island
\$1,800,000 (1P)
\$1,830,000 (5P)

Days on Market: 27
Original Price: \$1,500,000
List Price: \$1,800,000
Epiry Date: 10/19/2016
Sold Date: 9/14/2016

Area: 44.50
Zoning: R1
Gross Taxes: \$5,028.00
For Tax Year: 2016
Year Inc. Method: 008-884-198



4650 GERRANS BAY ROAD
Sydney Cove
Penikese Island
\$1,800,000 (1P)
\$1,830,000 (5P)

Days on Market: 27
Original Price: \$1,500,000
List Price: \$1,800,000
Epiry Date: 10/19/2016
Sold Date: 9/14/2016

Area: 44.50
Zoning: R1
Gross Taxes: \$5,028.00
For Tax Year: 2016
Year Inc. Method: 008-884-198

View: Yes Ocean/Golf Course Bay & mountains
Complex / Subdiv: Yes
Services Connected: Electricity, Septic, Water

Interior: Hardwood, Marble, Granite, Stainless Steel, Concrete Perimeter, CS/SPACE, Stone Veneer, 21 ft ceiling, H.P., 3.3 Bathrooms, Hardwood, Stone, Marble, Granite, Stainless Steel, Concrete Perimeter, CS/SPACE, Stone Veneer, 21 ft ceiling, H.P., 3.3 Bathrooms, Hardwood, Stone, Marble, Granite, Stainless Steel, Concrete Perimeter, CS/SPACE, Stone Veneer, 21 ft ceiling, H.P., 3.3 Bathrooms

Room Schedule:
Main: Kitchen 9'8" x 13'0"
Main: Dining Area 11'0" x 12'6"
Main: Living Room 12'8" x 10'
Main: Master Bedroom 12'8" x 10'
Main: Bedroom 12'8" x 10'
Main: Bedroom 9'8" x 11'
Main: Family Room 12'8" x 13'10"
Below: Bedroom 11'6" x 11'7"

Finished Area (Sq Ft): 1,050
Unfinished Area (Sq Ft): 0
Total Area (Sq Ft): 1,050

Pool: 18' x 32'
Deck: 11' x 14'
Other: Decking

Lot: 1.680 Ac. P.L.
Front: 120 ft
Side: 120 ft
Rear: 120 ft

Map: 18' x 32'
Deck: 11' x 14'
Other: Decking

12424 ARBUTUS LANDING ROAD \$1,250,000 (1P) \$1,185,000 (1P)

82313771 82313771
 Period: V, Detached Period: V, Detached
 New/Resale/Lease New/Resale/Lease

Days on Market: 178 Lst Date: 1/19/2017 Expiry Date: 1/19/2017
 Previous Price: \$1,250,000 Original Price: \$1,225,000 Sold Date: 7/19/2017

Mark: Type: Feak Frontage (feet): 180.00 Approx. Year Built: 1999
 Depth / Size: 250x110 Frontage (metres): 54.88 Area: 18
 Lot Area (sq. ft.): 35,527.00 Dimensions: 3 Zoning: R34
 Flood Plain: 0 Daysrooms: 3 Green Taxes: \$4,875.00
 Council Approval: Full Bldgs: 3 For Tax Year: 2014
 How View Exp: Half Bldgs: 0 Tax Inc. (1/1000): \$4
 If new, DISTRICT INCL. P.I.D.: 028-933-911

View: View (East/West/Strait of Georgia) Tour:
 Complex / Subdiv: ARBUTUS LANDING/BLAVER ISLAND
 Services Connected: Community, Septic, Water

Style of Home: 3 Storey w/2 Bldg. Construction: Frame - Wood
 Foundation: Concrete Perimeter
 Floor: Hardwood
 Roof: Asphalt Shingles
 Windows: Double Hung
 Heating: Forced Air
 Cooling: Central Air Conditioning
 Fireplaces: 1
 Pool: None
 Deck: Deck
 Garage: Attached, 2 Car

Topography: Level
 Orientation: South
 Exposure: South

Partial Details:
 Call: 604-271-1111
 Email: info@realestate.com

REDACTED: The enclosed information, while deemed to be correct, is not guaranteed. PRCO Inc. Broker/Realtor Real Estate Corporation.

12089 BRYAN ROAD \$1,350,000 (1P) \$1,250,000 (1P)

82144112 82144112
 Period: V, Detached Period: V, Detached
 New/Resale/Lease New/Resale/Lease

Days on Market: 210 Lst Date: 1/19/2017 Expiry Date: 1/19/2017
 Previous Price: \$1,230,000 Original Price: \$1,265,000 Sold Date:

Mark: Type: Feak Frontage (feet): 116.00 Approx. Year Built: 1998
 Depth / Size: 1000 Frontage (metres): 38.50 Area: 398
 Lot Area (sq. ft.): 78,144.00 Dimensions: 4 Zoning: R1
 Flood Plain: 0 Daysrooms: 2 Green Taxes: \$1,834.95
 Council Approval: Full Bldgs: 2 For Tax Year: 2016
 How View Exp: Half Bldgs: 0 Tax Inc. (1/1000):
 If new, DISTRICT INCL. P.I.D.: 009-130-941
 View: View (East/West/Strait of Georgia) Tour:
 Complex / Subdiv: ARBUTUS LANDING/BLAVER ISLAND
 Services Connected: Electricity, Septic, Water

Style of Home: 2 Storey w/2 Bldg. Construction: Frame - Wood
 Foundation: Concrete Perimeter
 Floor: Hardwood
 Roof: Asphalt Shingles
 Windows: Double Hung
 Heating: Forced Air
 Cooling: Central Air Conditioning
 Fireplaces: 1
 Pool: None
 Deck: Deck
 Garage: Attached, 2 Car

Topography: Level
 Orientation: South
 Exposure: South

Partial Details:
 Call: 604-271-1111
 Email: info@realestate.com

REDACTED: The enclosed information, while deemed to be correct, is not guaranteed. PRCO Inc. Broker/Realtor Real Estate Corporation.

Active
R233 R237
 Block V, Detached
 House/Single Family
 Home/Sale/Lease

4336 SEA OTTER ROAD
 Current Zone
 Peterborough Council
 2011-12

\$1,689,000 (P)
 (D)

Lot Area: 17,790.00
 Original Price: \$1,689,000
 Sold Date: 12/19/2017

Mass Type: Feek
 Portage (feet): 104.00
 Approx. Year Built: 1998

Depth / Size: 180
 Footage (metres): 32.31
 Age: 18

Lot Area (sq ft): 17,790.00
 Bedrooms: 3
 Baths: 3

Basement: 3
 Living Areas: 95,164.47

Council Approval: Full Bldg
 For Tax Year: 2018

Near Vaux Crst
 1/2 Mile, 125/101 W. 1/2
 Tax Inc. UPRM: 907-328-948

View: West Ocean and Island
 P.I.D.: 907-328-948

Tran. Virtual Tour URL

Services Connected: Electricity, Sanitary Sewer, Water

Site of Work: 2 Service
 Construction: Frame - Wood
 Foundation: Concrete Perimeter
 Floor System: Concrete Slab
 Exterior Wall: Brick
 Roof System: Asphalt Shingles
 Siding: Vinyl
 Windows: Vinyl
 Doors: Fiberglass
 Heating: Gas Forced Air
 Cooling: Central Air Conditioning
 Water: City (Municipal)
 Sewer: Sewer (Municipal)
 Storm: Storm (Municipal)
 Fire: Fire (Municipal)

Permitted Use: Residential
 Zoning: R233
 Flood Zone: No
 Flood Panel: No

Legal: PLYMOUTH ST 3 DL 2011 LB 25** CANS 11/19/2011 - 12/19/2011**

Site Plan: 4336 SEA OTTER ROAD

Room	Type	Dimensions	Area	Volume	Notes
Main	Living	18' x 12' 6"	227		Walk-In Closet
Main	Dining Room	21' x 17' 6"	368		
Main	Kitchen	14' 3" x 12' 6"	180		
Main	Den	17' x 10' 6"	180		
Main	Bedroom	14' 3" x 11' 7"	167		
Main	Bedroom	12' x 11' 7"	139		
Main	Bathroom	18' x 11' 7"	209		
Main	Bathroom	14' 6" x 11' 7"	170		
Main	Laundry	8' x 7' 6"	61		
Garage	Garage	17' 6" x 17' 6"	308		
Deck	Deck	17' 6" x 17' 6"	308		
Front Porch	Front Porch	17' 6" x 17' 6"	308		
Back Porch	Back Porch	17' 6" x 17' 6"	308		
Basement	Basement	17' 6" x 17' 6"	308		
Attic	Attic	17' 6" x 17' 6"	308		

Permitted Use: Residential
 Zoning: R233
 Flood Zone: No
 Flood Panel: No

Legal: PLYMOUTH ST 3 DL 2011 LB 25** CANS 11/19/2011 - 12/19/2011**

MLS SHEETS - Land Comparables

Appendix 6

Lot 8 LOST LANE
 Halifax Regional Municipality
 178-172

Original Price: \$0
 Original Price: \$893,000
 Sold Date: 4/9/2016

Approx. Year Built: 2016
 Age: 18

Zone: R1
 Flood Zone: No

Permitted Use: Residential
 Flood Panel: No

Legal: PLYMOUTH ST 3 DL 2011 LB 25** CANS 11/19/2011 - 12/19/2011**

Site Plan: 4336 SEA OTTER ROAD

Room	Type	Dimensions	Area	Volume	Notes
Main	Living	18' x 12' 6"	227		Walk-In Closet
Main	Dining Room	21' x 17' 6"	368		
Main	Kitchen	14' 3" x 12' 6"	180		
Main	Den	17' x 10' 6"	180		
Main	Bedroom	14' 3" x 11' 7"	167		
Main	Bedroom	12' x 11' 7"	139		
Main	Bathroom	18' x 11' 7"	209		
Main	Bathroom	14' 6" x 11' 7"	170		
Main	Laundry	8' x 7' 6"	61		
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Deck	Deck	17' 6" x 17' 6"	308		
Front Porch	Front Porch	17' 6" x 17' 6"	308		
Back Porch	Back Porch	17' 6" x 17' 6"	308		
Basement	Basement	17' 6" x 17' 6"	308		
Attic	Attic	17' 6" x 17' 6"	308		

Permitted Use: Residential
 Zoning: R233
 Flood Zone: No
 Flood Panel: No

Legal: PLYMOUTH ST 3 DL 2011 LB 25** CANS 11/19/2011 - 12/19/2011**

Site Plan: 4336 SEA OTTER ROAD

Permitted Use: Residential
 Zoning: R233
 Flood Zone: No
 Flood Panel: No

Legal: PLYMOUTH ST 3 DL 2011 LB 25** CANS 11/19/2011 - 12/19/2011**

Lot 9 WELCOME WYND
Selling Price: \$799,900 (LTP)
Sunshine Coast
Harlem Bay Service Co Bidder's
VRI 1/2

Lot 9 WELCOME WYND
Selling Price: \$799,900 (LTP)
Sunshine Coast
Harlem Bay Service Co Bidder's
VRI 1/2

Days on Market:	78	Lot Area:	317/2017	EPVY Date:	9/27/2017
Previous Price:	810	Original Price:	\$799,900	Sold Date:	9/4/2017
Frontage:	118.00	Subdiv/Complex:	TideWAYS		
Area Type:	Fast	P133:	034-976-978		
Frontage Metric:		Taxes:	\$2,691.72		
Area:	1937/50/32	Top Year:	2016		
Price/Sqft:		Zoning:	RES		
Sub-Type:	Residential:	Responsible:	LOT/720		
Structure:	Southwest	Flood Zone:		Age:	0.65
Permitted Use:	House/Single Family	Met:	0.26	Sqft:	0.00
Title to Land:	Freehold Strata	Top:	0.00		

Property Access: Road Access
Water Supply: None
Sewer: On/Off: Not Available
Electric: Not Available
Telephone: Available Nearby
Cable Service: Available Nearby
Fire: Not Available
Gas: Not Available
Pool: Not Available

Lot 9 WELCOME WYND
FL 1345478 LT 9 DL 3339 LD 33

Site Influence: Mixed Complex, Marine Nearby, Private Setting, Private Yard, Recreational Nearby, Waterfront Property
Availability: Standalone Building Scheme
Commitment: 3.125% ON THE 1ST \$100,000 & 3.822% ON THE BALANCE ** PATABLE WITH FIRST PHYSICAL INTRODUCTION ONLY OTHERWISE \$100

Lot Broker 1: RE/MAX Oceanview Realty - Office: 884-883-4313
Lot Sales Rep 1: PAUL & ROBBY PREC - Phone: 884-741-1877
Lot Sales Rep 2: [Blank]
Lot Broker 2: [Blank]
Lot Sales Rep 3: [Blank]
Lot Broker 3: RE/MAX Oceanview Realty - Office: 884-883-4313
Lot Sales Rep 4: PAUL & ROBBY PREC
Lot Sales Rep 5: [Blank]
Owner: COLIN EMMAIE & CYNTHIA MILLAR
Remark: Property is gated. Call for the code.

Lot 1 LISKA ROAD
Selling Price: \$1,300,000 (LTP)
Sunshine Coast
Harlem Bay Service Co Bidder's
VRI 1/2

Lot 1 LISKA ROAD
Selling Price: \$1,300,000 (LTP)
Sunshine Coast
Harlem Bay Service Co Bidder's
VRI 1/2

Days on Market:	718	Lot Area:	8/10/2018	EPVY Date:	9/28/2018
Previous Price:	810	Original Price:	\$1,300,000	Sold Date:	9/28/2018
Frontage:	200.00	Subdiv/Complex:			
Area Type:	Fast	P133:	039-205-248		
Frontage Metric:		Taxes:	\$2,676.00		
Area:	2001/84	Top Year:	2016		
Price/Sqft:		Zoning:	R2		
Sub-Type:	Residential:	Responsible:	LOT/20		
Structure:	Southwest	Flood Zone:		Age:	3.14
Permitted Use:	House/Single Family	Met:	2.27	Sqft:	134,716.40
Title to Land:	Freehold Free Title	Top:	0.00		

Property Access: Road Access
Water Supply: On/Off: Not Available
Sewer: On/Off: Not Available
Electric: Not Available
Telephone: Available Nearby
Cable Service: Available Nearby
Fire: Not Available
Gas: Not Available
Pool: Not Available

Lot 1 LISKA ROAD
FL 8CF4324 LT 1 DL 8587 LD 28 GROUP 1

Site Influence: Golf-Cr. Sub, Marine Nearby, Private Setting, Private Yard, Recreational Nearby, Waterfront Property
Availability: Standalone Building Scheme
Commitment: 3.125% ON THE 1ST \$100,000 & 3.15% ON REMAINDER

Lot Broker 1: Royal LePage Sussex (SL) - Office: 884-883-2318
Lot Sales Rep 1: PAUL & ROBBY PREC - Phone: 884-741-1877
Lot Sales Rep 2: Denise Bremner PREC - Phone: 884-741-1877
Lot Broker 2: Royal LePage Sussex (SL) - Office: 884-883-2318
Lot Sales Rep 3: [Blank]
Lot Broker 3: Royal LePage Sussex (SL) - Office: 884-883-2318
Lot Sales Rep 4: Denise Bremner PREC
Owner: C. Smith
Remark: ** WITH FIRST PHYSICAL INTRODUCTION TO THE PROPERTY, OTHERWISE \$100. ALL MEASUREMENTS AND APPROXIMATE AND ARE TO BE VERIFIED BY THE BUYER. DO NOT WALK ON PROPERTY WITHOUT AN APPOINTMENT. SMALL PORTION OF PROPERTY IS ACROSS 135A

Assessment Roll Report

Disclaimer

This information is obtained from various sources and is determined as of the specific dates set out in the Assessment Act. As a result, BC Assessment cannot warrant that it is current or accurate, and provides it for your convenience only. Use of this information without verification from original sources is at your own risk.

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Report Date: Nov 02, 2017 Report Time: 09:20:27 AM
Folio: 24371-0033 For: P169044
Roll Year: 2017 Roll Number: 06165.315
Area: 08 Jurisdiction: 746
School District: 46
Neighbourhood: 559 - HALFMOON BAY-EGMONT WATERFRONT
Property Address: PACKALEN BLVD SECHLT BC

Owner Name: ALL CANADIAN INVESTMENT CORPORATION # of Owners: 1
Owner Address: 2-781 MARINE PARK DR NE SALMON ARM BC V1E 2W7

Document No: CA4598539
PID: 026-192-993

Legal Description: Lot 4, Plan BCP15562, District Lot 3923, Group 1, New Westminster Land District, & AN UNDIVIDED 3/12TH INTEREST IN LOT 7; RPBCP15563

2017 Value
Property Class Land
Residential \$728000
Total Actual Value: \$728000

2016 Value
Property Class Land
Residential \$750000
Total Actual Value: \$750000

2015 Value
Property Class Land
Residential \$750000
Total Actual Value: \$750000

Manual Class:
Actual Use: 001 - Vacant Residential Less Than 2 Acres
Tenure: 01 - Crown-Granted
ALR:
Land Dimension: 1.084 Land Dimension Type: Acres

Sales: Number Description
#1 A SINGLE PROPERTY, VACANT SALE occurred on 11 Aug 2015. This was a CASH sale and the price was 750,000. The document # was CA4598539.
#2 A NON-SALE occurred on 10 Sep 2014. The document # was CA3952323.
#3 A NON-SALE occurred on 24 Jan 2005. The document # was BX405847.

Additional Owners: No Additional Owners

Associated PIDs:

This is Exhibit ... referred to in the affidavit of Donald Bergman sworn (or affirmed) before me on 7/Nov/2017. [dd/mm/yyyy]
A Commissioner for taking Affidavits within British Columbia

Assessment Roll Report

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Report Date: Nov 02, 2017 **Report Time:** 09:21:29 AM
Folio: 24371-0033 **For:** PI69044
Roll Year: 2017 **Roll Number:** 06165.320
Area: 08 **Jurisdiction:** 746
School District: 46
Neighbourhood: 559 - HALFMOON BAY-EGMONT WATERFRONT
Property Address: PACKALEN BLVD SECHELT BC
Owner Name: ALL CANADIAN INVESTMENT CORPORATION **# of Owners:** 1
Owner Address: 2-781 MARINE PARK DR NE SALMON ARM BC V1E 2W7
Document No: CA4598540
PID: 026-193-001
Legal Description: Lot 5, Plan BCP15562, District Lot 3923, Group 1, New Westminster Land District, & AN UNDIVIDED 3/12TH INTEREST IN LOT 7

2017 Value

Property Class	Land
Residential	\$673000

Total Actual Value: \$673000

2016 Value

Property Class	Land
Residential	\$716000

Total Actual Value: \$716000

2015 Value

Property Class	Land
Residential	\$716000

Total Actual Value: \$716000

Manual Class:

Actual Use: 001 - Vacant Residential Less Than 2 Acres

Tenure: 01 - Crown-Granted

ALR:

Land Dimension: .745 **Land Dimension Type:** Acres

Sales:	Number	Description
	#1	A SINGLE PROPERTY, VACANT SALE occurred on 11 Aug 2015. This was a CASH sale and the price was 716,000. The document # was CA4598540.
	#2	A NON-SALE occurred on 10 Sep 2014. The document # was CA3952324.
	#3	A NON-SALE occurred on 24 Jan 2005. The document # was BX405848.

Additional Owners:

No Additional Owners

Associated PIDs:

Assessment Roll Report

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Report Date: Nov 02, 2017
Folio: 24371-0033
Report Time: 09:22:04 AM
For: P169044
Roll Year: 2017
Area: 08
Roll Number: 06165.325
School District: 46
Jurisdiction: 746
Neighbourhood: 559 - HALFMOON BAY-EGMONT WATERFRONT
Property Address: 4153 PACKALEN BLVD GARDEN BAY BC V0N 1S1
Owner Name: ALL CANADIAN INVESTMENT CORPORATION
of Owners: 1
Owner Address: 2-781 MARINE PARK DR NE SALMON ARM BC V1E 2W7
Document No: CA4598541
PID: 026-193-019
Legal Description: Lot 6, Plan BCP15562, District Lot 3923, Group 1, New Westminster Land District, & AN UNDIVIDED 3/12TH INTEREST IN LOT 7

2017 Value

Property Class	Land	Improvement
Residential	\$985000	\$157000

Total Actual Value: \$1142000

2016 Value

Property Class	Land	Improvement
Residential	\$962000	\$121000

Total Actual Value: \$1083000

2015 Value

Property Class	Land	Improvement
Residential	\$962000	\$107000

Total Actual Value: \$1069000

Manual Class: 0080 - 1 Sty Sfd - After 1930 - Fair.

Actual Use: 000 - Single Family Dwelling

Tenure: 01 - Crown-Granted

ALR:

Land Dimension: .703 **Land Dimension Type:** Acres

Sales:

Number	Description
#1	A SINGLE PROPERTY, IMPROVED SALE occurred on 11 Aug 2015. This was a CASH sale and the price was 1,069,000. The document # was CA4598541.
#2	A SINGLE PROPERTY, IMPROVED SALE occurred on 03 Nov 2005. This was a CASH sale and the price was 200,000. The document # was BX15397.
#3	A NON-SALE occurred on 24 Jan 2005. The document # was BX405849.

Additional Owners:

No Additional Owners

Associated PIDs:

Assessment Roll Report

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Report Date: Nov 02, 2017 Report Time: 09:22:36 AM
Folio: 24371-0033 For: PI69044
Roll Year: 2017 Roll Number: 06165.693
Area: 08 Jurisdiction: 746
School District: 46
Neighbourhood: 550 - PENDER HARBOUR
Property Address: 13562 LEE RD GARDEN BAY BC V0N 1S1
Owner Name: ALL CANADIAN INVESTMENT CORPORATION # of Owners: 1
Owner Address: 2-781 MARINE PARK DR NE SALMON ARM BC V1E 2W7
Document No: CA4598538
PID: 027-093-387
Legal Description: Lot 184, Plan BCP30066, District Lot 3923, Group 1, New Westminster Land District

2017 Value

Table with 3 columns: Property Class, Land, Improvement. Residential \$279000 \$270000

Total Actual Value: \$549000

2016 Value

Table with 3 columns: Property Class, Land, Improvement. Residential \$225000 \$219000

Total Actual Value: \$444000

2015 Value

Table with 3 columns: Property Class, Land, Improvement. Residential \$202000 \$219000

Total Actual Value: \$421000

Manual Class: 8000 - Non-Manualized Structures
Actual Use: 062 - 2 Acres Or More (Seasonal Dwelling)
Tenure: 01 - Crown-Granted
ALR:
Land Dimension: 2.58 Land Dimension Type: Acres

Sales table with 3 columns: Number, Description. #1 A SINGLE PROPERTY, IMPROVED SALE occurred on 11 Aug 2015. This was a CASH sale and the price was 421,000. The document # was CA4598538. #2 A NON-SALE occurred on 10 Sep 2014. The document # was CA3952322. #3 A NON-SALE occurred on 15 May 2007. The document # was BB400154.

Additional Owners: No Additional Owners

Associated PIDs:

This is Exhibit J referred to in the affidavit of Daniel D. Bergman sworn (or affirmed) before me on 7/Nov/2017 [dd/mm/yyyy] A Commissioner for taking Affidavits within British Columbia

Assessment Roll Report

Disclaimer

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©BC Assessment

Report Date: Nov 02, 2017 **Report Time:** 09:23:04 AM
Folio: 24371-0033 **For:** PI69044
Roll Year: 2017 **Roll Number:** 06165.520
Area: 08 **Jurisdiction:** 746
School District: 46
Neighbourhood: 550 - PENDER HARBOUR
Property Address: BC
Owner Name: ALL CANADIAN INVESTMENT CORPORATION **# of Owners:** 1
Owner Address: 2-781 MARINE PARK DR NE SALMON ARM BC V1E 2W7
Document No: CA4598537
PID: 026-169-436
Legal Description: Lot 137, Plan BCP15556, District Lot 3923, Group 1, New Westminster Land District

2017 Value

Property Class	Land	
Residential	\$66200	
		Total Actual Value: \$66200

2016 Value

Property Class	Land	
Residential	\$72900	
		Total Actual Value: \$72900

2015 Value

Property Class	Land	
Residential	\$67000	
		Total Actual Value: \$67000

Manual Class:

Actual Use: 001 - Vacant Residential Less Than 2 Acres
Tenure: 01 - Crown-Granted
ALR:
Land Dimension: 23907 **Land Dimension Type:** Square Feet

Sales:	Number	Description
	#1	A SINGLE PROPERTY, VACANT SALE occurred on 11 Aug 2015. This was a CASH sale and the price was 75,800. The document # was CA4598537.
	#2	A NON-SALE occurred on 10 Sep 2014. The document # was CA3952321.
	#3	A NON-SALE occurred on 24 Jan 2005. The document # was BX105639.

Additional Owners:
 No Additional Owners

Associated PIDs:

This is Exhibit K referred to in the affidavit of
Donald Bergman sworn (or affirmed)
before me on 7/Nov/2017 [dd/mmm/yyyy]

Kat M
A Commissioner for taking Affidavits
within British Columbia

SUPREME COURT OF BRITISH COLUMBIA
VANCOUVER REGISTRY

Amended pursuant to Rule 6-1(a) of the Supreme Court Civil Rules
Original Petition to the Court filed August 6, 2017

OCT 12 2017



No. H-170363
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

FISGARD CAPITAL CORPORATION

Petitioner

AND:

ALL CANADIAN INVESTMENT CORPORATION
VAN MAREN FINANCIAL LTD.

Respondents

AMENDED PETITION TO THE COURT

ON NOTICE TO:

ALL CANADIAN INVESTMENT CORPORATION
800 – 885 West Georgia Street
Vancouver, BC V6C 3H1

VAN MAREN FINANCIAL LTD.
202 – 45793 Luckakuck
Chilliwack, BC V2R 5S3

This proceeding is brought for the relief set out in Part 1 below by the person named as Petitioner in the style of proceedings above.

If you intend to respond to this Petition, you or your lawyer must

- a) file a Response to Petition in Form 67 in the above-named registry of this Court within the time for Response to Petition described below, and
- b) serve on the Petitioner
 - i) 2 copies of the filed Response to Petition, and
 - ii) 2 copies of each filed Affidavit on which you intend to rely at the Hearing.

ORDERS, INCLUDING ORDERS GRANTING THE RELIEF CLAIMED, MAY BE MADE AGAINST YOU, WITHOUT ANY FURTHER NOTICE TO YOU, IF YOU FAIL TO FILE THE RESPONSE TO THE PETITION WITHIN THE TIME FOR RESPONSE.

TIME FOR RESPONSE TO THE PETITION

A Response to Petition must be filed and served on the Petitioner,

- a) if you were served with the Petition anywhere in Canada, within 21 days after that service,
- b) if you were served with the Petition anywhere in the United States of America, within 35 days after that service,
- c) if you were served with the Petition anywhere else, within 49 days after that service, or
- d) if the time for Response has been set by Order of the Court, within that time.

(1)	<p>THE ADDRESS OF THE REGISTRY IS:</p> <p>The Supreme Court of British Columbia The Law Courts 800 Smithe Street Vancouver, BC V6Z 2E1</p>
(2)	<p>THE ADDRESS FOR SERVICE OF THE PETITIONER IS:</p> <p>FISGARD CAPITAL CORPORATION c/o P.O. Box 49130 2900 – 595 Burrard Street Vancouver B.C V7X 1J5</p> <p>Fax number address for service (if any) of the Petitioner: 604-632-4486</p> <p>E-mail address for service (if any) of the Petitioner: N/A</p>
(3)	<p>THE NAME AND OFFICE ADDRESS OF THE PETITIONER'S LAWYER IS:</p> <p>Alan A. Frydenlund, Q.C. OWEN BIRD LAW CORPORATION P.O. Box 49130 2900 – 595 Burrard Street Vancouver, BC V7X 1J5</p>

PART 1: ORDER(S) SOUGHT

- A. A Declaration that a mortgage dated November 30, 2015 made between the Respondent, ALL CANADIAN INVESTMENT CORPORATION, as Mortgagor

and the Petitioner, FIGGARD CAPITAL CORPORATION, as Mortgagee and registered in the Lower Mainland Land Title Office, in the Province of British Columbia, on December 3, 2015 under Number CA4854128 and renewed by way of renewal letter dated December 19, 2016 (together the "Mortgage"), is a mortgage charging the following lands:

North Shore – Squamish Valley Assessment Area
Pender Harbour Fire Protection District

Parcel Identifier: 026-192-993
Lot 4 and an undivided 3/12th share in Lot 7, District Lot 3923 Group 1 New Westminster District Plan BCP15562

Parcel Identifier: 026-193-001
Lot 5 and an undivided 3/12th share in Lot 7, District Lot 3923 Group 1 New Westminster District Plan BCP15562

Parcel Identifier: 026-193-019
Lot 6 and an undivided 3/12th share in Lot 7, District Lot 3923 Group 1 New Westminster District Plan BCP15562

(together, the "Lands")

in priority to the interests therein or claims thereto of the Respondents and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them;

B. A Declaration that a general security agreement dated December 1, 2015 made between the Respondent, ALL CANADIAN INVESTMENT CORPORATION, as Debtor, and the Petitioner, FIGGARD CAPITAL CORPORATION, as the Secured Party and registered in the Personal Property Registry, in the Province of British Columbia, on December 3, 2015, under Base Registration Number 9916281 (the "GSA") is an agreement charging all of the said Respondent's present and after acquired personal property, assets, undertakings, accounts, inventory, immovable and leasehold property and all proceeds therefrom (hereinafter called the "Property") to the Petitioner in priority to the interests therein or claims thereto of the Respondents and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them;

C. A Declaration that the floating charge on land created by the GSA has crystallized and became a fixed charge on the following lands on September 19, 2017 under CA6308640:

- a) 027-093-387 Lot 184 District Lot 3923 Group 1 NWD Plan BCP30066
- b) 026-169-436 Lot 137 District Lot 3923 Group 1 NWD Plan BCP15556
- c) 024-657-433 Lot D District Lots 3970 and 3971 Group 1 NWD Plan LMP44457
- d) 007-710-704 Lot 36 District Lot 3989 Plan 15216
- e) 030-121-787 Strata Lot 36 Block 19 NWD Strata Plan EPS4196
- f) 030-122-686 Strata Lot 126 Block 19 NWD Strata Plan EPS4196
- g) 030-122-651 Strata Lot 123 Block 19 NWD Strata Plan EPS4196
- h) 030-122-406 Strata Lot 98 Block 19 NWD Strata Plan EPS4196;

B. (the "GSA Lands") in priority to the interests of the Respondents, and their respective heirs, executors, administrators, successors and assigns and any person claiming by, through, or under them;

C-D. A Declaration that the Respondent, ALL CANADIAN INVESTMENT CORPORATION, has made default under the Mortgage and the GSA (together the "Security"), as the loan secured by the Security matured June 15, 2017 and that as a result, the full balance due and owing thereunder is now due and payable to the Petitioner;

D-E. A Declaration that the amount of money due and owing under the Security and the amount of money required to redeem the Lands, GSA Lands and Property is the sum of \$1,273,208.64 as of August 1, 2017 plus per diem interest at the rate of 8.50% per annum, compounded monthly, from and including August 2, 2017;

E-F. A Declaration that the rate of interest chargeable pursuant to the Security is 8.50% per annum, compounded monthly, not in advance;

F.G. An Order that the last date for redemption be six (6) months after the date of pronouncement of any Order made herein, or such other period of time as this Court may order;

G.H. An Order that the Petitioner do recover judgment against the Respondent, ALL CANADIAN INVESTMENT CORPORATION, in the sum of \$1,273,208.64 as at August 1, 2017, plus interest from and including August 2, 2017, at the rate of 8.50% per annum, compounded monthly, together with the Petitioner's costs of this proceeding on a special costs basis or, alternatively, a party and party costs basis pursuant to Scale B or such other scale as may be appropriate;

H.I. An Order that the Petitioner do recover its costs of this proceeding on a special costs basis or, alternatively, a party and party costs basis pursuant to Scale B or such other scale as may be appropriate and that such costs form a part of the amount required to redeem the Lands, GSA Lands, and Property;

I.J. An Order that upon the Respondents, or any of them, paying into Court to the credit of this proceeding at the Court Registry, Courthouse, 800 Smithe Street, Vancouver, British Columbia, or paying to the solicitor of record for the Petitioner or, if no such solicitor exists then paying to the Petitioner, the amount required to redeem the Lands, GSA Lands and Property as aforesaid, together with the costs of this proceeding on a special costs basis or, alternatively, a party and party costs basis pursuant to Scale B or such other scale as may be appropriate, before pronouncement of either an Order Absolute of Foreclosure or an Order confirming the sale of the Lands, GSA Lands and Property, the Petitioner shall reconvey the Lands, GSA Lands, and Property free and clear of all encumbrances in favour of it or any person claiming by, through or under it and shall deliver up, upon oath if required, all deeds, titles and documents in its custody, possession or power relating thereto to the Respondents so paying or to whom they shall appoint;

J.K. An Order that if the Lands, GSA Lands, and Property not be redeemed, the Petitioner shall be at liberty to apply for an Order Absolute of Foreclosure and

upon pronouncement of the Order Absolute of Foreclosure the Respondents and all persons claiming by, through or under them shall henceforth stand absolutely debarred and foreclosed of and from all right, title, interest and equity of redemption in and to the Lands, GSA Lands and Property and all monies paid under the Security shall become the property of the Petitioner free from any right of the Respondents and that thereupon the Petitioner shall recover vacant possession of the Lands, GSA Lands, and Property;

K.L. An Order appointing a receiver of the rents and mesne profits in respect of the Lands, GSA Lands, and Property;

L.M. An Order for Sale of the Lands, GSA Lands and Property subject to the approval of this Honourable Court and for the Petitioner to have exclusive conduct of such sale;

M.N. An Order that the Petitioner may apply to this Court for a further summary accounting of any amounts which become due to the Petitioner for interest, taxes, arrears of taxes, insurance premiums, costs, charges, expenses or otherwise since the date of pronouncement of this Order;

N.O. A Certificate of Pending Litigation; and

O.P. An Order for any further relief that this Honourable Court may seem just.

PART 2: FACTUAL BASIS

1. The Petitioner, FISGARD CAPITAL CORPORATION, is a federal company duly continued in the Province of British Columbia, having an office at 3378 Douglas Street, in the City of Victoria, in the Province of British Columbia, V8Z 3L3.
2. By a mortgage dated mortgage dated November 30, 2015 made between the Respondent, ALL CANADIAN INVESTMENT CORPORATION, as Mortgagor and the Petitioner, FISGARD CAPITAL CORPORATION, as Mortgagee and registered in the Lower Mainland Land Title Office, in the Province of British Columbia, on December 3, 2015 under Number CA4854128 and renewed by

way of renewal letter dated December 19, 2016 (together the "Mortgage"), the said Respondent mortgaged the following lands:

North Shore – Squamish Valley Assessment Area
Pender Harbour Fire Protection District

Parcel Identifier: 026-192-993
Lot 4 and an undivided 3/12th share in Lot 7, District Lot 3923 Group 1 New Westminster District Plan BCP15562

Parcel Identifier: 026-193-001
Lot 5 and an undivided 3/12th share in Lot 7, District Lot 3923 Group 1 New Westminster District Plan BCP15562

Parcel Identifier: 026-193-019
Lot 6 and an undivided 3/12th share in Lot 7, District Lot 3923 Group 1 New Westminster District Plan BCP15562

(together, the "Lands")

in favour of the Petitioner in priority to the interests therein or claims thereto of the Respondents and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them.

3. By a general security agreement dated December 1, 2015 made between the Respondent, ALL CANADIAN INVESTMENT CORPORATION, as Debtor, and the Petitioner, FISGARD CAPITAL CORPORATION, as the Secured Party and registered in the Personal Property Registry, in the Province of British Columbia, on December 3, 2015, under Base Registration Number 9916281 (the "GSA") the said Respondent charged all of its present and after acquired personal property, assets, undertakings, accounts, inventory, immovable and leasehold property and all proceeds therefrom (hereinafter called the "Property") to the Petitioner in priority to the interests therein or claims thereto of the Respondents and their respective heirs, executors, administrators, successors and assigns, and any persons claiming by, through or under them.

4. The GSA has crystallized and became a fixed charge on the following interests in lands on September 19, 2017 under CA6308640:;

- a) 027-093-387 Lot 184 District Lot 3923 Group 1 NWD Plan BCP30066 as to the fee simple interest owned by the Respondent, All Canadian Investment Corporation;
- b) 026-169-436 Lot 137 District Lot 3923 Group 1 NWD Plan BCP15556 as to the fee simple interest owned by the Respondent, All Canadian Investment Corporation;
- c) 024-657-433 Lot D District Lots 3970 and 3971 Group 1 NWD Plan LMP44457 as to the mortgage and assignment of rents CA1013352 and CA1013353 owned by the Respondent, All Canadian Investment Corporation;
- d) 007-710-704 Lot 36 District Lot 3989 Plan 15216 as to the mortgage and assignment of rents CA1013358 and CA1013359 owned by the Respondent, All Canadian Investment Corporation;
- e) 030-121-787 Strata Lot 36 Block 19 NWD Strata Plan EPS4196 as to the mortgage and assignment of rents CA3154208 (modified by CA4229497 and CA4318776) and CA3154209 (modified by CA4229498) owned by the Respondent, All Canadian Investment Corporation;
- f) 030-122-686 Strata Lot 126 Block 19 NWD Strata Plan EPS4196 as to the mortgage and assignment of rents CA3154208 (modified by CA4229497 and CA4318776) and CA3154209 (modified by CA4229498)— owned by the Respondent, All Canadian Investment Corporation;
- g) 030-122-651 Strata Lot 123 Block 19 NWD Strata Plan EPS4196 as to the mortgage and assignment of rents CA3154208 (modified by CA4229497 and CA4318776) and CA3154209 (modified by CA4229498)— owned by the Respondent, All Canadian Investment Corporation;
- h) 030-122-406 Strata Lot 98 Block 19 NWD Strata Plan EPS4196 as to the mortgage and assignment of rents CA3154208 (modified by CA4229497 and CA4318776) and CA3154209 (modified by CA4229498) —owned by the Respondent, All Canadian Investment Corporation;

(the "GSA Lands") in priority to the interests of the Respondents, and their respective heirs, executors, administrators, successors and assigns and any person claiming by, through, or under them;

4.5. The Respondent, ALL CANADIAN INVESTMENT CORPORATION, is the registered owner of the Lands, GSA Lands, and Property and the person entitled to the equity of redemption contained in the Mortgage and GSA (together the "Security").

5.6. The rate of interest chargeable pursuant to the Security is 8.50% per annum, compounded monthly, not in advance, as well after as before any or all of maturity, default and judgment until paid.

6.7. The Security matured June 15, 2017, and as a result, the full balance due pursuant to the Security is due and payable, and the Respondent, ALL CANADIAN INVESTMENT CORPORATION, refused or neglected to pay the same notwithstanding that payment was demanded.

7.8. The principal sum advanced under the Security was \$1,250,000.00 and the principal sum now due under the Security is \$1,273,208.64 as at August 1, 2017. The said amount claimed does not include any penalty or bonus.

8.9. The per diem interest due on the said principal sum of \$1,273,208.64 is based on the interest rate of 8.50% per annum, compounded monthly, not in advance.

9.10. The following sets out the holders of charges, nature of charges and registration numbers of the charges registered in the Lower Mainland Land Title Office against the title of the Lands, all of which charges rank in priority behind the interest of the Petitioner:

RESPONDENT	NATURE OF INTEREST	REGISTRATION NUMBER
VAN MAREN FINANCIAL LTD.	Mortgage	CA5479890
	Assignment of Rents	CA5479891

10.11. The following sets out the holders of charges, nature of charges and registration numbers of the charges registered in British Columbia Personal Property Registry against the Respondent, ALL CANADIAN INVESTMENT CORPORATION, all of which charges rank in priority behind the interest of the Petitioner:

RESPONDENT	NATURE OF INTEREST	REGISTRATION NUMBER
VAN MAREN FINANCIAL LTD.	PPSA Security Agreement	515813J

11-12. There are no other persons having a registered interest in the Lands, GSA Lands, and Property with respect to which the Security of the Petitioner has priority.

12-13. The Petitioner has not entered into nor taken possession of the Lands, GSA Lands, and Property.

14. The Security is a first Mortgage against the Lands and Property.

PART 3: LEGAL BASIS

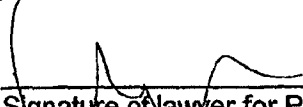
1. Rules 1-3, 10-2, 13-5, 14-1, 16-1, 21-7, and 22-1 of the Rules of the Court.

PART 4: MATERIAL TO BE RELIED ON

1. Affidavit #1 of SHANNON O'FLYNN made AUGUST ____, 2017, and
2. 2. Affidavit #1 of ALAN A. FRYDENLUND, Q.C. made AUGUST ____, 2017.
- 2-3. Affidavit #2 of ALAN A. FRYDENLUND, Q.C. made OCTOBER 11, 2017.

The Petitioner estimates that the Hearing of the Petition will take 5 minutes.

Date: OCTOBER 11, 2017


 Signature of lawyer for Petitioner, FISGARD
 CAPITAL CORPORATION, Alan
 A. Frydenlund, Q.C.

TO BE COMPLETED BY THE COURT ONLY:

Order made

in the terms requested in paragraphs _____ of Part 1 of this Petition

with the following variations and additional terms:

Date: _____

Signature of Judge Master

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

FISGARD CAPITAL CORPORATION

Petitioner

AND:

ALL CANADIAN INVESTMENT CORPORATION
VAN MAREN FINANCIAL LTD.

Respondents

**ENDORSEMENT ON ORIGINATING PLEADING OR PETITION
FOR SERVICE OUTSIDE BRITISH COLUMBIA**

The Petitioner, FISGARD CAPITAL CORPORATION, claims the right to serve this Petition on the Respondents, or any of them, outside British Columbia on the grounds, *inter alia*, that the proceeding:

- (a) is brought to enforce, assert, declare or determine proprietary or possessory rights or a security interest in property in British Columbia that is immovable or movable property;
- (b) is brought to interpret, rectify, or enforce any deed, contract, or other instrument in relation to property in British Columbia that is immovable or movable property;
- (c) concerns contractual obligations, and the contractual obligations, to a substantial extent, were to be performed in British Columbia;
- (d) concerns contractual obligations, and by its express terms, the contract is governed by the law of British Columbia.

No. H-170363
Vancouver Registry

**IN THE SUPREME COURT OF
BRITISH COLUMBIA**

BETWEEN:

FISGARD CAPITAL CORPORATION

Petitioner

AND:

ALL CANADIAN INVESTMENT CORPORATION
VAN MAREN FINANCIAL LTD.

Respondents

AMENDED PETITION TO THE COURT

OWEN BIRD LAW CORPORATION
P.O. Box 49130
Three Bentall Centre
2900-595 Burrard Street
Vancouver, B.C.
V7X 1J5
Tel: (604) 688-0401
Fax: (604) 632-4486

Alan A. Frydenlund, Q.C.
28199-0359

NO.
VANCOUVER REGISTRY

I N THE SUPREME COURT OF BRITISH COLUMBIA

I N THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND

I N THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C. 1985, c. C-44, AS AMENDED

AND

I N THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF
ALL CANADIAN INVESTMENT CORPORATION

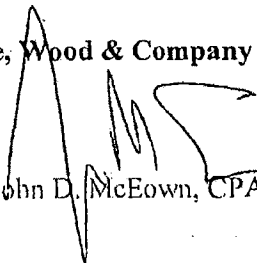
CONSENT TO ACT AS MONITOR

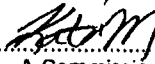
BOALE, WOOD & COMPANY LTD., of Suite 1140 - 800 West Pender Street, Vancouver, British Columbia, represented by John D. McEown, a Trustee, does hereby consent to act as Monitor in the matter of the *Corporation Companies' Creditors Arrangement Act* proceedings of All Canadian Investment Corporation.

DATED AT the City of Vancouver, British Columbia, this 31st day of October, 2017.

Boale, Wood & Company Ltd.

Per: John D. McEown, CPA, CA, CIRP



This is Exhibit L referred to in the affidavit of
Donald Bergman sworn (or affirmed)
before me on 7/Nov/2017 [dd/mmm/yyyy]

A Commissioner for taking Affidavits
within British Columbia

ALL CANADIAN INVESTMENT CORPORATION
 Weekly Cash Flow Projection
 November 5 to December 31, 2017

	Week Ending Nov 12 1	Week Ending Nov 19 2	Week Ending Nov 26 3	Week Ending Dec 3 4	Week Ending Dec 10 5	Week Ending Dec 17 6	Week Ending Dec 24 7	Week Ending Dec 31 8	Total
Estimated Cash Inflows									
Mortgage Interest Payments	\$ 49,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,000
Mortgage Payouts/Paydowns	-	-	75,000	100,000	-	50,000	-	50,000	275,000
	49,000	-	75,000	100,000	-	50,000	-	50,000	324,000
Estimated Cash Outflows									
Management Fees	-	-	20,000	30,000	-	20,000	-	-	70,000
Bank Charges	-	-	-	105	-	-	-	105	210
Accounting Costs	-	-	-	-	-	10,000	-	-	10,000
Monitor Fees	15,000	-	25,000	30,000	-	10,000	-	10,000	90,000
Legal Fees	25,000	-	25,000	40,000	-	20,000	-	40,000	150,000
Other	-	-	-	-	-	-	-	-	-
	40,000	-	70,000	100,105	-	60,000	-	50,105	320,210
Estimated Net Cash Inflows (Outflows)	9,000	-	5,000	(105)	-	(10,000)	-	(105)	3,790
Estimated Opening Cash Position	10,470	19,470	19,470	24,470	24,365	24,365	14,365	14,365	10,470
Estimated Closing Cash Position	\$ 19,470	\$ 19,470	\$ 24,470	\$ 24,365	\$ 24,365	\$ 14,365	\$ 14,365	\$ 14,260	\$ 14,260

Cash Flow Projection Assumptions:

- 1) Cash Inflows are based on the terms of the loan agreements with ACIC customers and anticipated loan interest/paydowns by borrowers
- 2) Cash outflows for management fees are based on current actual overhead costs of the management company and are not based on the Management Agreement
- 3) Cash outflows for the Monitor and legal fees are based on estimates provided by the Monitor and ACIC's legal counsel
- 4) Cash outflows assume no lending by ACIC and no interest or principle payments to secured creditors, debentureholders and shareholders
- 5) Cash Flow Projections are made based on assumptions of future events. Accordingly, the actual results will vary from the information presented and the variances may be material.
- 6) The Projections have been prepared solely for the purposes of filing the CCAA petition. Readers are cautioned that the projections may not be appropriate for any other purposes.

Prepared by Management of All Canadian Investment Corporation

This is Exhibit M referred to in the affidavit of Donald Bergman sworn (or affirmed) before me on 7 Nov 2017. [dd/mm/yyyy]
 [Signature]
 A Commissioner for Taking Affidavits within British Columbia



This is Exhibit A..... referred to in the affidavit of
Donald Bergman... sworn (or affirmed)
before me on 7 / Nov / 2017... [dd/mmm/yyyy]
[Signature]
A Commissioner for taking Affidavits
within British Columbia

ALL CANADIAN INVESTMENT CORPORATION

INDEX

TO

FINANCIAL STATEMENTS

September 30, 2016

(Expressed in Canadian dollars)

Review Engagement Report;
Exhibit "A" Statement of Financial Position;
Exhibit "B" Statement of Profit or Loss;
Exhibit "C" Statement of Changes in Equity;
Exhibit "D" Statement of Cash Flows;
Notes to the Financial Statements.



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANT

Suite 6-237 6th Avenue
Kamloops, BC
V2C 3R2

Ph: 250.434.1182 Fax: 250.434.6542
info@sandykecpa.ca
www.sandykecpa.ca



To the Shareholders of
ALL CANADIAN INVESTMENT CORPORATION

I have reviewed the accompanying financial statements of ALL CANADIAN INVESTMENT CORPORATION, which comprise the statement of financial position as at September 30, 2016, and the statements of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements. I conducted my review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires me to conclude whether anything has come to my attention that causes me to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires me to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that these financial statements do not present fairly, in all material respects, (or do not give a true and fair view of) the financial position of ALL CANADIAN INVESTMENT CORPORATION as at September 30, 2016, and its financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards.

Sandyke & Company CPA
June 12, 2017
Kamloops, British Columbia



CPA

CHARTERED
PROFESSIONAL
ACCOUNTANT

Suite 6-237 6th Avenue
Kamloops, BC
V2C 3R2

Ph: 250.434.1182 Fax: 250.434.6542
info@sandykecpa.ca
www.sandykecpa.ca



EXHIBIT "A"

ALL CANADIAN INVESTMENT CORPORATION
BALANCE SHEET
September 30, 2016
(Expressed in Canadian dollars)

	2016	2015
ASSETS		
CURRENT		
Cash and cash equivalents (Note 5)	\$ 166,851	\$ 402,261
Accrued interest receivable	171,333	324,491
Prepaid expenses (Note 6)	1,452,275	-
Current portion of promissory notes receivable (Note 7)	13,432,253	12,630,490
Current portion of mortgages receivable (Note 8)	<u>24,028,529</u>	<u>12,262,093</u>
	39,251,241	25,619,335
NON-CURRENT		
ASSET HELD FOR SALE (Note 10)	2,700,000	2,700,000
PROMISSORY NOTES RECEIVABLE (Note 7)	20,000	-
MORTGAGES RECEIVABLE (Note 8)	620,554	11,239,088
DEFERRED TAX ASSET (Note 15)	<u>893,060</u>	<u>1,046,316</u>
	<u>\$ 43,484,855</u>	<u>\$ 40,604,739</u>
LIABILITIES AND SHAREHOLDER'S EQUITY		
LIABILITIES		
CURRENT		
Trade and other payables (Note 11)	\$ 54,396	\$ 352,252
Short-term debt (Note 12)	5,794,890	2,400,106
Current portion of corporate debentures (Note 13)	<u>1,100,000</u>	<u>3,050,000</u>
	6,949,286	5,802,358
NON-CURRENT		
BORROWINGS (Note 14)	<u>38,746,000</u>	<u>37,449,000</u>
	<u>45,695,286</u>	<u>43,251,358</u>
SHAREHOLDERS' EQUITY:		
SHARE CAPITAL - (Note 16)	4	4
RETAINED EARNINGS	<u>(2,210,435)</u>	<u>(2,490,629)</u>
	<u>(2,210,431)</u>	<u>(2,490,625)</u>
	<u>\$ 43,484,855</u>	<u>\$ 40,760,733</u>

The financial statements were authorized for issue by the board of directors and were signed on its behalf by:

Director

The attached notes are an integral part of these financial statements.



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EXHIBIT "B"

ALL CANADIAN INVESTMENT CORPORATION
STATEMENT OF PROFIT OR LOSS
For The Year Ended September 30, 2016
(Expressed in Canadian dollars)

	2016	2015
REVENUE		
Interest income	\$ 3,429,419	\$ 3,091,768
OPERATING EXPENSES:		
Management fee	1,334,470	1,235,810
Professional fees	64,714	125,060
Levies (Note 17)	<u>14,890</u>	<u>71,518</u>
	1,414,074	1,432,388
OPERATING INCOME BEFORE FINANCING COSTS	2,015,345	1,659,380
FINANCING COSTS		
Interest and bank charges	2,674	2,987
Interest on short term debt	189,650	241,450
Debenture interest	228,116	210,105
Financing fees	157,697	62,698
Preferred share interest (dividends)	<u>749,280</u>	<u>1,239,669</u>
	<u>1,327,417</u>	<u>1,756,909</u>
INCOME (LOSS) BEFORE THE FOLLOWING ITEM	687,928	(97,529)
IMPAIRMENT RECOVERY (LOSSES)	<u>(98,482)</u>	<u>(114,781)</u>
NET INCOME (LOSS) BEFORE PROVISION FOR TAXES	\$ 589,446	\$ (212,310)
Income tax (refundable)	<u>153,256</u>	<u>(56,316)</u>
NET INCOME (LOSS) FOR THE YEAR	\$ <u>436,190</u>	\$ <u>(155,994)</u>

The attached notes are an integral part of these financial statements.



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EXHIBIT "C"

ALL CANADIAN INVESTMENT CORPORATION
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
For The Year Ended September 30, 2016
(Expressed in Canadian dollars except the number of shares)

	NUMBER OF OUTSTANDING SHARES	SHARE CAPITAL	RETAINED EARNINGS	TOTAL SHAREHOLDER'S EQUITY
BALANCE AS AT OCTOBER 1, 2014	4	4	\$ (2,490,631)	\$ (2,490,627)
LOSS FOR THE YEAR	-	-	<u>(155,994)</u>	<u>(2,646,621)</u>
BALANCE AS AT SEPTEMBER 30, 2015	4	4	(2,646,625)	(2,646,621)
LOSS FOR THE YEAR	-	-	<u>436,190</u>	<u>(2,210,431)</u>
BALANCE AS AT SEPTEMBER 30, 2016	4	4	<u>\$ (2,210,435)</u>	<u>\$ (2,210,431)</u>

The attached notes are an integral part of these financial statements.



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EXHIBIT "D"

ALL CANADIAN INVESTMENT CORPORATION
STATEMENT OF CASH FLOWS
For The Year Ended September 30, 2016
(Expressed in Canadian dollars)

	2016	2015
CASH PROVIDED (USED) BY:		
OPERATING ACTIVITIES		
Net income (loss) for the year	\$ 436,190	\$ (155,994)
Changes in non-cash working capital	<u>(4,181,256)</u>	<u>826,394</u>
	<u>(3,745,066)</u>	<u>670,400</u>
INVESTING ACTIVITIES		
Issuance of new mortgages and loans receivable	(2,313,121)	(4,613,000)
Repayment of mortgages and loans receivable	3,249,273	3,384,356
Deposit on land and building	<u>-</u>	<u>100,000</u>
	<u>936,152</u>	<u>(1,128,644)</u>
FINANCING ACTIVITIES		
Proceeds from short term debt	4,750,000	1,450,000
Repayment of short-term debt	(1,355,216)	(1,201,517)
Dividends paid	(749,280)	(1,239,669)
Redemption of preferred shares	(287,000)	(446,000)
Proceeds from issuance of preferred shares	165,000	954,000
Proceeds/payment from/to debenture offering	<u>50,000</u>	<u>900,000</u>
	<u>2,573,504</u>	<u>416,814</u>
NET INCREASE (DECREASE) IN CASH	(235,410)	(41,430)
CASH, beginning of year	<u>402,261</u>	<u>443,691</u>
CASH, end of year	<u>\$ 166,851</u>	<u>\$ 402,261</u>

The attached notes are an integral part of these financial statements.



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**ALL CANADIAN INVESTMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS**

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(Expressed in Canadian dollars)

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1. NATURE OF OPERATIONS AND GENERAL INFORMATION

NATURE OF OPERATIONS

All Canadian Investment Corporation ("ACIC") (the Company) is a mortgage investment corporation pursuant to the provisions of Section 130.1 of the Income Tax Act (Canada). As a mortgage investment corporation, dividends paid by the Company, during the year or within ninety days following the year end, are deductible in computing income for tax purposes. The Company provides promissory notes and mortgages to eligible borrowers for pooled investment funds of the preferred shareholders.

GENERAL INFORMATION

The Company is governed by the *Business Corporations Act* (British Columbia). The head office is located at 781 Marine Park Drive, Suite 2, Salmon Arm, BC, Canada.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), as required by Publicly Accountable Enterprises (PAE's) and current tax legislation. The amounts are expressed in Canadian dollars.

2. ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

2.1 CHANGES IN ACCOUNTING POLICIES

Disclosure Initiative

IAS 1 *Presentation of Financial Statements* has been revised to incorporate amendments issued by the IASB in December 2014. The amendments clarify the existing presentation and disclosure requirements in IAS 1, including the presentation of line items, subtotals and notes. They also provide guidance to assist entities to apply judgment in determining what information to disclose, and how that information is presented in their financial statements. Prospective application of these amendments had no significant impact on the Company's profit or loss or financial position.

2.2 TRANSITION TO IFRS

BASIS OF TRANSITION TO IFRS

APPLICATION OF IFRS 1

The Company's financial statements for the year ending September 30, 2015 are the first annual financial statements to be prepared in accordance with International Financial Reporting Standards (IFRSs). These financial statements were prepared as described in notes 2 and 3. The Company applied IFRS 1 in preparing these annual consolidated financial statements.

The date of IFRS adoption by the Company is October 1, 2014 and the end of the reporting period for these financial statements is September 30, 2015. However, the Company's date of transition to IFRSs is October 1, 2014, i.e. the date of the earliest comparative period.

In preparing its first IFRS consolidated financial statements in accordance with IFRS 1, the Company elected to use some of the exemptions related to retrospective application of certain IFRSs, while taking into account exceptions to retrospective application of other IFRSs.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 FINANCIAL INSTRUMENTS

The financial statements have been prepared using the significant accounting policies described in this note. These policies have been applied throughout the periods presented, unless otherwise stated. These financial statements have been prepared on the historical basis.

All expenses related to financial instruments are reported under "Finance costs" in the statement of profit or loss.

(a) Financial assets at fair value through profit or loss

All of the financial instruments in this category meet the definition of financial assets held for trading. These financial instruments are held for the purpose of selling them in the short term. Derivatives are included in this category unless they are a designated and effective hedging instrument.

The financial instruments included in this category are initially and subsequently recognized at fair value. Directly attributable transaction costs and changes in fair value are recognized in profit or loss.



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(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets when they will be realized within 12 months of the reporting date; otherwise they are classified as non-current assets. The Company includes cash and cash equivalents, Accrued interest receivable, Current portion of promissory notes receivable and Current portion of mortgages receivable in this category.

Financial instruments included in this category are initially recognized at fair value plus directly attributable transaction costs. Subsequently, loans and receivables are measured at amortized cost using the effective interest method.

If there is objective evidence that an impairment loss on individual loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account or directly if the account is deemed uncollectible. When loans and receivables are deemed to be uncollectible after recording an allowance, they are written off against the allowance. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The reversal is limited to what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the impairment loss and the amount of the reversal are recognized in profit or loss.

Pending the identification of impairment losses on individual assets, the Company collectively assesses the impairment (risk of collectibility of the receivables) by grouping financial assets with similar credit risk characteristics. As soon as information is available that specifically identifies losses on individually impaired assets in a group, those assets are removed from the group. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Estimates of changes in future cash flows reflect and are directionally consistent with changes in factors that are indicative of incurred losses in the Company and their magnitude. The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(c) Available-for-sale assets

Available-for-sale assets include non-derivative financial assets that are either designated as such upon initial recognition or are not classified in any of the other categories. They are included in current assets when they will be realized within 12 months of the reporting date, otherwise they are classified as non-current assets. This item includes land available for resale classified as a non-current asset.

Financial instruments included in this category are initially recognized at fair value plus directly attributable transaction costs. Subsequently, available-for-sale assets are measured at fair value, and unrealized gains or losses are recognized in other comprehensive income.

However, when a decline in the fair value of an available-for-sale financial asset has been recognized in other comprehensive income and there is objective evidence of prolonged impairment, the cumulative loss that has been recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognized.

When the asset is sold or the impairment charge is recognized, the accumulated gains or losses in other comprehensive income are reclassified to profit or loss and the reclassification is shown separately in the statement of comprehensive income.

(d) Other liabilities

Financial instruments included in this category are initially recognized at fair value less transaction costs. Subsequent to initial measurement, these other liabilities are measured at amortized cost. The difference between the initial carrying amount of these other liabilities and their redemption value is recognized in profit or loss over the life of the contract using the effective interest method. They are classified as current liabilities when they are payable within 12 months of the reporting date, otherwise they are classified as non-current liabilities. This item includes the following categories: trade and other payables, pre-payments and management fee payable.



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3.2 ASSET HELD FOR SALE

Assets held for disposal are not depreciated and are presented separately in the statement of financial position at the lower of their carrying amount and fair value less costs to sell. An asset is regarded as held for sale if its carrying amount will be recovered principally through a sale transaction, rather than through continuing use. For this to be the case, the asset must be available for immediate sale and its sale must be highly probable. This item includes land available for resale as a non-current asset.

3.3 BORROWING COSTS

The Company capitalizes borrowing costs directly attributable to the acquisition of its qualifying assets as they are being constructed. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Specific borrowings

To the extent that the Company borrows funds specifically for the purpose of obtaining a qualifying asset, it determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.

The financing arrangements for a qualifying asset may result in the Company obtaining borrowed funds and incurring associated borrowing costs before some or all of the funds are used for expenditures on the qualifying asset. In such circumstances, the funds are temporarily invested pending their expenditure on the qualifying asset. In determining the amount of borrowing costs eligible for capitalization during a period, the Company assesses the amount of investment income earned on such funds and deducts the amount from the borrowing costs incurred.

General borrowings

To the extent that the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, it determines the amount of borrowing costs eligible for capitalization by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the Company's borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining qualifying assets.

3.4 IMPAIRMENT OF ASSETS

All non-financial assets are reviewed at the end of each reporting period to determine whether the carrying amount may not be recoverable. If evidence of impairment is identified, the asset is tested for impairment.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is determined on the basis of profit or loss projections over the useful life of the asset using management's forecast tools (for the three first years) and an estimate over the subsequent years based on long-term market trends for the asset involved. The calculation takes into account net cash flows to be received on disposal of the asset at the end of its useful life based on the growth and profitability profile of each asset. An impairment loss is recognized in profit or loss when the carrying amount of any asset exceeds its estimated recoverable amount.

An asset impairment loss recognized in prior periods is reversed when there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount, without exceeding the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior periods.

3.5 PROVISIONS

A provision is recorded when it becomes probable that a present obligation arising from a past event will require an outflow of resources that can be reliably estimated. The amount of the provision is the best estimate of the outflow of resources required to settle this obligation. Where a potential obligation resulting from past events exists, but occurrence of the outflow of resources is not probable or the estimate is not reliable, these contingent liabilities are disclosed in unrecognized commitments and litigation. The provisions include provisions for litigation (legal, employee-related) and others (environment).



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The more significant or complex litigation cases are reviewed one by one on a regular basis by the Company's legal department with the assistance of outside counsel.

3.6 INCOME TAXES

The tax expense includes current and deferred tax. This expense is recognized in profit or loss, except for income tax related to the components of other comprehensive income or equity, in which case the tax expense is recognized in other comprehensive income or equity respectively.

Current tax assets and liabilities are obligations or claims for the current and prior periods to be recovered from (or paid to) taxation authorities that are still outstanding at the end of the reporting period. Current tax is computed on the basis of taxable profit which differs from profit or loss. This calculation was made using tax rates and laws enacted at the end of the reporting period. There is no current income tax due.

Deferred income tax is recognized based on temporary differences between the carrying amount and the tax basis of the assets and liabilities. Any change in the net amount of deferred tax assets and liabilities is included in profit or loss. Deferred tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable profit for the periods in which the assets and liabilities will be recovered or settled. Deferred tax assets are recognized when it is likely they will be realized. Deferred tax assets and liabilities are not discounted.

3.7 EQUITY

Common share capital is presented at the value of the shares issued. Costs related to issuing shares are reported, net of tax, as a deduction of the proceeds from the issue.

Dividends would be included under liabilities in the period in which the payment is approved by the Board of Directors. No dividends have been issued to the common shareholder.

3.8 EARNINGS PER SHARE

Basic and diluted net earnings per share are calculated using the weighted average number of outstanding common shares. The calculation of diluted earnings per share takes into account the potential impact of the exercise of all dilutive instruments. When funds are obtained at the date of exercise of the dilutive instruments, the "treasury stock" method is used to determine the theoretical number of shares to be taken into account.

4. MAIN SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGEMENTS BY MANAGEMENT

The preparation of financial statements in accordance with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the carrying amount of assets and liabilities, and disclosures of contingent assets and liabilities as at the date of the financial statements, and the carrying amount of revenues and expenses for the reporting period. These estimates are changed periodically, and as adjustments become necessary, they are reported in profit or loss in the period in which they become known.

FINANCIAL INSTRUMENTS

In accordance with Canadian generally accepted accounting principles, the Company must classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making its fair value measurements. The following hierarchy has been used in determining and disclosing fair value of financial instrument:

- Level 1: quoted prices in active markets for the same instrument (ie. Without modification or repackaging);
- Level 2: quoted prices in active markets for similar assets or liabilities or other valuation techniques for which all significant inputs are based on observable market data; and
- Level 3: valuation techniques for which any significant input is not based on observable market data.

CRITICAL JUDGMENT

The significant accounting policies subject to such judgments that, in the Company's opinion, could significantly affect the reported results or financial position, are as follows:



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Interest Rate Risk

Promissory notes and mortgages receivable are valued using Level 3 measures as there are no quoted prices in an active market for the Company's mortgages. Management makes its determination of fair value for its mortgage investments based on its assessment of the current mortgage market for mortgages of same or similar terms.

The Company is exposed to interest rate risk from the possibility that cash flows could change based on changes in interest rates as well as the possibility that fair value could change due to changes in interest rates. Should there be significant changes in interest rates, the Company could incur significant changes in the fair value of the investment in promissory notes and mortgage receivable. Promissory notes and mortgages receivable interest rates are fixed for the duration of the mortgage from thereby reducing the entity's sensitivity to changes in market interest rates.

The Company feels that no other financial instruments are subject to interest rate risk due to their short-term maturity.

Credit Risk

The company is exposed to credit risk from the possibility that borrowers may default on their promissory note and mortgage obligations, the majority of which are collateralized by real property in British Columbia. Management attempts to mitigate this risk by ensuring that the position of the Company is covered by the value of property. The Company has five loans and mortgages (2015 – five) that are individually in excess of 5% of the total portfolio. Collectively, these represent 72% (2015 – 72%) of the total portfolio. The Company is in a first priority position on 8% (2015 – 6%) of mortgage charges.

Additionally, the Company is exposed to credit risk concentration on its mortgages and promissory notes as there are four guarantors (2015 – four) that are individually in excess of 5% of the total portfolio. Collectively, these represent 72% (2015 – 87%) of the total portfolio. One of these individuals accounts for 64% (2015 – 65%) of outstanding mortgages and promissory notes receivable.

The Company is exposed to credit risk concentration on its cash balance as it is held substantially in one financial institution.

Liquidity Risk

The Company is exposed to liquidity risk on the outstanding preferred shares since a certain number are redeemed each year at the request of the shareholder. This risk has been mitigated as the approval of the request to redeem shares is at the discretion of the Board of Directors of the Company. As well, the total amount of preferred shares to be redeemed in any quarter is not to exceed 2-1/2% of the outstanding preferred shares at the end of the immediately preceding calendar quarter.

As noted in Note 6 and 7, the Company is exposed to liquidity risk as 65% of promissory notes and mortgages are advanced for the purposes of financing residential and commercial projects under development. Interest earned on these loans are capitalized and not due until the projects are complete. This defers the cash received and exposes the Company to liquidity risk. The Company manages this risk by monitoring cash flows and limiting discretionary cash outflows such as management fees, redemption of shares and dividends if necessary.

Fair Values

The estimated fair values of the Company's financial instruments are based on relevant market prices and information available at the time. No fair values have been determined for any asset that is not a financial instrument.

Not all financial instruments are readily marketable. As a result, estimates of fair value are subjective and should not be considered precise. The estimated fair values of cash, accrued interest receivable, accounts payable and accrued liabilities, due to related party, and short-term debt are assumed to equal their book values, as the items are short term in nature.

Management makes its determination of fair values of promissory notes and mortgages receivable by discounting their expected future cash flows at the prevailing interest rate for promissory notes and mortgages of same or similar terms. The initial terms of the promissory notes and mortgages represent their fair value at the time of promissory note and mortgage origination. When collection of principal on a particular mortgage investment is no longer reasonably assured, the fair value of the mortgage is reduced to reflect the estimated net realizable recovery from the collateral securing the loan.





ALL CANADIAN INVESTMENT CORPORATION
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5. CASH AND CASH EQUIVALENTS

The Company holds its cash in two financial institutions earning interest between zero and 1.25%. There was \$335,140 in lawyer trust account in the previous year.

6. PREPAID EXPENSES

	<u>2016</u>	<u>2015</u>
Prepaid financial services	\$ 926,080	\$ -
Prepaid interest	525,000	-
Prepaid legal fees	1,195	-
	<u>\$ 1,452,275</u>	<u>\$ -</u>

7. PROMISSORY NOTES RECEIVABLE

The promissory notes written by the Company are non-registered loans, for terms ranging from one to three years and bear interest at rates ranging from 8% to 12% per annum and are non-registered.

	<u>2016</u>	<u>2015</u>
Non-registered demand loans, evidenced by promissory notes	\$ 13,452,253	\$ 12,595,985
Non-registered loans, evidenced by promissory note, due 2016	-	58,607
	<u>13,452,253</u>	<u>12,654,592</u>
Allowance for impaired loans (Note 9)	-	(24,102)
	<u>13,452,253</u>	<u>12,630,490</u>
Current portion	<u>13,432,253</u>	<u>12,630,490</u>
	<u>\$ 20,000</u>	<u>\$ -</u>

As at September 30, 2016, there is one (2015 – one) promissory notes in arrears which totaled \$100,000 (2015 - \$24,102). This promissory note has been classified as impaired.

Promissory note interest totaling \$613,306 (2015 - \$ 2,602,631) was capitalized during the year, in line with the revised terms of the promissory notes.

As outlined in Note 4, many of the above promissory notes have been issued primarily to residential property developers to fund projects currently under construction. Final cash inflows from these projects are not determinable as at the balance sheet date. Should these projects not perform as projected, the value of the promissory note related to the specific project may need to be adjusted to fair value if it is determined to be impaired as the project nears completion and estimated cash flows can be more easily determined.

8. MORTGAGES RECEIVABLE

The mortgages written by the Company are for terms ranging from one to two years and bear interest at rates ranging from 6% to 12% per annum.

	<u>2016</u>	<u>2015</u>
Mortgages collateralized by commercial property	\$ 2,837,147	\$ 3,399,933
Mortgages collateralized by residential property	21,531,310	19,920,623
Mortgages collateralized by raw residential land	460,000	360,000
	<u>24,828,457</u>	<u>23,680,556</u>
Allowance for impaired loans (Note 9)	(179,374)	(179,374)
	<u>24,649,083</u>	<u>23,501,182</u>
Less: mortgages due within one year	13,802,099	3,415,592
Less: mortgages due on demand	10,226,430	8,846,503
	<u>\$ 620,554</u>	<u>\$ 11,239,087</u>

As at September 30, 2016, there are no mortgages (2015 – nil) in arrears.

Mortgage interest totaling \$3,006,177 (2015 - \$ 2,051,733), was capitalized during the year, in line with the revised terms of the mortgages.



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As noted in Note 4, many of the above mortgages have been issued primarily to residential property developers to fund projects currently under construction. Final cash flows from these projects are not determinable as at the balance sheet date. Should these projects not perform as projected, the value of the mortgage related to the specific project may need to be adjusted to fair value if it is determined to be impaired as the project nears completion and estimated cash flows can be more easily determined.

9. ALLOWANCE FOR IMPAIRED PROMISSORY NOTES AND MORTGAGE RECEIVABLE

In determining the allowance for impaired loans, management considers factors such as the composition and credit quality of the portfolio, current economic conditions and trends and historical loss experience.

The provision for commercial mortgages represents the adjustment to fair value of mortgages and promissory notes receivable determined by discounting future cash flows at the Company's prevailing rate of return on new mortgages and promissory notes.

10. ASSET HELD FOR RESALE

This item includes land available for resale classified as a non-current asset.

	<u>2016</u>	<u>2015</u>
Land	\$ <u>2,700,000</u>	\$ <u>2,700,000</u>

11. TRADE AND OTHER PAYABLES

	<u>2016</u>	<u>2015</u>
Trade payables	\$ 54,396	\$ 76,442
Management fee payable	-	275,810
	<u>\$ 54,396</u>	<u>\$ 352,252</u>

12. SHORT-TERM DEBT

	<u>2016</u>	<u>2015</u>
Demand loan, with interest at 6% per annum, interest is paid quarterly, no set terms of repayment	\$ 1,044,890	\$ 1,100,000
Loan, with interest at 10.5% per annum, monthly payments of \$115,104 including interest and principal	-	850,000
Mortgage payable, with interest at 12% per annum, monthly payments of \$17,746 including interest and principal	-	450,106
Mortgage payable, interest at 8.50% per annum, monthly interest only payments due June 15, 2017	1,250,000	-
Loan, with interest at 36% per annum, amount is due six months from date of funding	<u>3,500,000</u>	<u>-</u>
	<u>\$ 5,794,890</u>	<u>\$ 2,400,106</u>



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13. BORROWINGS

Gross financial debt used and defined by the Company includes the following:

	<u>2016</u>	<u>2015</u>
Debentures		
During the year, debentures of \$50,000 (2015-\$900,000) were issued.		
Series A Corporate Debenture, monthly interest 8% maturing May 31, 2017	\$ 1,100,000	\$ 1,550,000
Series B Corporate Debenture, monthly interest at 7% maturing November 30, 2017	<u>1,400,000</u>	<u>1,500,000</u>
	2,500,000	3,050,000
Current portion	<u>1,100,000</u>	<u>3,050,000</u>
	1,400,000	-
Preferred shares	<u>37,346,000</u>	<u>37,449,000</u>
	<u>\$ 38,746,000</u>	<u>\$ 37,449,000</u>
Preferred share transactions for the years ended September 30:		
	<u>2016</u>	<u>2015</u>
Opening balance, beginning of year	\$ 37,449,000	\$ 35,347,000
Exercise of warrants 19 shares (2015-1,594)	19,000	1,594,000
New shares sold 165 shares (2015-954)	165,000	954,000
Redeemed for cash 287 shares (2015-446)	<u>(287,000)</u>	<u>(446,000)</u>
Closing balance, end of year	<u>\$ 37,346,000</u>	<u>\$ 37,449,000</u>

Dividends

Each preferred share entitles its registered holder to participate on a pro-rata basis with the other preferred shareholders in the distribution of 100% of the mortgage investment income that remains after the payment of expenses of the issuer and the management fee, until such time as the preferred shareholders have received an amount in each year equal to 12% of their paid up capital in the corporation. Thereafter, the common shareholders will be entitled to receive the distribution of 100% of the balance of the mortgage investment income until such time as they have received an amount in each year equal to 12% of their paid up capital. Thereafter, the balance of the mortgage investment income will be paid to the preferred and common shareholders pro-rata based on their respective paid up capital in the Company.

Redemption of Preferred Shares

A holder of preferred shares may request the Company to redeem the whole or any part of the preferred shares by giving notice to the Company. The Company will not redeem any preferred shares if at any time of such redemption the Company is insolvent or if such redemption render the Company insolvent, if such redemption will reduce the Company's cash reserves below a level which the Directors determine, in their sole discretion, to be prudent, or if such redemption will cause the Company to breach the requirement that at least 50% of the cost amount of its property must consist of bank deposits or mortgage loans made in respect of residential properties.

Share Purchase Warrants

Pursuant to a private Offering Memorandum dated June 22, 2015, the Company has offered to issue up to 50,000 units at \$1,000 per unit. Each unit consists of one preferred share and one non-transferable, preferred share purchase warrant. Each warrant entitles the holder to purchase up to ten additional preferred shares of the Company at a price which is the lesser of \$1,000 per preferred share and the book value per preferred share as determined as at the fiscal year end of the Company immediately preceding the date the warrant is exercised. Each warrant is exercisable for a period of ten years from the date of issuance.



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At September 30, 2016, there are 17,485 (2015 – 18,770) share purchase warrants outstanding.

On the issuance of the shares with attached warrants, management determined the value of the warrants to be nominal and, therefore, none of the share proceeds were allocated to the warrants.

14. INCOME TAXES

The company has non-capital losses available of approximately \$3,434,848 (2015- \$3,767,689) which may be applied against future taxable income. The right to claim these losses expires between 2030 and 2035.

15. DEFERRED TAX ASSET

Deferred income tax asset reflects the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

The major components of future income tax are:

	<u>2016</u>	<u>2015</u>
Temporary differences relating to loss carry-forwards	\$ 893,060	\$ 1,046,316

16. SHARE CAPITAL

Share Capital

Authorized

1,000,000,000 Common shares without par value

1,000,000,000 Preferred shares without par value

Issued

4 Common shares

	<u>2016</u>	<u>2015</u>
	\$ 4	\$ 4

17. LEVIES

Property tax

Property transfer tax

	<u>2016</u>	<u>2015</u>
Property tax	\$ 14,890	\$ 18,901
Property transfer tax	-	52,617
	<u>\$ 14,890</u>	<u>\$ 71,518</u>

18. BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings (loss) per share for the year ended September 31, 2016 was based on the income attributable to common shareholders of \$410,190 [2015 - (\$155,994)] and a weighted average number of common shares outstanding of 4 (2015 - 4)

The basic and diluted earnings per share is \$102,548 per share in 2016 [(\$38,999) in 2015].

19. CAPITAL DISCLOSURES

The Company considers its capital to comprise of its share capital.

In managing its capital, the Company's primary objective is to ensure its continued ability to provide a consistent return for its shareholders through capital growth and investment in mortgages bearing an acceptable interest rate and level of risk. In order to achieve this objective, the Company seeks to balance risks and returns at an acceptable level by providing mortgage financing at an interest rate commensurately with the level of risk. In making decisions to adjust its capital structure to achieve these objectives, the Company considers both its short-term and its long-term strategic objectives.



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20. RELATED PARTY TRANSACTIONS

ACIC Financial Development Inc.

The Company has contracted with ACIC Financial Development Inc., a company under common management, to manage the operations of the Company. The Management Agreement provides that, in consideration of the services provided by the Manager as described therein, the Company pays the Manager an annual fee not to exceed the sum of fifteen percent (15%) of annual gross revenues and two percent (2%) of the Company's assets, which such fee to be payable monthly. Total management fees paid to ACIC Financial Development Inc. for the year ended September 30, 2016, was \$1,334,470 (2015 - \$1,235,810), of this amount \$0 (2015 - \$275,810) is included in accounts payable and accrued liabilities.

In addition, ACIC Financial Development Inc. did not advance any funds (2015 - nil) to All Canadian Investment Corporation.

Joint Ventures

The Company has loaned a total of \$ Nil (2015 - \$290,000) bearing interest at 12%, included in mortgages receivable, to a joint venture in which ACIC Financial Development Inc. is a joint venture participant. Interest income related to the mortgages totaled \$12,575 (2015 - 34,800) for the year. The amount was paid out during 2016.

These transactions are measured at the exchange amount (the amount of consideration established and agreed to by the related parties).



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NO. _____
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57, AS AMENDED

AND

IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C. 1985, c. C-44, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF
ALL CANADIAN INVESTMENT CORPORATION

AFFIDAVIT NO. 1 OF DONALD BERGMAN

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