

COURT FILE NUMBER 1901-11574

COURT COURT OF QUEEN'S BENCH OF ALBERTA

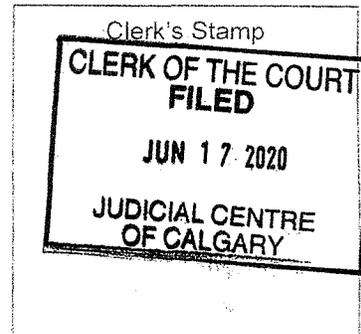
JUDICIAL CENTRE CALGARY

PLAINTIFF PAN TERRA MORTGAGE & FINANCIAL CORPORATION LTD.

DEFENDANTS 1075397 ALBERTA LTD., RIGSAT COMMUNICATIONS INC., PETROCRAFT PRODUCTS LTD., TERENCE PHILLIPS, and LISA PHILLIPS

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **Burnet, Duckworth & Palmer LLP**
2400, 525 – 8 Avenue SW
Calgary, Alberta T2P 1G1
Lawyer: David LeGeyt / Ryan Algar
Phone Number: (403) 260-0210/ (403) 260-0143
Fax Number: (403) 260-0332
Email Address: dlegeyt@bdplaw.com
ralgar@bdplaw.com
File No. 49075-61



AFFIDAVIT #2 OF BRIAN BECK
Sworn on June 16, 2020

I, Brian Beck, of Calgary, Alberta, swear THAT:

1. I am the sole director of Panterra Mortgage & Financial Corporation Ltd. ("**Panterra**" or, the "**Mortgagee**") and as such have personal knowledge of the matters herein deposed to except where stated to be based upon information and belief, in which case I verily believe the same to be true.
2. I have reviewed the business records of Panterra relevant to Panterra's application seeking the appointment of a receiver and manager over the real property legally described as Plan 7810519 Block 5 Lot 2 excepting thereout mines and minerals (the "**Lands**") and have satisfied myself that I am possessed of sufficient information and knowledge to swear this Affidavit on behalf of Panterra.

3. Capitalized terms not otherwise defined herein have the meaning set forth in my Affidavit of Default sworn January 30, 2020 and filed in these proceedings (the "**Affidavit of Default**").

No Defence

4. The Defendant, 1075397 Alberta Ltd. ("**107**") has not filed a Statement of Defence in these proceedings, but instead has filed a Demand for Notice, a copy of which is attached as **Exhibit "1"**.

The Mortgage

5. On December 16, 2014, 107 granted a demand collateral mortgage (as amended and renewed from time to time, the "**Mortgage**") to Paragon.
6. Pursuant to the Mortgage, 107 mortgaged and charged the Lands as security for the repayment of \$3,200,000 plus interest, extended by Paragon pursuant to the Loan Agreement, a copy of which is attached as Exhibit "B" to the Affidavit of Default.
7. On January 13, 2015, Paragon registered the Mortgage at the Alberta Land Titles Office, evidenced by Instrument No. 151 008 895.
8. Between December 2015, and January 2, 2018, 107 and Paragon entered into the Paragon Extension Agreements, which, among other things, extended the maturity date under the Loan Agreement and Mortgage for additional six-month periods. By virtue of the most recent Extension Agreement dated January 2, 2018, the maturity date under the Mortgage was extended to July 1, 2018.
9. Pursuant to the Mortgage, 107 covenanted to pay:
 - (a) the principal and interest to Paragon on the days and times and in the manner mentioned in the Mortgage; and
 - (b) all taxes, rates, liens, charges, encumbrances or claims on the Lands, which are or may become due, as well as all costs, expenses and legal fees

(on a solicitor and own client basis) incurred by Paragon to enforce the Mortgage.

Assignment to Panterra

10. On August 9, 2018, pursuant to the Panterra Assignment Agreement (a copy of which is attached to the Affidavit of Default as Exhibit "D"), Paragon assigned to Panterra, among other things, its entire right, title, estate and interest in the:
 - (a) Loan Agreement and all indebtedness of 107 thereunder; and
 - (b) any and all security granted in favour of Paragon by 107, including the Mortgage, evidenced by a Form 18 transfer of Mortgage, a copy of which is attached as Exhibit "E" to the Affidavit of Default).
11. On September 1, 2018, pursuant to the Panterra Mortgage Amendment and the Panterra Loan and Security Amendment, Panterra agreed to, among other things, further extend the maturity date under the Mortgage and Loan Agreement to March 1, 2019 (the "**Maturity Date**"). Copies of the Panterra Mortgage Amendment and the Panterra Loan and Security Amendment are attached to the Affidavit of Default as Exhibit "F".
12. As a result of, among other things, the Panterra Mortgage Amendment and the Panterra Loan and Security Agreement, as at June 9, 2020, 107 is indebted to Panterra in in the amount of CAD\$3,571,792.15 respect of funds borrowed under the Loan Agreement plus all accrued and accruing interest and legal costs (the "**Indebtedness**"). Attached hereto and marked as **Exhibit "2"** is a copy of a payout statement from Panterra evidencing the current value of the Indebtedness.

Default under the Mortgage and Demand

13. The Mortgage has matured and the Indebtedness is now due and owing to Panterra.
14. In addition 107 is in default of the Loan Agreement and the Mortgage. The defaults of 107 include, but are not limited to:

- (a) a failure to make scheduled payments to Panterra in accordance with the Loan Agreement and the Mortgage; and
 - (b) a failure to pay all amounts due and owing by the Maturity Date.
15. The Mortgage provides that in the event of default being made in any of the covenants, agreements express or implied in the Mortgage, the whole of the monies secured by the Mortgage shall, at the option of the Mortgagee, which option has been exercised, become payable.
16. On May 24, 2019, Panterra demanded payment of the Indebtedness from 107 and concurrently provided an NOI pursuant to section 244 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (the "**BIA**").
17. On August 8, 2019, as a result of 107's refusal or failure to pay the Indebtedness Panterra again demanded repayment of the Indebtedness from 107 together with an NOI.

Security and Encumbrances

18. There are no prior financial encumbrances on the title to the Lands, however Panterra postponed the Mortgage to the lease interest in favour of Cococo Chocolatiers Inc. registered as instrument no.151 157 226. A copy of the Form 17 under the LTA, is attached to the Affidavit of Default as Exhibit "I".
19. There are four subsequent financial encumbrances on the title to the Lands as set out in the following table:

Creditor	Registration Type	Instrument No.	Amount (\$)
Arthur Quinney	Writ	151 277 736	\$527,861 and costs if any
Suzanne Quinney	Writ	151 277 737	\$207,442 and costs if any

Cococo Chocolatiers Inc.	Writ	161 269 190	\$300,000 and costs if any
Barclay Street Real Estate Ltd.	Writ	161 292 238	\$38, 631 and costs if any

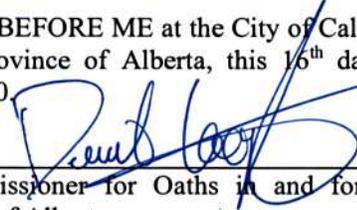
20. Attached hereto and marked as **Exhibits "3"** and **"4"** respectively are a copies of a title search with respect to the Lands and search of 107 in Alberta's Personal Property Security Registry, both dated June 9, 2020.

Appointment of Receiver

21. Panterra is presently entitled to prosecute its legal remedies under the Loan Agreement and the Mortgage and Panterra has the right to appoint or apply to this Honourable Court to appoint a receiver and manager over the Lands. Panterra wishes to exercise that right at this time.
22. I verily believe that the immediate appointment of a receiver manager of the Lands is just and convenient and is necessary to protect the interests of Panterra, including to preserve the Lands and to realize on the Mortgage.
23. I am aware from the prosecution of these proceedings and from numerous dealings with the Defendant Terry Phillips, the principal of 107, that Mr. Phillips and 107 have an unrealistic and inflated view of the value of the Lands. As a result, I recently commissioned an updated appraisal of the Lands which concludes the fair market value of the Lands is \$2,900,000. A copy of this appraisal is attached as **Exhibit "5"**.
24. As a result of this updated appraisal, and also the previous appraisal attached to the Affidavit of Value filed in these proceedings on February 3, 2020, I believe that a sale of the Lands will generate insufficient value to repay the Indebtedness, and that Panterra will suffer a shortfall from the enforcement of the Mortgage.

25. Panterra's collateral is at risk and its security will be further eroded unless a receiver is immediately appointed. The other foreclosure remedies are not presently available to Panterra given the closure of the courts due to the COVID-19 pandemic.
26. I verily believe that MNP Ltd. ("MNP") is qualified and prepared to act as receiver or receiver and manager of the Lands. Attached and hereto marked as **Exhibit "6"** is a true copy of a signed Consent to Act executed by Victor Kroeger on behalf of MNP.

SWORN BEFORE ME at the City of Calgary,)
in the Province of Alberta, this 16th day of)
June, 2020



A Commissioner for Oaths in and for the
Province of Alberta.

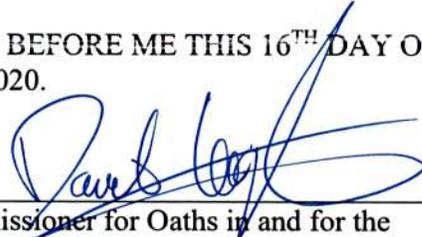
David LeGeyt
Barrister & Solicitor



BRIAN BECK

THIS IS EXHIBIT "1" REFERRED TO IN
THE AFFIDAVIT OF BRIAN BECK.

SWORN BEFORE ME THIS 16TH DAY OF
JUNE, 2020.



A Commissioner for Oaths in and for the
Province of Alberta

David LeGeyt
Barrister & Solicitor

COURT FILE NUMBER 1901-11574
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF PANTERRA MORTGAGE & FINANCIAL CORPORATION LTD.
DEFENDANTS 107539 ALBERTA LTD., RIGSAT COMMUNICATIONS INC., PETROCRAFT PRODUCTS LTD., TERENCE PHILLIPS, and LISA PHILLIPS
DOCUMENT **DEMAND FOR NOTICE BY DEFENDANTS**, 107539 ALBERTA LTD., RIGSAT COMMUNICATIONS INC., PETROCRAFT PRODUCTS LTD., and TERENCE PHILLIPS
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT CARON & PARTNERS LLP
2120, 237 – 4 Avenue SW
Calgary, Alberta T2P 4K3
Attention: R.J. Daniel Gilborn
Phone: (403) 262 – 3000
Fax: (403) 237 – 0111
File No. 58120-000



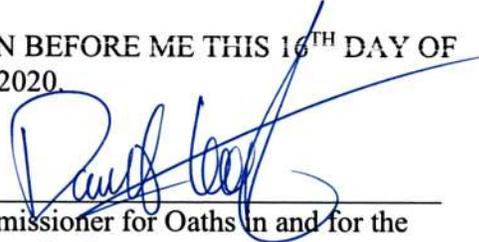
The Defendants, 107539 ALBERTA LTD., RIGSAT COMMUNICATIONS INC., PETROCRAFT PRODUCTS LTD., and TERENCE PHILLIPS demand notice of any application or proceeding in this action.

WARNING

Filing and service of this demand for notice does not give the defendant a right to contest liability. The defendant filing a demand for notice may only subsequently file a statement of defence with the Court's consent.

THIS IS EXHIBIT "2" REFERRED TO IN
THE AFFIDAVIT OF BRIAN BECK.

SWORN BEFORE ME THIS 16TH DAY OF
JUNE, 2020.



A Commissioner for Oaths in and for the
Province of Alberta

David LeGeyt
Barrister & Solicitor

STATEMENT OF ACCOUNT



Account No:	1268
Statement Date:	2020-06-09
Statement Summary	
Statement Period	All Dates
Account Balance	\$ 3,571,792.15
Reserve Balance	\$ 5,810.86
Interest Paid in 2019	\$ -
Maximum Loan Amount	\$ 3,200,000.00
Current Principal Balance	\$ 3,200,000.00
Interest Rate	9%
Property: 2320 Second Avenue SE Calgary AB	

Borrower
Phillips, Terry (1075397 Alberta Ltd.) c/o Rigsat Communications Inc. 220- 19th Street S.E Calgary AB T2E 6P5

Please advise us immediately of any discrepancies in the transactions or investment activity on your statement of account or if you contemplate changing your address. When making inquiries by telephone or in writing please give your account number. We urge you to keep this statement with your investment records.

Date	Reference	Description	Reserve	Charges	Credits	Balance
		Balance Forward				-
2014-12-22	Full Adv.	Funds Advanced		\$ 3,200,000.00		\$ 3,200,000.00
2014-12-22	Commitment	12 month commitment fee to January 1, 2016		\$ 64,000.00		\$ 3,264,000.00
2014-12-24	Commitment	Payment- other	\$ 64,000.00		\$ 64,000.00	\$ 3,200,000.00
2015-12-31		Finance Charge		\$ 7,890.41		\$ 3,207,890.41
2015-01-06	Interest	Payment Received- Thank You			\$ 7,890.41	\$ 3,200,000.00
2015-01-31		Finance Charge		\$ 24,470.00		\$ 3,224,470.00
2015-02-01	Commitment	Payment- other	-\$ 64,000.00			\$ 3,224,470.00
2015-02-02	Interest	Payment Received- Thank You			\$ 24,000.00	\$ 3,200,470.00
2015-02-28		Finance Charge		\$ 22,102.31		\$ 3,222,572.31
2015-03-02	Interest	Payment Received- Thank You	\$ 1,427.69		\$ 24,000.00	\$ 3,198,572.31
2015-03-31		Finance Charge		\$ 24,455.28		\$ 3,223,027.59
2015-04-01	Interest	Payment Received- Thank You	-\$ 1,427.69		\$ 24,000.00	\$ 3,199,027.59
2015-04-30		Finance Charge		\$ 23,664.04		\$ 3,222,691.63
2015-05-01	Interest	Payment Received- Thank You			\$ 24,000.00	\$ 3,198,691.63
2015-05-31		Finance Charge		\$ 24,450.27		\$ 3,223,141.90
2015-06-01	Interest	Payment Received- Thank You			\$ 24,000.00	\$ 3,199,141.90
2015-06-30		Finance Charge		\$ 23,664.89		\$ 3,222,806.79
2015-07-01	Interest	Payment Received- Thank You			\$ 24,000.00	\$ 3,198,806.79
2015-07-31		Finance Charge		\$ 24,457.07		\$ 3,223,263.86
2015-08-01	Interest	Payment Received- Thank You			\$ 24,000.00	\$ 3,199,263.86
2015-08-31		Finance Charge		\$ 24,472.40		\$ 3,223,736.26
2015-09-01	Interest	Payment Received- Thank You			\$ 24,000.00	\$ 3,199,736.26
2015-09-30		Finance Charge		\$ 23,669.28		\$ 3,223,405.54
2015-10-01	Interest	Payment Received- Thank You			\$ 24,000.00	\$ 3,199,405.54
2015-10-31		Finance Charge		\$ 24,455.73		\$ 3,223,861.27
2015-11-01	Interest	Payment Received- Thank You			\$ 24,000.00	\$ 3,199,861.27
2015-11-30		Finance Charge		\$ 23,676.12		\$ 3,223,537.39
2015-12-01	Interest	Payment Received- Thank You			\$ 24,000.00	\$ 3,199,537.39
2015-12-31		Finance Charge		\$ 24,456.74		\$ 3,223,994.13
2016-01-01	Renewal	6 month renewal fee to July 1, 2016		\$ 32,000.00		\$ 3,255,994.13
2016-01-04	Interest	Payment Received- Thank You			\$ 24,000.00	\$ 3,231,994.13
2016-01-31		Finance Charge		\$ 24,722.58		\$ 3,256,716.71
2016-02-01	Interest	Payment Received- Thank You			\$ 24,000.00	\$ 3,232,716.71
2016-02-01	Interest	Payment Reversed- NSF		\$ 24,000.00		\$ 3,256,716.71
2016-02-02	NSF Fee	Funds frozen administration fee paid		\$ 200.00		\$ 3,256,916.71
2016-02-05	Interest	Payment Received- Thank You			\$ 24,200.00	\$ 3,232,716.71
2016-02-29		Finance Charge		\$ 23,139.81		\$ 3,255,856.52
2016-03-01	Interest	Payment Received- Thank You			\$ 24,000.00	\$ 3,231,856.52
2016-03-31		Finance Charge		\$ 24,703.78		\$ 3,256,560.30
2016-04-01	Interest	Payment Received- Thank You			\$ 24,000.00	\$ 3,232,560.30
2016-04-30		Finance Charge		\$ 23,912.09		\$ 3,256,472.39
2016-05-02	Interest	Payment Received- Thank You			\$ 24,000.00	\$ 3,232,472.39
2016-05-02	Interest	Payment Reversed- NSF		\$ 24,000.00		\$ 3,256,472.39
2016-05-04	NSF Fee	NSF administration fee paid		\$ 200.00		\$ 3,256,672.39
2016-05-06	Interest	Payment Received- Thank You			\$ 24,200.00	\$ 3,232,472.39
2016-05-31		Finance Charge		\$ 24,738.08		\$ 3,257,210.47
2016-06-01	Interest	Payment Received- Thank You			\$ 24,000.00	\$ 3,233,210.47
2016-06-30		Finance Charge		\$ 23,916.90		\$ 3,257,127.37
2016-07-01	Renewal	6 month renewal fee to January 1, 2017		\$ 32,000.00		\$ 3,289,127.37
2016-07-04	Interest	Payment Received- Thank You			\$ 24,000.00	\$ 3,265,127.37
2016-07-31		Finance Charge		\$ 24,975.85		\$ 3,290,103.22
2016-08-04	Interest	Payment Received- Thank You			\$ 24,000.00	\$ 3,266,103.22
2016-08-31		Finance Charge		\$ 24,983.30		\$ 3,291,086.52
2016-09-01	Interest	Payment Received- Thank You			\$ 24,000.00	\$ 3,267,086.52
2016-09-01	Interest	Payment Reversed- NSF		\$ 24,000.00		\$ 3,291,086.52
2016-09-06	Rents	Payment Received- Thank You	\$ 5,459.44		\$ 29,459.44	\$ 3,261,627.08
2016-09-22	Legal Fees	Carscallen LLP legal fees for rent attornment paid.		\$ 1,266.51		\$ 3,262,893.59
2016-09-30		Finance Charge		\$ 24,163.42		\$ 3,287,057.01

2016-09-30	GST	GST collected on Sept. rents from Cococo Chocolatiers	\$	1,402.83		\$	3,288,459.84	
2016-10-01	LTO Search	Alberta Land Titles searches paid by Paragon	\$	110.00		\$	3,288,569.84	
2016-10-01	Prop. Tax	City of Calgary property tax payment for August NSF paid	\$	3,552.00		\$	3,292,121.84	
2016-10-03	Rents	Payment Received- Thank You	\$	871.90	\$	29,459.44	\$	3,262,662.40
2016-10-31		Finance Charge	\$	24,950.66		\$	3,287,613.06	
2016-11-01	Rents	Payment Received- Thank You	\$	5,459.44	\$	29,459.44	\$	3,258,153.62
2016-11-01	Legal Fees	Carscallen LLP legal fees for pending application paid	\$	801.06		\$	3,258,954.68	
2016-11-29	Expenses	Payment- other	\$	801.06		\$	3,258,153.62	
2016-11-30		Finance Charge	\$	24,101.81		\$	3,283,056.49	
2016-12-01	Rents	Payment Received- Thank You	\$	8,706.22	\$	29,459.44	\$	3,253,597.05
2016-12-01	GST	GST collected on Oct. rents from Cococo Chocolatiers	\$	1,402.83		\$	3,254,999.88	
2016-12-01	GST	GST collected on Nov. rents from Cococo Chocolatiers	\$	1,402.83		\$	3,256,402.71	
2016-12-01	Insurance	Royal Sun Alliance Insurance annual premium paid	\$	11,360.00		\$	3,267,762.71	
2016-12-31		Finance Charge	\$	24,978.24		\$	3,292,740.95	
2017-01-01	Renewal	6 month renewal fee to July 1, 2017	\$	32,000.00		\$	3,324,740.95	
2017-01-03	Rents	Payment Received- Thank You	\$	2,653.78	\$	29,459.44	\$	3,295,281.51
2017-01-03	GST	GST collected on Dec. rents from Cococo Chocolatiers	\$	1,402.83		\$	3,296,684.34	
2017-01-03	GST	GST collected on Jan. rents from Cococo Chocolatiers	\$	1,402.83		\$	3,298,087.17	
2018-01-31		Finance Charge	\$	25,223.18		\$	3,323,310.35	
2017-02-01	Rents	Payment Received- Thank You	\$	5,459.44	\$	29,459.44	\$	3,293,850.91
2017-02-28		Finance Charge	\$	22,741.11		\$	3,316,592.02	
2017-03-01	Rents	Payment Received- Thank You	\$	2,249.52	\$	29,459.44	\$	3,287,132.58
2017-03-01	GST	GST collected on Feb. rents from Cococo Chocolatiers	\$	1,402.83		\$	3,288,535.41	
2017-03-01	Legal Fees	DBH legal fees pertaining to PPR renewals paid	\$	404.26		\$	3,288,939.67	
2017-03-01	GST	GST collected on Mar. rents from Cococo Chocolatiers	\$	1,402.83		\$	3,290,342.50	
2017-03-31		Finance Charge	\$	25,150.84		\$	3,315,493.34	
2017-04-03	Rents	Payment Received- Thank You	\$	5,459.44	\$	29,459.44	\$	3,286,033.90
2017-04-30		Finance Charge	\$	24,322.18		\$	3,310,356.08	
2017-05-01	Rents	Payment Received- Thank You	\$	2,653.78	\$	29,459.44	\$	3,280,896.64
2017-05-01	GST	GST collected on Apr. rents from Cococo Chocolatiers	\$	1,402.83		\$	3,282,299.47	
2017-05-01	GST	GST collected on May. rents from Cococo Chocolatiers	\$	1,402.83		\$	3,283,702.30	
2017-05-31		Finance Charge	\$	25,121.53		\$	3,308,823.83	
2017-06-01	Rents	Payment Received- Thank You	\$	5,459.44	\$	29,459.44	\$	3,279,364.39
2017-06-01	Renewal	Payment Received- Thank You	\$	19,900.00		\$	3,279,364.39	
2017-06-30		Finance Charge	\$	24,279.07		\$	3,303,643.46	
2017-07-01	Renewal	6 month renewal fee to January 1, 2018	\$	32,000.00		\$	3,335,643.46	
2017-07-01	GST	GST collected on Jun. rents from Cococo Chocolatiers	\$	1,416.33		\$	3,337,059.79	
2017-07-04	Rents	Payment Received- Thank You	\$	3,139.20	\$	29,969.11	\$	3,307,090.68
2017-07-04	GST	GST collected on Jul. rents from Cococo Chocolatiers	\$	1,413.58		\$	3,308,504.26	
2017-07-31		Finance Charge	\$	25,309.74		\$	3,333,814.00	
2017-08-01	Rents	Payment Received- Thank You	\$	5,685.25	\$	29,685.25	\$	3,304,128.75
2017-08-01	GST	GST collected on Aug. rents from Cococo Chocolatiers	\$	1,413.58		\$	3,305,542.33	
2017-08-31		Finance Charge	\$	25,256.22		\$	3,330,798.55	
2017-09-01	Rents	Payment Received- Thank You	\$	2,858.09	\$	29,685.25	\$	3,301,113.30
2017-09-01	GST	GST collected on Sept. rents from Cococo Chocolatiers	\$	1,413.58		\$	3,302,526.88	
2017-09-30		Finance Charge	\$	24,429.65		\$	3,326,956.53	
2017-10-02	Rents	Payment Received- Thank You	\$	5,685.25	\$	29,685.25	\$	3,297,271.28
2017-10-02	Renewal	Payment Received- Thank You	\$	19,900.00		\$	3,297,271.28	
2017-10-02	GST	GST collected on Oct. rents from Cococo Chocolatiers	\$	1,413.58		\$	3,298,684.86	
2017-10-31		Finance Charge	\$	25,211.12		\$	3,323,895.98	
2017-11-01	Rents	Payment Received- Thank You	\$	5,685.25	\$	29,685.25	\$	3,294,210.73
2017-11-01	GST	GST collected on Nov. rents from Cococo Chocolatiers	\$	1,413.58		\$	3,295,624.31	
2017-11-30		Finance Charge	\$	24,357.68		\$	3,319,981.99	
2017-12-01	Rents	Payment Received- Thank You	\$	1,444.51	\$	29,685.25	\$	3,290,296.74
2017-12-01	GST	GST collected on Dec. rents from Cococo Chocolatiers	\$	1,413.58		\$	3,291,710.32	
2017-12-31		Finance Charge	\$	25,161.29		\$	3,316,871.61	
2018-01-01	Renewal	6 month renewal fee to July 1, 2018	\$	32,000.00		\$	3,348,871.61	
2018-01-01	GST	GST collected on Jan. rents from Cococo Chocolatiers	\$	1,413.58		\$	3,350,285.19	
2018-01-02	Rents	Payment Received- Thank You	\$	5,685.25	\$	29,685.25	\$	3,320,599.94
2018-01-31		Finance Charge	\$	25,378.64		\$	3,345,978.58	
2018-02-01	Rents	Payment Received- Thank You	\$	2,858.09	\$	29,685.25	\$	3,316,293.33
2018-02-01	GST	GST collected on Feb. rents from Cococo Chocolatiers	\$	1,413.58		\$	3,317,706.91	
2018-02-28		Finance Charge	\$	22,905.81		\$	3,340,612.72	
2018-03-01	Rents	Payment Received- Thank You	\$	5,685.25	\$	29,685.25	\$	3,310,927.47
2018-03-01	Renewal	Payment Received- Thank You	\$	19,900.00		\$	3,310,927.47	
2018-03-01	GST	GST collected on Mar. rents from Cococo Chocolatiers	\$	1,413.58		\$	3,312,341.05	
2018-03-31		Finance Charge	\$	25,308.19		\$	3,337,649.24	
2018-04-02	Rents	Payment Received- Thank You	\$	3,311.06	\$	30,160.87	\$	3,307,488.37
2018-04-02	GST	GST collected on Apr. rents from Cococo Chocolatiers	\$	1,436.23		\$	3,308,924.60	
2018-04-30		Finance Charge	\$	24,483.71		\$	3,333,408.31	
2018-05-01	Rents	Payment Received- Thank You	\$	6,160.87	\$	30,160.87	\$	3,303,247.44
2018-05-01	GST	GST collected on May. rents from Cococo Chocolatiers	\$	1,436.23		\$	3,304,683.67	
2018-05-31		Finance Charge	\$	25,249.48		\$	3,329,933.15	
2018-06-01	Rents	Payment Received- Thank You	\$	3,288.41	\$	30,160.87	\$	3,299,772.28
2018-06-01	GST	GST collected on Jun. rents from Cococo Chocolatiers	\$	1,436.23		\$	3,301,208.51	
2018-06-30		Finance Charge	\$	24,419.90		\$	3,325,628.41	
2018-07-03	Rents	Payment Received- Thank You	\$	6,160.87	\$	30,160.87	\$	3,295,467.54
2018-07-03	Renewal	Payment Received- Thank You	\$	19,900.00		\$	3,295,467.54	
2018-07-03	GST	GST collected on Jul. rents from Cococo Chocolatiers	\$	1,436.23		\$	3,296,903.77	

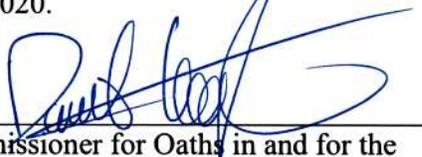
2018-07-31	Finance Charge		\$ 25,204.89		\$ 3,322,108.66
2018-08-01	Rents	Payment Received- Thank You	\$ 3,288.41	\$ 30,160.87	\$ 3,291,947.79
2018-08-01	GST	GST collected on Aug. rents from Cococo Chocolatiers	\$ 1,436.23		\$ 3,293,384.02
2018-08-08		Finance Charge	\$ 6,496.54		\$ 3,299,880.56
2018-08-08		<i>Balance assumed by PMFC Ltd.</i>		\$ 3,299,880.56	\$ -
2018-08-09		Balance charged to 1075397 Alberta Ltd	\$ 3,299,880.56		\$ 3,299,880.56
2018-08-31		Finance Charge	\$ 18,714.39		\$ 3,318,594.95
2018-09-01	Renewal	6 month renewal fee to March 1, 2019	\$ 32,000.00		\$ 3,350,594.95
2018-09-30		Finance Charge	\$ 24,785.22		\$ 3,375,380.17
2018-10-31		Finance Charge	\$ 25,800.85		\$ 3,401,181.03
2018-11-30		Finance Charge	\$ 25,159.42		\$ 3,426,340.45
2018-12-31		Finance Charge	\$ 26,190.38		\$ 3,452,530.83
2019-01-31		Finance Charge	\$ 26,390.58		\$ 3,478,921.41
2019-02-28		Finance Charge	\$ 24,018.85		\$ 3,502,940.26
2019-03-31		Finance Charge	\$ 26,775.90		\$ 3,529,716.16
2019-04-30		Finance Charge	\$ 26,110.23		\$ 3,555,826.39
2019-05-31		Finance Charge	\$ 27,180.15		\$ 3,583,006.54
2019-06-30		Finance Charge	\$ 26,504.43		\$ 3,609,510.98
2019-07-31		Finance Charge	\$ 27,590.51		\$ 3,637,101.48
2019-08-03	Rents	Payment Received net GST - Thank You		\$ 25,971.91	\$ 3,611,129.58
2019-08-31		Finance Charge	\$ 24,931.63		\$ 3,636,061.21
2019-09-02		Payment Received net GST - Thank You		\$ 28,724.64	\$ 3,607,336.57
2019-09-30		Finance Charge	\$ 24,905.45		\$ 3,632,242.02
2019-10-01		Payment Received net GST - Thank You		\$ 28,724.64	\$ 3,603,517.38
2019-10-31		Finance Charge	\$ 26,656.16		\$ 3,630,173.53
2019-11-01		Payment Received net GST - Thank You		\$ 28,724.64	\$ 3,601,448.89
2019-11-30		Finance Charge	\$ 25,752.83		\$ 3,627,201.72
2019-12-02		Payment Received net GST - Thank You		\$ 28,724.64	\$ 3,598,477.08
2019-12-31		Finance Charge	\$ 25,731.58		\$ 3,624,208.66
2020-01-01		Payment Received net GST - Thank You		\$ 28,724.64	\$ 3,595,484.02
2020-01-31		Finance Charge	\$ 26,596.73		\$ 3,622,080.75
2020-02-03		Payment Received net GST - Thank You		\$ 28,724.64	\$ 3,593,356.11
2020-02-29		Finance Charge	\$ 23,036.86		\$ 3,616,392.96
2020-03-02		Payment Received net GST - Thank You		\$ 28,724.64	\$ 3,587,668.32
2020-03-31		Finance Charge	\$ 25,654.29		\$ 3,613,322.61
2020-04-01		Payment Received net GST - Thank You		\$ 28,724.64	\$ 3,584,597.97
2020-04-30		Finance Charge	\$ 25,632.33		\$ 3,610,230.30
2020-05-01		Payment Received net GST - Thank You		\$ 28,724.64	\$ 3,581,505.66
2020-05-10		Finance Charge	\$ 7,948.00		\$ 3,589,453.66
2020-05-11		Insurance and Property Tax Adjustment- Net GST		\$ 12,961.28	\$ 3,576,492.38
2020-05-31		Finance Charge	\$ 17,637.50		\$ 3,594,129.88
2020-06-01		Payment Received net GST - Thank You		\$ 29,369.58	\$ 3,564,760.30
2020-06-09		Finance Charge	\$ 7,031.86		\$ 3,571,792.15

Notes:

- (1) The Mortgage registered in the Alberta Land Titles Office on January 13, 2015 as instrument number 151 008 895 had a maturity date (as amended) of March 1, 2019 and is accordingly in default.
- (2) The Loan Agreement and the Loan Documents (as defined by the Loan and Security Amendment executed September 1, 2018 among Panterra Mortgage & Financial Corporation Ltd., as Lender, 1075397 Alberta Ltd., as Borrower, Rigsat Communications Inc., as Guarantor, and Petrocraft Products Ltd., as Guarantor) is and are in default (there have been "Events of Default") by reason of non-payment of interest for the months September 2018 through April 2019 inclusive.

THIS IS EXHIBIT "3" REFERRED TO IN
THE AFFIDAVIT OF BRIAN BECK.

SWORN BEFORE ME THIS 16TH DAY OF
JUNE, 2020.



A Commissioner for Oaths in and for the
Province of Alberta

David LeGeyt
Barrister & Solicitor



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0016 666 357 7810519;5;2 151 008 894

LEGAL DESCRIPTION
PLAN 7810519
BLOCK 5
LOT 2
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE
ATS REFERENCE: 5;1;24;13;NE

MUNICIPALITY: CITY OF CALGARY

REFERENCE NUMBER: 981 322 464

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
151 008 894	13/01/2015	TRANSFER OF LAND	\$3,700,000	\$3,700,000

OWNERS

1075397 ALBERTA LTD.
OF 220-19 STREET SE
CALGARY
ALBERTA T2E 6P5
(DATA UPDATED BY: CHANGE OF ADDRESS 151188505)

ENCUMBRANCES, LIENS & INTERESTS		
REGISTRATION NUMBER	DATE (D/M/Y)	PARTICULARS
771 147 064	20/10/1977	ZONING REGULATIONS SUBJECT TO CALGARY INTERNATIONAL AIRPORT ZONING REGULATIONS
151 008 895	13/01/2015	MORTGAGE MORTGAGEE - PANTERRA MORTGAGE & FINANCIAL CORPORATION LTD. 5505 6 STREET SE CALGARY

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

151 008 894

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

ALBERTA T2H1L6
ORIGINAL PRINCIPAL AMOUNT: \$3,200,000
(DATA UPDATED BY: TRANSFER OF MORTGAGE
181178493)

151 008 896 13/01/2015 CAVEAT
RE : ASSIGNMENT OF RENTS AND LEASES
CAVEATOR - PANTERRA MORTGAGE & FINANCIAL
CORPORATION LTD.
5505 6 STREET SE
CALGARY
ALBERTA T2H1L6
(DATA UPDATED BY: TRANSFER OF CAVEAT
181178494)

151 157 226 24/06/2015 CAVEAT
RE : LEASE INTEREST
CAVEATOR - COCOCO CHOCOLATIERS INC.
ATTN: PRESIDENT
1313-1 ST SE
CALGARY
ALBERTA T2G5L1
AGENT - CLARK KASSIAN

151 277 736 27/10/2015 WRIT
CREDITOR - D ARTHUR QUINNEY
C/O KIRWIN LLP
SUITE 100, 12420 104 AVENUE NW
EDMONTON
ALBERTA T5N3Z9
DEBTOR - 1075397 ALBERTA LTD.
220-19 STREET SE
CALGARY
ALBERTA T2E6P5
AMOUNT: \$527,861 AND COSTS IF ANY
ACTION NUMBER: 1403 00272

151 277 737 27/10/2015 WRIT
CREDITOR - SUZANNE QUINNEY.
C/O KIRWIN LLP
SUITE 100, 12420 104 AVENUE NW
EDMONTON
ALBERTA T5N3Z9
DEBTOR - 1075397 ALBERTA LTD.
220-19 STREET SE
CALGARY
ALBERTA T2E6P5
AMOUNT: \$207,442 AND COSTS IF ANY
ACTION NUMBER: 1403 00272

(CONTINUED)

 ENCUMBRANCES, LIENS & INTERESTS

PAGE 3
 # 151 008 894

REGISTRATION

 NUMBER DATE (D/M/Y) PARTICULARS

 161 247 239 18/10/2016 CERTIFICATE OF LIS PENDENS

161 269 190 09/11/2016 WRIT
 CREDITOR - COCOCO CHOCOLATIERS INC.
 1313 FIRST STREET SE
 CALGARY
 ALBERTA T2G5L1
 DEBTOR - 1075397 ALBERTA LTD.
 220-19 STREET SE
 CALGARY
 ALBERTA T2E6P5
 AMOUNT: \$300,000 AND COSTS IF ANY
 ACTION NUMBER: 1601-12986

161 292 238 07/12/2016 WRIT
 CREDITOR - BARCLAY STREET REAL ESTATE LTD.
 200, 407 - 8TH AVENUE SW
 CALGARY
 ALBERTA T2P1E5
 DEBTOR - 1075397 ALBERTA LTD.
 2320 - 2ND AVENUE SE
 CALGARY
 ALBERTA T2E6J9
 AMOUNT: \$38,631 AND COSTS IF ANY
 ACTION NUMBER: 1601-15434

181 199 726 18/09/2018 POSTPONEMENT
 OF MORT 151008895 CAVE 151008896
 TO CAVE 151157226

191 180 282 04/09/2019 CERTIFICATE OF LIS PENDENS
 AFFECTS INSTRUMENT: 151008895

TOTAL INSTRUMENTS: 011

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
 ACCURATE REPRODUCTION OF THE CERTIFICATE OF
 TITLE REPRESENTED HEREIN THIS 9 DAY OF JUNE,
 2020 AT 10:19 A.M.

ORDER NUMBER: 39473646

CUSTOMER FILE NUMBER:



END OF CERTIFICATE

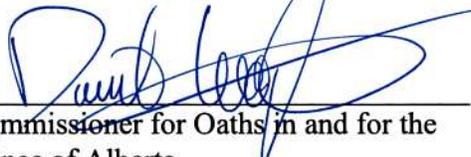
(CONTINUED)

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION, APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

THIS IS EXHIBIT "4" REFERRED TO IN
THE AFFIDAVIT OF BRIAN BECK.

SWORN BEFORE ME THIS 16TH DAY OF
JUNE, 2020.



A Commissioner for Oaths in and for the
Province of Alberta

David LeGeyt
Barrister & Solicitor

Search ID #: Z12733677

Transmitting Party

ELDOR-WAL REGISTRATIONS (1987) LTD.

1200, 10123 99 st NW
EDMONTON, AB T5J 3H1

Party Code: 50073881
Phone #: 780 429 5969
Reference #:

Search ID #: Z12733677

Date of Search: 2020-Jun-09

Time of Search: 10:18:42

Business Debtor Search For:

1075397 ALBERTA LTD.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z12733677

Business Debtor Search For:

1075397 ALBERTA LTD.

Search ID #: Z12733677

Date of Search: 2020-Jun-09

Time of Search: 10:18:42

Registration Number: 03111343970

Registration Type: SECURITY AGREEMENT

Registration Date: 2003-Nov-13

Registration Status: Current

Expiry Date: 2046-Nov-13 23:59:59

Exact Match on: Debtor No: 2

Amendments to Registration

06021520777	Renewal	2006-Feb-15
11112508893	Amendment And Renewal	2011-Nov-25
11112509121	Renewal	2011-Nov-25
11112509404	Renewal	2011-Nov-25
19070355744	Amendment	2019-Jul-03

Debtor(s)

Block

1 1075397 ALBERTA LTD.
C/O 1500, 736 - 6TH AVENUE S.W.
CALGARY, AB T2P 3T7

Status

Deleted by
11112508893

Block

2 1075397 ALBERTA LTD.
94 GLADYS RIDGE ROAD SW
CALGARY, AB T3E 4J1

Status

Current by
11112508893

Secured Party / Parties

Block

1 BUSINESS DEVELOPMENT BANK OF CANADA
BOX 6,505 BURRARD ST
VANCOUVER, BC V7X 1V3

Status

Deleted by
19070355744

Search ID #: Z12733677

Block

2 BUSINESS DEVELOPMENT BANK OF CANADA
BOX 6,505 BURRARD ST
VANCOUVER, BC V7X 1M3
Phone #: 604 666 1916 Fax #: 604 666 1573
Email: legalwfsc@bdc.ca

Status

Current by
19070355744

Collateral: General

Block

Description

Status

1	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Deleted By 11112508893
2	All present and after-acquired personal property of the Debtor plus proceeds: goods, chattel paper, investment property, documents of title, instruments, money and intangibles.	Current By 11112508893

Search ID #: Z12733677

Business Debtor Search For:

1075397 ALBERTA LTD.

Search ID #: Z12733677

Date of Search: 2020-Jun-09

Time of Search: 10:18:42

Registration Number: 14082220105

Registration Type: SECURITY AGREEMENT

Registration Date: 2014-Aug-22

Registration Status: Current

Expiry Date: 2024-Aug-22 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 1075397 ALBERTA LTD
94 GLADYS RIDGE RD NW
CALGARY, AB T3E 4J1

Secured Party / Parties

Block

Status

Current

1 ALBERTA TREASURY BRANCHES - 07409
217 - 16 AVENUE NW STN B
CALGARY, AB T2M 0H5
Phone #: 403 974 5222 Fax #: 403 276 9625

Collateral: General

Block

Description

Status

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY

Current

2 PROCEEDS: ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY
DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALINGS WITH THE ORIGINAL
COLLATERAL OR PROCEEDS THEREOF

Current

Search ID #: Z12733677

Business Debtor Search For:

1075397 ALBERTA LTD.

Search ID #: Z12733677

Date of Search: 2020-Jun-09

Time of Search: 10:18:42

Registration Number: 15082809783

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2015-Aug-28

Registration Status: Current

Expiry Date: 2021-Jun-06 23:59:59

Issued in Edmonton Judicial Centre

Court File Number is 1403 00272

Judgment Date is 2015-Jul-13

This Writ was issued on 2015-Aug-26

Type of Judgment is Other

Original Judgment Amount: \$207,442.43

Costs Are: \$0.00

Post Judgment Interest: \$7,034.57

Current Amount Owing: \$214,477.00

Exact Match on: Debtor No: 1

Amendments to Registration

17080219370	Amendment And Renewal	2017-Aug-02
19060638771	Amendment And Renewal	2019-Jun-06
19102215644	Amendment	2019-Oct-22

Solicitor / Agent

MCCUAIG DESROCHERS LLP
2401 TD TOWER, 10088 102 AVENUE NW
EDMONTON, AB T5J 2Z1
Email: rcurtis@mccuaig.com

Debtor(s)

Block

1 1075397 ALBERTA LTD.
220-19 STREET S.E.
CALGARY, AB T2E 6P5

Status
Current

Search ID #: Z12733677

Block

2 PHILLIPS, TERRY, D.
94 GLADYS RIDGE ROAD S.W.
CALGARY, AB T3E 4J1

Status
Current

Gender:
Male

Creditor(s)

Block

1 QUINNEY, SUZANNE
5 DILLION BAY
SPRUCE GROVE, AB T7X 0E5

Status
Current

Particulars

Block

Additional Information

Status

1 Financial Statements of Debtor for both Debtor Block 1 - 1075397 Alberta Ltd. and Debtor Block 2 - Phillips, Terry, D. were sworn on June 26, 20019 and provided to the Creditor. Current By 19102215644

Search ID #: Z12733677

Business Debtor Search For:

1075397 ALBERTA LTD.

Search ID #: Z12733677

Date of Search: 2020-Jun-09

Time of Search: 10:18:42

Registration Number: 18102531446

Registration Type: SECURITY AGREEMENT

Registration Date: 2018-Oct-25

Registration Status: Current

Expiry Date: 2022-Oct-25 23:59:59

Exact Match on: Debtor No: 2

Debtor(s)

Block

Status

Current

1 RIGSAT COMMUNICATIONS INC.
220 - 19TH STREET SE
CALGARY, AB T2E6P5

Block

Status

Current

2 1075397 ALBERTA LTD.
220 - 19 STREET SE
CALGARY, AB T2E6P5

Block

Status

Current

3 QUINTEL COMMUNICATIONS LTD.
220 - 19 STREET SE
CALGARY, AB T2E6P5

Secured Party / Parties

Block

Status

Current

1 ARUNDEL CAPITAL CORPORATION
SUITE 420, 5119 ELBOW DRIVE SW
CALGARY, AB T2V1H2

Search ID #: Z12733677

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	<p>SEVENTY-FIVE(75) NEW 2018 MOTOROLA XPR 7550 IS 5W FKP CSA HAND HELD RADIOS S/N'S 627TUT2249, 627TUT2250, 627TUT2251, 627TUT2254, 627TUT2256, 627TUT2257, 627TUT2258, 627TUT2261, 627TUT2262, 627TUT2266, 627TUT2269, 627TUT2271, 627TUT2272, 627TUT2275, 627TUT2278, 627TUT5946,627TUT5947, 627TUT5949, 627TUP1668, 627TUR0212, 627TUR0214, 627TUR0216, 627TUR0222, 627TUR0234, 627TUR0236, 627TUR0239, 627TUT2252, 627TUT2253, 627TUT2259, 627TUT2264, 627TUT2267, 627TUT2268, 627TUT2270, 627TUT2273, 627TUT2274, 627TUT2276, 627TUT2277, 627TUR0245, 627TUR0262, 627TUT2265, 627TUT5945, 627TUT5948, 627TUT6236, 627TUT6237, 627TUT6238, 627TUT6239, 627TUT6241, 627TUT6242, 627TUT6243, 627TUT6245, 627TUT6246, 627TUT6248, 627TUT6250, 627TUT6251, 627TUT6252, 627TUT6253, 627TUT6254, 627TUT6255, 627TUT6256, 627TUT6257, 627TUT6259, 627TUT6260, 627TUT6262, 627TUT6264, 627TUT6265, 627TUT6266, 627TUT6267, 627TUT6269, 627TUT6270, 627TUT6272, 627TUT6273, 627TUT6274, 627TUT6275, 627TUT6277, 627TUT6281,</p> <p>THIRTY-SIX(36) NEW 2018 STANDARD CHARGERS, SEVENTY-FIVE(75) NEW 2018 IMPRES NOISE CANCELLING RSM, SEVENTY-FIVE(75) NEW 2018 IMPRES BATTERY LI-ION CSA 157 IP68 2300T, EIGHT(8) NEW 2018 IMPRES CHARGER DESKTOP MULTI-UNIT 2 1 DISPLAY EXT PS 100-240VAC.</p>	Current
2	<p>ALL INVENTORY OF 2018 MOTOROLA XPR 7550 IS 5W FKP CSA HAND HELD RADIOS, 2018 STANDARD CHARGERS, 2018 IMPRES NOISE CANCELLING RSM, 2018 IMPRES BATTERY LI-ION CSA 157 IP68 2300T, 2018 IMPRES CHARGER DESKTOP MULTI-UNIT 2 1 DISPLAY EXT PS 100-240VAC FINANCED BY THE SECURED PARTY FOR THE DEBTORS, OR ANY OF THEM, INCLUDING, WITHOUT LIMITATION: SEVENTY-FIVE(75) NEW 2018 MOTOROLA XPR 7550 IS 5W FKP CSA HAND HELD RADIOS, THIRTY-SIX(36) NEW 2018 STANDARD CHARGERS, SEVENTY-FIVE(75) NEW 2018 IMPRES NOISE CANCELLING RSM, SEVENTY-FIVE(75) NEW 2018 IMPRES BATTERY LI-ION CSA 157 IP68 2300T, EIGHT(8) NEW 2018 IMPRES CHARGER DESKTOP MULTI-UNIT 2 1 DISPLAY EXT PS 100-240VAC.</p> <p>TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO, AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH THE COLLATERAL OR PROCEEDS THEREOF, AND WITHOUT LIMITATION, MONEY, CHEQUES, DEPOSITS IN DEPOSIT-TAKING INSTITUTIONS, GOODS, ACCOUNTS RECEIVABLE, RENTS OR OTHER PAYMENTS ARISING FROM THE LEASE OF THE COLLATERAL, CHATTEL PAPER, INSTRUMENTS, INTANGIBLES, DOCUMENTS OF TITLE, SECURITIES, AND RIGHTS OF INSURANCE PAYMENTS OR ANY OTHER PAYMENTS AS INDEMNITY OR COMPENSATION FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.</p>	Current

Search ID #: Z12733677

Business Debtor Search For:

1075397 ALBERTA LTD.

Search ID #: Z12733677

Date of Search: 2020-Jun-09

Time of Search: 10:18:42

Registration Number: 19050909512

Registration Type: SECURITY AGREEMENT

Registration Date: 2019-May-09

Registration Status: Current

Expiry Date: 2024-May-09 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 1075397 ALBERTA LTD.
220 - 19 STREET SE
CALGARY, AB T2E 6P5

Current

Secured Party / Parties

Block

Status

1 PANTERRA MORTGAGE & FINANCIAL CORPORATION LTD.
5505 6 STREET SE
CALGARY, AB T2H 1L6

Current

Collateral: General

Block

Description

Status

1 ALL OF THE DEBTOR'S RIGHT, TITLE, INTEREST AND CLAIM IN AND TO, AND ALL POWER OF DISPOSITION OVER CERTAIN AGREEMENTS AS ASSIGNED TO THE SECURED PARTY BY AN ASSIGNMENT OF CONTRACTS ENTERED INTO BETWEEN THE DEBTOR AND THE PREDECESSOR TO THE SECURED PARTY ON OR ABOUT THE 16TH DAY OF DECEMBER, 2014, ALL DEPOSITS PAID IN ACCORDANCE WITH SUCH AGREEMENTS AND ALL FUNDS DERIVED FROM THOSE AGREEMENTS.

Current

Search ID #: Z12733677

Business Debtor Search For:

1075397 ALBERTA LTD.

Search ID #: Z12733677

Date of Search: 2020-Jun-09

Time of Search: 10:18:42

Registration Number: 19050909632

Registration Type: SECURITY AGREEMENT

Registration Date: 2019-May-09

Registration Status: Current

Expiry Date: 2024-May-09 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 1075397 ALBERTA LTD.
220 - 19 STREET SE
CALGARY, AB T2E 6P5

Current

Secured Party / Parties

Block

Status

1 PANTERRA MORTGAGE & FINANCIAL CORPORATION LTD.
5505 6 STREET SE
CALGARY, AB T2H 1L6

Current

Collateral: General

Block

Description

Status

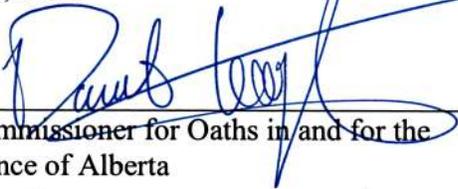
1 ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY.

Current

Result Complete

THIS IS EXHIBIT "5" REFERRED TO IN
THE AFFIDAVIT OF BRIAN BECK.

SWORN BEFORE ME THIS 16TH DAY OF
JUNE, 2020.


A Commissioner for Oaths in and for the
Province of Alberta

David LeGeyt
Barrister & Solicitor

**AVISON
YOUNG**



Partnership. Performance.

A SHORT NARRATIVE APPRAISAL REPORT

Subject Property : Office/Warehouse Facility
2320 – 2nd Avenue SE, Calgary Alberta

Effective Date : May 29, 2020
Prepared for : Panterra Mortgage & Financial Corporation Ltd.
Prepared By : Patrick J. James, CRA, P.App

June 2, 2020

Panterra Mortgage & Financial Corporation Ltd.
5505 – 6th Street SE
Calgary AB
T2H 1L6

T 403.228.4001
F 403.262-3325
E appraisalalberta@avisonyoung.com

avisonyoung.com



ATTENTION: Mr. Brian Beck

ACCOUNT NUMBER 11608

RE: Appraisal: *Office/Warehouse Facility*
2320 – 2nd Avenue SE, Calgary, Alberta

In response to your authorization, we have conducted the required investigation, gathered the necessary data, and made certain analyses that have enabled us to form an opinion of the market value, in Fee Simple Estate of the above captioned office/warehouse building.

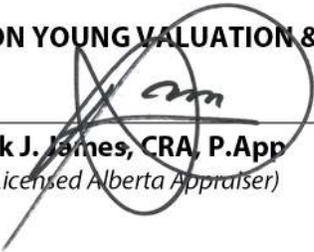
Based on an inspection of the property and the investigation and analyses undertaken herein, under the Critical Assumptions made on pages 2-3 of the report, we have formed the opinion that as of May 29, 2020, with a preceding exposure time of up to twelve months, the subject property has a market value in Fee Simple Estate of:

– TWO MILLION NINE HUNDRED THOUSAND DOLLARS –
– (\$2,900,000) –

The Short Narrative Appraisal that follows sets forth a brief description of the property, a synopsis of the appraisal process used, and the reconciled estimate of value. Use of the report is restricted to representatives of Panterra Mortgage & Financial Corporation Ltd. for the purposes outlined in the report.

The coronavirus pandemic is causing a significant degree of uncertainty in capital markets, and could have an effect on real estate values depending on the duration and severity of the crisis. At present, it is too early to predict how values may be affected, but it may be likely that market demand is adversely affected in the short term.

AVISON YOUNG VALUATION & ADVISORY SERVICES


Patrick J. James, CRA, P.App
(RECA Licensed Alberta Appraiser)


Ian Pritchard, B.Sc., AACI, P.App
(RECA Licensed Alberta Appraiser)

Subject Photograph



2320 – 2nd Avenue SE

Calgary, Alberta

SUBJECT OF THE APPRAISAL

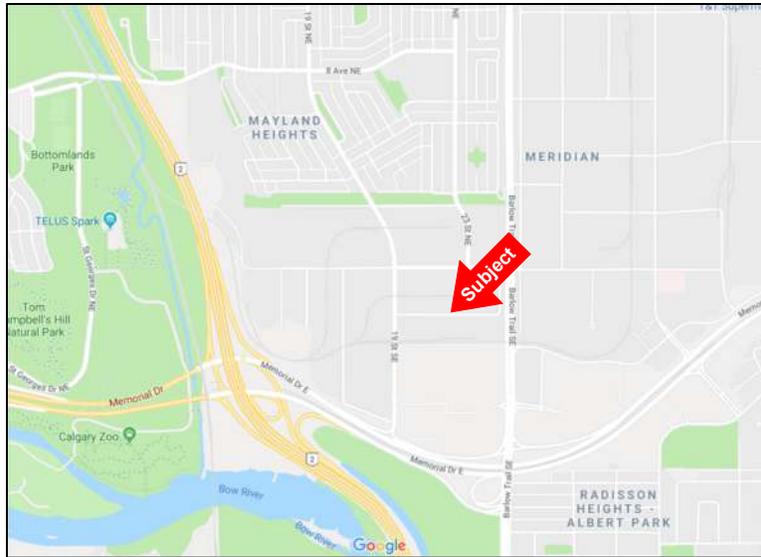
PROPERTY TYPE:

- Single legally described 0.86 acre fully serviced industrial development site having an I-G, Industrial General District land use classification.
- Interior site was improved in 1978 (*as per City*) with a freestanding office/warehouse facility.
- The building has a reported gross size of 23,269 sf, including a 6,400 sf± two storey office component and a 16,869 sf warehouse.
- Site coverage equates to approximately 53.7%.
- The current tenant has upgraded the building interior and exterior to accommodate its own offices and government certified food production facility.
- The property is well located within the established inner-city industrial district of Mayland in southeast Calgary.



LOCATION PROFILE:

- The Mayland district is essentially divided into two parts, with commercial and industrial development located south of 3rd Avenue NE and residential development to the north.
- The district is generally bound by the Trans-Canada Highway (16th Avenue NE) to the north, Barlow Trail NE to the east, Deerfoot Trail (QE II) to the west, and Memorial Drive SE to the south.
- The district is accessible from westbound Memorial Drive SE, Barlow Trail NE or 19th Street NE.
- Inner-city location benefits from close proximity to the core and a number of major transportation corridors.
- Property is also in close proximity to the Barlow/Max Bell LRT station.



MUNICIPAL ADDRESS AND LOCATION:

- 2320 – 2nd Avenue SE, Calgary, Alberta
- City indicates the subject is within the Mayland Industrial District in southeast Calgary.
- The subject parcel is amongst other similar single and multi-tenant office/warehouse developments, located in an area north of Memorial Drive, east of Deerfoot Trail and west of Barlow Trail SE.

LEGAL DESCRIPTION

PLAN 7810519
BLOCK 5
LOT 2
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE : FEE SIMPLE
MUNICIPALITY : CITY OF CALGARY
SOUTH ALBERTA LAND REGISTRATION DISTRICT

CRITICAL ASSUMPTIONS

- Sketches, drawings, diagrams and photographs presented in this report are included for the sole purpose of illustration. No soil testing concerning the subject property has been provided. Accordingly, no responsibility is assumed concerning these matters, or other technical, engineering or survey techniques which would be required to discover any inherent or hidden condition of the property.*
- We have assumed there are no environmental problems associated with the property. In our personal inspection of the property we did not find evidence of hazardous substances. However, we are not inspectors or qualified environmental consultants. In this regard, we recommend the services of an appropriate expert in environmental matters be obtained for a thorough detailed analysis.*
- We have assumed there are no structural, mechanical or roof problems associated with the building improvements. As indicated by a representative of the client, the subject roof has been repaired on a number of occasions and will*

need a full replacement at some point. In our personal inspection of the property, we did not find obvious evidence of any problems. However, we are not structural or mechanical engineers or qualified experts in such matters. Our final value assumes the roof to be in good serviceable condition and does not consider any required capital expenditure. Services of an appropriate expert should be obtained for a thorough detailed analysis.

- d. *Building size is as indicated in our previous report on the subject (our file #11253), and is assumed to be correct. If the building size is found to be significantly different from what has been reported, the appraiser reserves the right to amend the report accordingly.*
- e. *The building includes a number of walk-in freezers and coolers. These chattels have not been included as part of the value stated herein.*
- f. *Site size was confirmed by The City of Calgary Assessment Department, and is assumed to be correct.*
- g. *As viewed, the subject is under lease contract to Cococo Chocolatiers Inc. It is our understanding that the current landlord historically defaulted on the lease, having not paid the tenant for TI allowances owed. As advised by the tenant, the lease amendment agreement dated August 31, 2018 now allows the tenant a 60 day lease termination clause. On this basis we have elected to value the subject as if vacant, disregarding the lease in place. If it is determined that these assumptions are different from what is understood, the appraiser reserves the right to amend the report accordingly.*
- h. *The existing improvement represents a legal and conforming use of the site.*
- i. *The subject property is appraised as though free and clear of any long term assumable financing.*

HYPOTHETICAL CONDITIONS

There are no Hypothetical Conditions.

EXTRAORDINARY ASSUMPTIONS

There are no Extraordinary Assumptions.

PROPERTY ASSESSMENT

The following information was provided by the City of Calgary Tax and Assessment Department.

Property Assessment 2020: \$2,800,000
Property Tax Levy 2020: \$53,757+/-

PURPOSE AND INTENDED USE OF THE APPRAISAL

The purpose of the appraisal is to estimate the fair market value of the subject property as defined herein. The appraisal report may be relied upon by the client for information purposes relating to a pending foreclosure action.

SCOPE OF THE APPRAISAL

The scope of this appraisal pertains to the extent of the process in which market data is collected, confirmed and reported. The research conducted in this analysis relative to comparable industrial sales has included data from our own files (Avison Young Valuation & Advisory Services) as well as real estate brokers, property owners and developers, RealNet, Commercial Edge and the Calgary Real Estate Board. The subject property was inspected by the appraiser as at the date specified herein. Techniques used in this appraisal are deemed relevant for the particular valuation.

OWNERSHIP AND SALES HISTORY

The current Certificate of Title associated with the subject site is registered in the name of 1075397 Alberta Ltd. The title was created January 13, 2015 as a result of a transfer of land for a stated value and consideration of \$3,700,000. To the best of our knowledge the subject is not being actively marketed, nor is it under contract for sale at this time.

DEFINITION OF MARKET VALUE

Market Value definitions can be found in a variety of sources, including appraisal texts, real estate dictionaries, federal and provincial statutes dealing with expropriations and assessments and Court decisions. For purposes of this appraisal assignment, Market Value is defined as:

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

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

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto;
5. 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.

(Source: Canadian Uniform Standards of Professional Appraisal Practice – 2018)

Market Value paragraph 29 of the International Valuation Standards 2013, defines market value as follows:

“Market value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

EXPOSURE TIME

Exposure time is the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions.

With respect to a reasonable time frame for exposure of the subject property required to achieve a sale in the open market, we are of the opinion a period of up to twelve months is realistic.

PROPERTY RIGHTS APPRAISED

The property rights appraised in this report as it relates to the subject property, are those of a Fee Simple Estate, which 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."

DATE OF THE APPRAISAL

DATE OF VALUE & SITE INSPECTION : May 29, 2020
INSPECTED BY : Patrick J. James, CRA, P.App

LAND USE CLASSIFICATION

The subject property, like all lands within the City of Calgary is classified as to land use under Bylaw 1P2007. This by-law sets out various districts in the City of Calgary with specific guidelines. Under this Bylaw the subject property falls under an I-G, Industrial General District land use classification.

Based on a review of the land use by-law guidelines for the I-G district, we are of the opinion, the subject, as developed, is a legal and conforming use of the land.

LAND DESCRIPTION:

- Fully serviced, rectangular shaped interior parcel having 170 feet of frontage along the south boundary, formed by 2nd Avenue SE, and a depth of about 219 feet.
- Assessed site area of 37,373 sf (0.86 acres).
- Site is bound on the east and west by similar office/warehouse developments. An abandoned rail line is located along the north boundary of the site. The site has no back lane. Access is off 2nd Avenue SE.
- Second Avenue SE generally slopes from east to west, thus most sites along the street have required some extra site work to bring them to level grade, with some retaining walls required from site to site. The subject parcel is generally level throughout and at grade with adjoining roadways. There did not appear to be any drainage problems at the time of inspection.
- The site is improved with a single building improvement, oriented toward the east boundary of the parcel.
- Where not covered by the building improvement the balance of the site is mostly improved with paved asphalt surface parking. A portion of the south boundary is improved with landscaping, while the southeast corner is finished with a poured concrete apron to service the front loading area. The back (north) part of the site has been fenced and provides secure outside storage.
- Site condition and appeal is average. Given the above average site coverage and small site frontage, surface parking and ease of loading is somewhat restricted.
- The current Certificate of Title is not encumbered with any Right-of-Ways, Easements or Setbacks.
- The subject site provides good industrial use potential in the southeast sector of Calgary.

BUILDING IMPROVEMENT:

The improvements remain as described in our previous file on the subject (*our file #11253*). The subject building was constructed in 1978 (*as per City*).

SIZE	:	Main Floor Office:	3,200 sf±
		Second Floor Office:	3,200 sf±
		Warehouse:	<u>16,869 sf±</u>
		Total:	23,269 sf±

FOOTPRINT/SITE COVERAGE	:	20,069 sf/53.7%
SUPERSTRUCTURE	:	Structural steel frame with concrete blocks and metal clad walls.
FOUNDATION	:	Cast in place concrete slab floor
EXTERIOR WALLS	:	Primarily painted concrete block walls with some metal cladding on the west and south elevations. Two storey front office pod finished with painted wood trim and curtain wall glazing along the south and west elevations. Exterior is in average condition requiring repairs and cosmetic upgrading.
ROOF	:	Low sloped metal clad
ELECTRICAL	:	1,200 amp. (<i>to be verified</i>)
LOADING	:	1 – 14 foot overhead drive-in door 1 – 8 foot dock height door, complete with bumpers, lights and a load leveler. 1 – 10 foot dock height door
CEILING HEIGHT	:	Warehouse estimated at 18 feet

LIGHTING	:	Office areas estimated at 7.5 (upper) to 8 feet
HEATING/COOLING	:	Mix of fluorescent and metal halide fixtures.
	:	Office areas heated by several conventional gas fired forced air units located on each floor. Cooling provided by roof mounted units, as advised. Warehouse includes radiant gas tubes and gas fired unit heaters.

INTERIOR FINISHES AND LAYOUT

The front office pod is comprised of 6,400 sf of developed space equally split between two levels. The primary access is along the south elevation which leads to a small foyer providing access to both the main and upper levels. The main floor is primarily dedicated to staff areas including a lunchroom, change rooms and washrooms. Finishes include vinyl tile flooring, decorated drywall and suspended ceilings. There are several locations from which the warehouse can be accessed from the main floor staff areas. Main floor is generally viewed as being in good condition.

The upper level is developed entirely as office and boardroom space and includes demised offices, a reception area and washrooms. The second floor is serviced by two separate staircases. Ceiling height is lower, in the 7.5 foot range. Overall condition, function and appeal of the space is good.

The tenant operates a certified food processing facility, and as such the warehouse has undergone upgrades to meet standards required for this type of operation. This has included painting the majority of the floor space, installing FRP wall panels on the lower portions of the walls, painting and cleaning of block walls and suspended ceiling panels. New lighting and air make-up facilities have been installed. The layout includes a number of coolers and freezers along with dry storage and loading areas. Condition and function of the space is good. Overall the subject building provides good function to its current user with most interior areas in good condition.

The preceding description of the improvements is based on the inspection and information provided and is offered here to assist the reader in visualizing the property. No architectural, engineering or any other technical advice or examination has been obtained with reference to structural, mechanical or any other physical faults or deficiencies. These concerns are not addressed in this report. The appraisal is based on the assumption the proposed property is not lacking in this regard. Questions of survey, legal matters, hidden or unapparent conditions of the property; soil or subsoil conditions and other professional or technical matters which might influence the value of this property have not been investigated. Please refer to the photographs included in the Addenda of this report.

HIGHEST AND BEST USE ANALYSIS

Highest and Best Use is defined as "The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value".

The four criteria the Highest and Best Use must meet are:

- I. *Physical Possibility* - site size, configuration, topography, availability of utilities, street improvements, accessibility.
- II. *Legal Permissibility* - public restrictions including zoning guidelines, utility right-of-way, etc., and private restrictions such as easements.
- III. *Financial Feasibility* - marketability in terms of supply/demand characteristics, profitability as it relates to return on cost, market rent levels etc., and the availability and cost of capital.
- IV. *Maximum Profitability* - use that produces the highest residual land value consistent with the rate of return warranted by the market for that use.

Two concepts of Highest and Best Use are presented:

A. HIGHEST AND BEST USE OF LAND OR A SITE AS THOUGH VACANT. Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labour, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.

B. HIGHEST AND BEST USE OF PROPERTY AS IMPROVED. The use that should be made of a property as it exists. An existing property should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

A. HIGHEST AND BEST USE OF LAND OR A SITE AS THOUGH VACANT

i) PHYSICAL POSSIBILITY

The subject parcel is generally level in topography, rectangular in shape and has a gross site area of 37,373 sf (0.86 acres). The site is fully serviced with all available municipal utilities and is accessible from adjoining thoroughfares. The property is located in the Mayland Industrial District of southeast Calgary. There are no apparent physical deficiencies that would preclude typical development of the land. Possibilities exist for a variety of uses.

ii) LEGAL PERMISSIBILITY

Legal restrictions that apply to the subject include public and private restrictions. With respect to public restrictions, the land falls under I-G Land Use Guidelines. Subject to City planning approval, any of the permitted and discretionary uses under the I-G guidelines would be appropriate for the property, to a maximum density of 1x FAR. Given the parcel's current zoning, various industrial uses would be permitted.

iii) FINANCIAL FEASIBILITY

Of the uses which could be physically and legally accommodated on the site, the economics are such that some form of industrial development would likely provide the greatest monetary return to the land given current market demands and rent levels. Good quality well tenanted industrial properties remain a favourite asset class for purchasers, despite the onset of COVID 19. That said, no new development would be advisable without substantial pre-leasing in place, or as a design-build for a specific user.

iv) MAXIMUM PROFITABILITY

Given the physical attributes of the site, as well as permitted legal uses and financial feasibility of development, we are of the opinion, the development which would result in maximum profitability to the lands is of an industrial nature.

B. HIGHEST AND BEST USE OF PROPERTY AS IMPROVED

The existing use of the subject land as developed with an office/warehouse facility appears to conform with the current zoning for the subject site. Given the subject's location and surrounding developments, which are compatible and/or similar to the construction, we are of the opinion the existing development will deliver the greatest net return over the longest period or until such time as redevelopment is economically feasible.

APPRAISAL PROCEDURE AND VALUATION:

The subject is a freestanding office/warehouse facility within an established, southeast Calgary Industrial District. Given the nature of the asset, and assumed vacancy, our appraisal has primarily relied upon the Direct Comparison Approach. In this scenario, purchasers of office/warehouse buildings such as the subject are typically not motivated by the potential income/cash flow return or current cost to construct, but rather on functional utility and desirability relative to other properties available in the market. As such, the Direct Comparison Approach will be applied in this case.

Neither the Income or Cost Approaches have been developed in this report.

THE DIRECT COMPARISON APPROACH

The Direct Comparison Approach involves the principle of substitution which states:

"when several similar or commensurate commodities, goods, or services are available, the one with the lowest price will attract the greatest demand and widest distribution".

Application of the Direct Comparison Approach typically involves comparison of similar property sales to the property being appraised, on the basis of some unit of comparison. Adjustments are made to the comparables to account for differences in comparison to the property under appraisal. A range in potential market value is thus established.

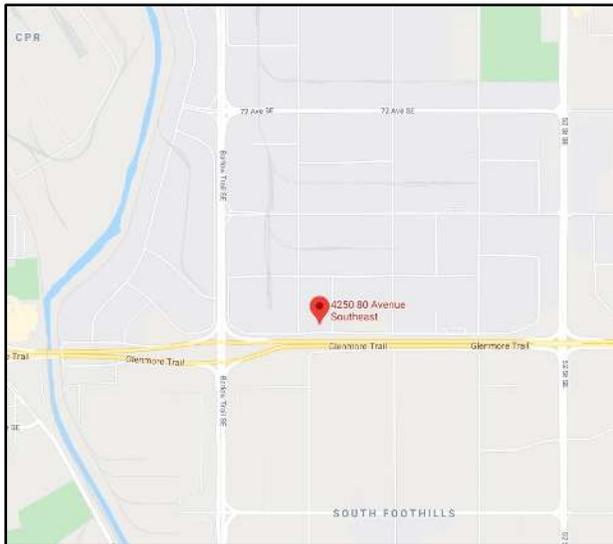
The subject is a 1978 vintage office/warehouse facility having a ground cover of 20,069 sf. The building has been developed on a fully serviced 0.86 acre rectangular shaped interior site having an Industrial General District land use designation.

The subject property will be valued on the basis of comparison to similar property sales in the market place. The unit of comparison typically applied in the valuation of industrial buildings is the value on a per square foot of building footprint area basis. Consideration is given to qualitative differences between the comparable and the subject property in terms of location, building quality, features, and site coverage to name a few.

Comparable owner/occupied industrial buildings have been researched in the Calgary market place. Given the subject's southeast Calgary location, comparables have primarily been researched from this area of the city, although sale from other sectors of the City have been considered. The following sales data is presented in chronological order:

INEX NO. 1 (Pending)

4250 – 80 Avenue SE, Calgary, Alberta



Transaction Details

Sale Price: \$2,900,000±
Indication \$/sf: \$140.40 (footprint)
Registration Date: Pending (10/20 close)

Building Data

Type: Office/Warehouse
Building Size: 20,656 sf (footprint)
Building Age: 1981 (39 yrs)
Ceiling Height: 19 feet
Construction: Steel frame/concrete block
Loading: 2 DH & 1 DI
Tenancy: Owner occupant

Location & Site Data

Site Area: 1.03 acres (44,999 sf)
Configuration: Rectangular corner
Topography: Level
Site Coverage: 45.9%
Land Use: I-G, Industrial General
Location: Foothills Industrial District

Title Information

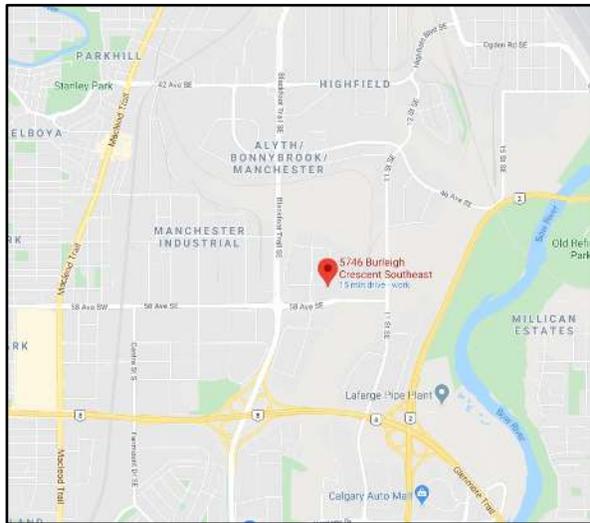
Legal Description: Plan 8010089, Block 17, Lot 5
Vendor: N/A
Purchaser: Not Disclosed
Transfer No.: Pending

Comments

Pending sale of a single tenant office/warehouse building located on a corner site along the north side of 80th Avenue SE. Location offers exposure, but no direct access to Glenmore Trail, located to the south. Gross building area of 25,722 sf includes 5,066 sf of developed second floor office. The main floor has no developed office and is warehouse space with accompanying staff areas. Building is sprinklered and includes 400 amp. power and MUA in the shop with new LED high bay lighting. Site was fully paved with perimeter landscaping. Building was also offered for lease with an asking rate of \$10.00/sf net with op. costs estimated at \$3.25/sf. Marketing time of 1 year to generate a sale.

INDEX NO. 2

5746 Burleigh Crescent SE, Calgary, Alberta



Transaction Details

Sale Price: \$1,800,000
Indication \$/sf: \$111.61 (footprint)
Registration Date: March 20, 2020

Building Data

Type: Office/Warehouse
Building Size: 16,128 sf (footprint)
Building Age: 1974
Ceiling Height: 18 feet
Construction: Concrete block
Loading: 3 x dock door & 1 x drive-in
Tenancy: Owner Occupant

Location & Site Data

Site Area: 0.89 acres (38,768 sf±)
Configuration: Irregular interior
Topography: Level
Site Coverage: 41.6%
Land Use: I-G, Industrial General District
Location: Burns Industrial District

Title Information

Legal Description: Plan 2010536, Block A, Lot 17
Vendor: 965416 Alberta Ltd.
Purchaser: T. Dixon Holdings Inc.
Transfer No.: 191 028 602

Comments

Sale of a 1974 vintage concrete block building on a smaller, 0.89 acre, industrial development site in the Burns Industrial District of southeast Calgary. The building has been developed to an above average site coverage that is not uncommon for inner-city industrial locations. Layout include 2,608 sf of main floor office/showroom and approximately 2,784 sf of storage mezzanine. Good inner-city location close to major traffic corridors and amenities. Site was paved and included a fenced storage area. Property was also available for lease with an asking rate of \$10.00/sf net. Op. costs quoted at \$2.65/sf.

INDEX NO. 3

2620 – 22 Street NE, Calgary, Alberta



Transaction Details

Sale Price: \$3,072,500
Indication \$/sf: \$145.80 (footprint)
Registration Date: March 31, 2020

Building Data

Type: Office/Warehouse
Building Size: 21,074 sf (footprint)
Building Age: 1981
Ceiling Height: 20 feet
Construction: Steel frame/Precast Concrete
Loading: 2 x dock door & 1 x drive-in
Tenancy: Owner Occupant

Location & Site Data

Site Area: 1.53 acres (67,740 sf±)
Configuration: Irregular interior
Topography: Level
Site Coverage: 31.1%
Land Use: I-G, Industrial General District
Location: South Airways Industrial District

Title Information

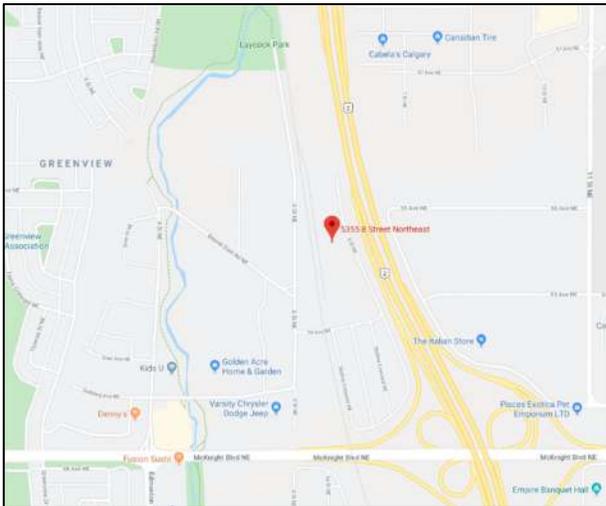
Legal Description: Plan 8010189, Block 1, Lot 8
Vendor: 1856488 Alberta Ltd.
Purchaser: Danijel Anton Holdings Ltd.
Transfer No.: 201 062 743

Comments

Transfer of a freestanding office/warehouse building developed on a 1.53 acre site in a lower exposure location in the North Airways Industrial District in northeast Calgary. Precast building has a gross area of 23,674 sf that includes 5,864 sf of good quality developed main floor office and 2,600 sf of developed second floor office space (35.8% of GBA). Building offers 1,200 amp. power, sprinklers, new loading doors, MUA, new LED lighting, new landscaping and a paved and fenced yard with automated access gate. Building had been empty for upwards of a year prior to generating a sale. As discussed with the listing realtor the second floor office space was of a lower height and had utility issues that were not suitable to most potential purchasers. The vendor was motivated to sell as they had moved into a new building. This along with a further discount of \$50K - \$75K for roof issues resulted in a lower than expected sale price.

INDEX NO. 4

5355 – 8 Street NE, Calgary, Alberta



Transaction Details

Sale Price: \$3,900,000
Indication \$/sf: \$134.16
Registration Date: November 26, 2019

Building Data

Type: Office/Warehouse
Building Size: 29,070 sf
Building Age: 1994
Ceiling Height: 22 feet (est.)
Construction: Concrete block
Loading: 3 dock; 1 drive-in doors
Tenancy: Partial owner occupied

Location & Site Data

Site Area: 1.32 acres
Configuration: Rectangular
Topography: Level
Site Coverage: 50.6%
Land Use: I-G, Industrial General
Location: Skyline Industrial District

Title Information

Legal Description: Plan 7911396, Block 1, Lot 5
Vendor: 580932 Alberta Ltd.
Purchaser: 2029628 Alberta Ltd.
Transfer No.: 191 241 154

Comments

Office/warehouse building featuring 6,929 sf of office space and 22,141 sf of warehouse space. A tenant leases 6,301 sf until 2023. There is a 3,210 sf mezzanine above the office space. The property has exposure to Deerfoot Trail.

Industrial Comparable Summary Chart						
Index No.	Building Size (sf footprint)	Building Age	Site Coverage	Sale Date	Sale Price	Sale \$/sf
1	20,656	1981	45.9%	Pending	\$2,900,000±	\$140.40
2	16,128	1974	41.6%	03/20	\$1,800,000	\$111.61
3	21,074	1981	31.1%	03/20	\$3,072,500	\$145.80
4	29,070	1994	50.6%	11/19	\$3,900,000	\$134.16
Subject	20,069	1978	53.7%			

Efforts were made to find sales of similar office/warehouse facilities, ideally from within inner-city districts. Focus was also placed on buildings of similar size, age, site coverage and utility. The market data frames a range in unadjusted values between \$111.61/sf to \$145.80/sf of footprint area. A brief analysis of each sale follows:

INDEX NO. 1 represents the pending transfer of a freestanding office/warehouse building located in the Foothills Industrial District in southeast Calgary. No time adjustment is deemed necessary. The subject location in Mayland is closer to the inner-city core and has superior underlying land value, thus an upward location adjustment is warranted. The index is developed to a lower site coverage ratio. As properties with lower site coverages tend to sell at a higher price per unit value as compared to properties developed to higher site coverages, a slight downward site coverage adjustment is required. The subject and index have a similar overall size, with each having a second floor office component. The index is a bit newer, and of similar overall condition with similar clear height in the warehouse. The index has no main floor office but 5,066 sf of developed second floor office. The subject has a superior amount of overall office build-out, thus an upward office development adjustment is required. On balance, a nominal upward adjustment to the \$140.40/sf sale price indicator is required to equate the index to the subject.

INDEX NO. 2 represents the March 2020 transfer of a smaller sized freestanding office/warehouse facility within the Burns Industrial District in southeast Calgary. No time adjustment is applied. The index has similar inner-city location attributes, but is in a slightly lower exposure part of the Burns District, thus a slight upward location adjustment is applied. The index is developed to a lower site coverage, requiring a downward site coverage adjustment. The subject is slightly newer and in superior overall condition requiring an upward age/condition adjustment. The index is smaller, and as smaller buildings tend to sell at a higher price per unit value, a downward size adjustment is applied. The subject has a superior amount of developed office, requiring upward adjustment. Balancing the locational and physical and variances between the subject and the index shows that the \$111.61/sf sale price indicator requires upward adjustment to equate it to the subject.

INDEX NO 3 is the March 2020 transfer of a similar sized, newer office/warehouse facility located in a low exposure area of the North Airways Industrial District in northeast Calgary. No time adjustment is required while an upward adjustment for vendor motivation has been applied. The subject has superior location attributes, thus an upward location adjustment is warranted. The index is developed to a more typical industrial site coverage, far below that of the subject. A significant downward site coverage adjustment is required. The index is an older building in inferior overall condition requiring downward

adjustment. While the index has more developed office over two levels, the second floor is described as having limited utility and function, and is afforded nominal value only. Little or no adjustment has been made for the office space. After considering perceived variances, a net downward adjustment to the \$145.80/sf sale price indicator is required.

INDEX NO. 4 is located in the Skyline West Industrial Park. This a more peripheral location and despite the exposure to Deerfoot Trail, location attributes are considered to be inferior to those of the subject. An upward adjustment for location has been applied based on the differential between land value at this location versus that of the subject. The building area is larger than that of the subject, requiring an upward size adjustment. This building has a site coverage of 50.6% which is comparable to the subject. This building is newer than the subject with less accrued depreciation and has a superior clear ceiling height. A downward adjustment for building attributes has been applied. Overall, little to no adjustment is required of the \$134.16/sf sale price indicator to equate it to the subject.

In reviewing the sales evidence, it should be noted that sales price per square foot as a unit of measurement by which to compare properties can be influenced by many factors. This stems from the fact that owner/user properties tend to be more varied in terms of building sizes, site sizes and the relationship between the two. Other amenities such as mezzanine offices, overhead cranes, loading bays/doors, covered loading docks, ceiling height, building location, exposure, age, and appeal will have a greater or lessor value, depending on the nature of the owner's business. In short, the particular value given a property is governed in part by the owners' need, together with the nature and scope of the business. As a result, the value conclusion is a matter of judgement viewing each sale in terms of dollar value.

The market data frames a range in unadjusted values between \$112 and \$146/sf of footprint area. Consideration has been given to the location, site coverage, size, age and condition of the improvements, clear height, loading capacity and the amount and quality of the office components. After adjustments, the more narrow general value range is \$135 to \$145/sf of building footprint area. The subject is a clean warehouse that has been designed to accommodate a food preparation facility. As such, a single point value at the upper range has been selected for the subject by the Direct Comparison Approach.

This extends as follows:

$$\mathbf{20,069\ sf\ x\ \$145.00/sf = \$2,900,000\ rounded}$$

INCOME APPROACH DISCUSSION

While the primary valuation is weighted entirely on the Direct Comparison Approach, we have included a rent survey so as to provide market based evidence as to an appropriate range in potential net lease rent for the subject in the current market. Ideally our research has focussed on freestanding older vintage properties in inner-city locations. Given the limited comparable lease data that has occurred in these areas, we have expanded our search area to include suburban locations as well. Efforts were made to find warehouses having some kind of food production capacity with no recent leasing found. The following chart provides the results of our survey.

INDUSTRIAL RENTS			
Lease Comparable	Rentable Area (sf)	Lease Start/Term	Rental Rate (\$/sf net)
515 – 58 th Avenue SE	45,982	01/20	\$7.25 yrs 1-2 \$7.75 yrs 3-4 \$8.25 yrs 5-6 \$8.75 yrs 7-8 (avg. \$8.00)
Comments: 1967 freestanding building on 2.0 acres (52.8% site coverage - SC) in the Manchester Industrial District in southeast Calgary. Landlord’s work included 3,000 sf of office build-out; paint interior & exterior walls of warehouse; install additional dock height door; install MUA and expand existing drive-in door.			
4300 – 5 th Street NE	16,808	02/20	\$9.00 yrs 1-5
Comments: 1994 freestanding single tenant building on 1.29 acres (29.9% SC) in the Greenview Industrial District. Layout includes 4,500 sf of developed office.			
3615 – 9 th Street SE	23,500	12/19	\$12.00 gross Yrs 1-5
Comments: 1970 freestanding warehouse on 0.91 acres (59% SC) in the Highfield District. Layout includes 3,000 sf of good quality office. Op. costs estimated at \$4.00 - \$5.00/sf, resulting in a net rent in the range of \$7.00 to \$8.00/sf.			
4315 – 72 Avenue SE	28,600	Listing	Asking \$10.00 “as is”
Comments: Freestanding 1979 warehouse developed on a 2.23 acres site (23.7% SC) in the Foothills Industrial District. Layout includes 5,000 sf of developed main floor office. Site is paved and fenced.			

Confirmed leasing of similar office/warehouse buildings shows a range from approximately \$7.00 to \$9.00/sf net. The property at 3615 – 9th Street SE is very comparable to the subject relative to age, size, site coverage, condition and inner-city location attributes. Properties achieving higher levels of rent generally provide a much lower site coverage and/or a newer more modern facility. We note, that in our experience properties customized for food preparation tend not to command a rental premium given that they are generally designed for certain users and are not always suitable to other operators. If the subject were vacant and available for lease a rate within the achieved range indicated by our survey would be expected.

CERTIFICATION

Re: 2320 – 2nd Avenue SE, Calgary, Alberta, I certify that to the best of my knowledge and belief:

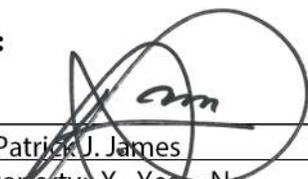
- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my impartial and unbiased professional analyses, opinions, and conclusions;
- I have no past, present or prospective interest in the property that is the subject of this report, and I have no personal and/or professional interest or conflict with respect to the parties involved with the assignment;
- I have no bias with respect to the property that is the subject of the report or to the parties involved with this assignment;
- My engagement in and compensation is not contingent upon developing or reporting predetermined results, the amount of value estimate, a conclusion favouring the client or the occurrence of a subsequent event;
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the CUSPAP;
- I have the knowledge and experience to complete this assignment competently, and where applicable this report is co-signed in compliance with CUSPAP;
- Except as herein disclosed, no one has provided significant professional assistance to the person(s) signing this report;
- As of the date of the report the undersigned has fulfilled the requirements of the AIC's Continuing Professional Development Program;
- The undersigned is (are all) members in good standing of the Appraisal Institute of Canada;
- The appraiser(s) signing this report is licensed in the Province of Alberta as a member of the Real Estate Council of Alberta (RECA).

Based on an inspection of the property and the investigation and analyses undertaken herein, under the Critical Assumptions made on pages 2-3 of the report, we have formed the opinion that as of May 29, 2020, with a preceding exposure time of up to twelve months, the subject property has a market value in Fee Simple Estate of:

– TWO MILLION NINE HUNDRED THOUSAND DOLLARS –
– (\$2,900,000) –

The coronavirus pandemic is causing a significant degree of uncertainty in capital markets, and could have an effect on real estate values depending on the duration and severity of the crisis. At present, it is too early to predict how values may be affected, but it may be likely that market demand is adversely affected in the short term.

APPRAISER:

Signature: 
Name: Patrick J. James
Inspected Property: Yes No
Date of Inspection: May 29, 2020
Date Signed: June 2, 2020
Designation: CRA, P.App

SUPERVISORY APPRAISER:

Signature: 
Name: Ian Pritchard, B.Sc.
Inspected Property: Yes No
Date Signed: June 2, 2020
Designation: AACI, P.App

ADDENDA

- **Subject Photographs**
 - **Certificate of Title**
- **Contingent and Limiting Conditions**
 - **Curriculum Vitae**



South and West Elevations



South (Front) Elevation



West Elevation



East Elevation



(2019)

2nd Floor Office



(2019)

2nd Floor Office



(2019)

2nd Floor Office



(2019)

Board Room



(2019)

Warehouse from Board Room



(2019)

Staff Locker Room



(2019)

Main Floor Staff Room



(2019)

Staff Area



(2019)

Processing Area



(2019)

Processing Area



(2019)

Warehouse



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0016 666 357 7810519;5;2 151 008 894

LEGAL DESCRIPTION
PLAN 7810519
BLOCK 5
LOT 2
EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE
ATS REFERENCE: 5;1;24;13;NE

MUNICIPALITY: CITY OF CALGARY

REFERENCE NUMBER: 981 322 464

REGISTERED OWNER(S)				
REGISTRATION	DATE(DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
151 008 894	13/01/2015	TRANSFER OF LAND	\$3,700,000	\$3,700,000

OWNERS
1075397 ALBERTA LTD.
OF 220-19 STREET SE
CALGARY
ALBERTA T2E 6P5
(DATA UPDATED BY: CHANGE OF ADDRESS 151188505)

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION	DATE (D/M/Y)	PARTICULARS
NUMBER		
771 147 064	20/10/1977	ZONING REGULATIONS SUBJECT TO CALGARY INTERNATIONAL AIRPORT ZONING REGULATIONS
151 008 895	13/01/2015	MORTGAGE MORTGAGEE - PANTERRA MORTGAGE & FINANCIAL CORPORATION LTD. 5505 6 STREET SE CALGARY

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

151 008 894

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

ALBERTA T2H1L6
ORIGINAL PRINCIPAL AMOUNT: \$3,200,000
(DATA UPDATED BY: TRANSFER OF MORTGAGE
181178493)

151 008 896 13/01/2015 CAVEAT
RE : ASSIGNMENT OF RENTS AND LEASES
CAVEATOR - PANTERRA MORTGAGE & FINANCIAL
CORPORATION LTD.
5505 6 STREET SE
CALGARY
ALBERTA T2H1L6
(DATA UPDATED BY: TRANSFER OF CAVEAT
181178494)

151 157 226 24/06/2015 CAVEAT
RE : LEASE INTEREST
CAVEATOR - COCOCO CHOCOLATERS INC.
ATTN: PRESIDENT
1313-1 ST SE
CALGARY
ALBERTA T2G5L1
AGENT - CLARK KASSIAN

151 277 736 27/10/2015 WRIT
CREDITOR - D ARTHUR QUINNEY
C/O KIRWIN LLP
SUITE 100, 12420 104 AVENUE NW
EDMONTON
ALBERTA T5N3Z9
DEBTOR - 1075397 ALBERTA LTD.
220-19 STREET SE
CALGARY
ALBERTA T2E6P5
AMOUNT: \$527,861 AND COSTS IF ANY
ACTION NUMBER: 1403 00272

151 277 737 27/10/2015 WRIT
CREDITOR - SUZANNE QUINNEY.
C/O KIRWIN LLP
SUITE 100, 12420 104 AVENUE NW
EDMONTON
ALBERTA T5N3Z9
DEBTOR - 1075397 ALBERTA LTD.
220-19 STREET SE
CALGARY
ALBERTA T2E6P5
AMOUNT: \$207,442 AND COSTS IF ANY
ACTION NUMBER: 1403 00272

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 3
151 008 894

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

161 247 239 18/10/2016 CERTIFICATE OF LIS PENDENS
161 269 190 09/11/2016 WRIT
CREDITOR - COCOCO CHOCOLATIERS INC.
1313 FIRST STREET SE
CALGARY
ALBERTA T2G5L1
DEBTOR - 1075397 ALBERTA LTD.
220-19 STREET SE
CALGARY
ALBERTA T2E6P5
AMOUNT: \$300,000 AND COSTS IF ANY
ACTION NUMBER: 1601-12986
161 292 238 07/12/2016 WRIT
CREDITOR - BARCLAY STREET REAL ESTATE LTD.
200, 407 - 8TH AVENUE SW
CALGARY
ALBERTA T2P1E5
DEBTOR - 1075397 ALBERTA LTD.
2320 - 2ND AVENUE SE
CALGARY
ALBERTA T2E6J9
AMOUNT: \$38,631 AND COSTS IF ANY
ACTION NUMBER: 1601-15434
181 199 726 18/09/2018 POSTPONEMENT
OF MORT 151008895 CAVE 151008896
TO CAVE 151157226
191 180 282 04/09/2019 CERTIFICATE OF LIS PENDENS
AFFECTS INSTRUMENT: 151008895

TOTAL INSTRUMENTS: 011

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 27 DAY OF MAY,
2020 AT 02:09 P.M.

ORDER NUMBER: 39380927

CUSTOMER FILE NUMBER:



END OF CERTIFICATE

(CONTINUED)

Contingent and Limiting Conditions

The certification that appears in this report is subject to compliance with the Personal Information and Electronics Documents Act (PIPEDA), Canadian Uniform Standards of Professional Appraisal Practice ("CUSPAP") and the following conditions:

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

8. The author is not qualified to comment on detrimental environmental, chemical or biological conditions that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air which may include but are not limited to moulds and mildews or the conditions that may give rise to either. Any such conditions that were visibly apparent at the time of inspection or that became apparent during the normal research involved in completing the report have been noted in the report. It is an assumption of this report that the property complies with all regulatory requirements concerning environmental, chemical and biological matters, and it is assumed that the property is free of any detrimental environmental, chemical legal and biological conditions that may affect the market value of the property appraised. If a party relying on this report requires information about or an assessment of detrimental environmental, chemical or biological conditions that may impact the value conclusion herein, that party is advised to retain an expert qualified in such matters. The author expressly denies any legal liability related to the effect of detrimental environmental, chemical or biological matters on the market value of the property.
9. The analyses set out in this report relied on written and verbal information obtained from a variety of sources the author considered reliable. Unless otherwise stated herein, the author did not verify client-supplied information, which the author believed to be correct.
10. The term "inspection" refers to observation only as defined by CUSPAP and reporting of the general material finishing and conditions observed for the purposes of a standard appraisal inspection. The inspection scope of work includes the identification of marketable characteristics/amenities offered for comparison and valuation purposes only.
11. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work. The author has not confirmed that all mandatory building inspections have been completed to date, nor has the availability/issuance of an occupancy permit been confirmed. The author has not evaluated the quality of construction, workmanship or materials. It should be clearly understood that this visual inspection does not imply compliance with any building code requirements as this is beyond the professional expertise of the author.
12. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the CUSPAP and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The author acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the CUSPAP and in accordance with the author's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the author's privacy policy and in accordance with the PIPEDA.
13. The author has agreed to enter into the assignment as requested by the client named in this report for the use specified by the client, which is stated in this report. The client has agreed that the performance of this report and the format are appropriate for the intended use.
14. This report, its content and all attachments/addendums and their content are the property of the author. The client, authorized users and any appraisal facilitator are prohibited, strictly forbidden, and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.

15. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the author can be reasonably relied upon.
16. Where the intended use of this report is for financing or mortgage lending or mortgage insurance, it is a condition of reliance on this report that the authorized user has or will conduct lending, underwriting and insurance underwriting and rigorous due diligence in accordance with the standards of a reasonable and prudent lender or insurer, including but not limited to ensuring the borrower's demonstrated willingness and capacity to service his/her debt obligations on a timely basis, and to conduct loan underwriting or insuring due diligence similar to the standards set out by the Office of the Superintendent of Financial Institutions (OSFI), even when not otherwise required by law. Liability is expressly denied to those that do not meet this condition. Any reliance on this report without satisfaction of this condition is unreasonable.
17. All factors known to the appraiser (and to the extent that the data permits) that have an impact on value have been taken into consideration to the extent felt necessary in rendering a considered opinion of value. No significant information has been knowingly withheld from the appraisal report and it is believed, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
18. No authorization has been given to anyone other than the appraiser to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, no responsibility for such changes is assumed.
19. As of the date of this report Canada and the Global Community is experiencing unprecedented measures undertaken by various levels of government to curtail health related impacts of the Covid-19 Pandemic. The duration of this event is not known. While there is potential for negative impact with respect to micro and macro-economic sectors, as well as upon various real estate markets, it is not possible to predict such impact at present, or the impact of current and future government countermeasures. There is some risk that the Covid-19 Pandemic increases the likelihood of a global recession, however without knowledge of further anticipated government countermeasures at the national and global levels it is not possible to predict any impact at this point in time. Accordingly, this point-in-time valuation assumes the continuation of current market conditions, and that current longer-term market conditions remain unchanged. Given the market uncertainties of the Covid-19 pandemic, a force majeure event, we reserve the right to revise the value estimation set out in this report for a fee, with an update appraisal report under a separate appraisal engagement, incorporating market information available at that time.

Curriculum Vitae



Ian Pritchard
B.Sc., AACI, P.App

EDUCATION/QUALIFICATIONS

Bachelor of Science
University of British Columbia, Vancouver, B.C., 1994

Diploma in Realty Appraisal
Langara College, Vancouver, B.C., 1997

PROFESSIONAL AFFILIATIONS

Appraisal Institute of Canada, AACI Accredited Appraiser (AACI)
(Member No. 3804)

Real Estate Council of Alberta (RECA)

EXPERTISE IN

Commercial Real Property Valuation and Consultation
Highest and Best Use Analyses
Market Rent Studies

PROFESSIONAL CAREER

Avison Young Valuation & Advisory Services

Manager, Senior Commercial Appraiser
January 2018 – Present

Acumen Real Estate Valuations

Principal, Senior Commercial Appraiser
2013 – 2017

Linnell Taylor Lipman & Associates Ltd.

Senior Commercial Appraiser
1999 – 2013

Campbell & Pound Appraisals

Commercial and Residential Appraiser
1996 – 1997

EXPERIENCE

Ian Pritchard is a commercial real estate appraiser with Avison Young Valuation and Advisory Services in Calgary. Previously, Mr. Pritchard was one of the principals and founding partners of Acumen Real Estate Valuations in Calgary. Mr. Pritchard joined the firm in 2018. Mr. Pritchard has expertise in various real estate markets throughout Alberta, Saskatchewan, Northwest Territories and Nunavut.

Property types appraised by Ian include single and multi-tenant industrial, suburban and downtown office, strip, neighbourhood and community shopping centres, apartment buildings, senior facilities, vacant development land and market rental surveys.

Mr. Pritchard has provided valuation and consulting services to a broad array of clients including the Province of Alberta, Government of Canada, pension funds, public companies, real estate developers, financial institutions, private investors, lawyers and accountants. Mr. Pritchard has served as an expert witness in the Court of Queen's Bench and in arbitration proceedings.

Curriculum Vitae



Patrick J. James
CRA, P.App

PROFESSIONAL AFFILIATIONS

Member Appraisal Institute of Canada (AIC) Since 1993
Accredited Appraiser, CRA
(Member No. 302605)

Real Estate Council of Alberta (RECA)

PROFESSIONAL CAREER

Avison Young Valuation & Advisory Services

Principal, Manager, Senior Valuation Consultant
April 2016 – Present

Linnell Taylor Lipman & Associates Ltd.

Commercial Appraiser
2003 – March 2016

James Appraisal Ltd.

Appraiser, Owner/Operator
1993 – 2003

EXPERIENCE

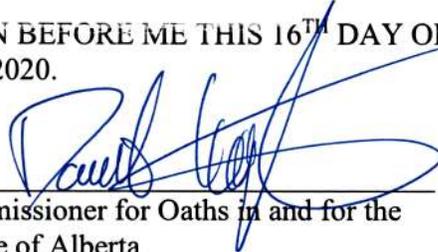
Patrick James is a Principal with Avison Young Valuation and Advisory Services in Calgary. Previously Mr. James was a senior commercial appraiser at Linnell Taylor Lipman & Associates Ltd. in Calgary. Mr. James joined the firm in 2003. Mr. James has expertise in various Alberta real estate markets. Files have also been completed in the NWT and Saskatchewan.

Property types appraised by Patrick include single and multi-tenant industrial, single and multi-tenant retail, suburban office, community (schools), neighbourhood and power shopping centres. Other projects have included multi-family developments, vacant development land, lease arbitrations, going concern properties, market rental surveys and automotive dealerships.

Mr. James has provided valuation and consulting services to a broad array of clients including the Government of Canada, Province of Alberta, pension funds, asset managers, public companies including REIT's, institutional investors, real estate developers, financial institutions, private investors, lawyers and accountants.

THIS IS EXHIBIT "6" REFERRED TO IN
THE AFFIDAVIT OF BRIAN BECK.

SWORN BEFORE ME THIS 16TH DAY OF
JUNE, 2020.



A Commissioner for Oaths in and for the
Province of Alberta

David LeGeyt
Barrister & Solicitor

Clerk's Stamp:

COURT FILE NUMBER 1901-11574

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF PANTERRA MORTGAGE & FINANCIAL CORPORATION LTD.

DEFENDANTS 1075397 ALBERTA LTD., RIGSAT COMMUNICATIONS INC.,
PETROCRAFT PRODUCTS LTD., TERENCE PHILLIPS, and LISA
PHILLIPS

DOCUMENT **CONSENT TO ACT**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

Burnet, Duckworth & Palmer LLP
2400, 525 – 8 Avenue SW
Calgary, Alberta T2P 1G1
Lawyer: David LeGeyt / Ryan Algar
Phone Number: (403) 260-0210/ (403) 260-0143
Fax Number: (403) 260-0332
Email Address: dlegeyt@bdplaw.com
ralgar@bdplaw.com
File No. 49075-61

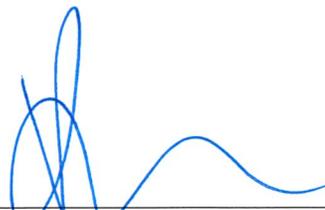
CONSENT TO ACT

MNP LTD. hereby consents to act as receiver and manager in these proceedings if so appointed by this Honourable Court.

DATED at Calgary, Alberta this 16th day of June, 2020.

MNP LTD.

Per:


Name: Victor P. Kroeger
Title: Senior Vice President