

Vancouver

29-Jul-20

REGISTRY

This is the 1st Affidavit of Cecil Cheveldave
made on July 29, 2020

NO. S1913131
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

MICHAEL NEIL STREET and MARIELLE JACQUELINE ANGELLA BRULE

PLAINTIFFS

AND:

**SATHER RANCH LTD. by its Court Appointed Receiver and Manager,
G. Moroso & Associates Inc.**

DEFENDANT

AFFIDAVIT

I, Cecil Cheveldave, of Suite 600 – I, 235 – First Avenue, Kamloops BC, V2C 3J4, MAKE
OATH AND SAY THAT:

1. I am President of C. Cheveldave & Associates Ltd., the Receiver of Sather Ranch Ltd. (the “**Receiver**”), and as such have personal knowledge of the matters and facts herein deposed to except where stated to be on information and belief and where so stated do verily believe the same to be true.
2. Pursuant to a Receivership Order granted on November 21, 2019 by Mr. Justice Walker of this Honourable Court, the Receiver was granted authority to sell the property located on 1313 Greyback Mountain Road, Penticton, British Columbia, V2A 8T4 and legally described as:

PID: 011-781-441

SUB LOT 8, DISTRICT LOT 2711 SIMILKAMEEN DIVISION YALE DISTRICT
PLAN 1190

(the “**Property**”)



Market Value Appraisal

Acreage Property
1313 Greyback Mountain Road
Penticton, British Columbia

Exhibit "A" referred to in the Affidavit
of Cecil Cheveldave

January 30, 2020 sworn before me the 29th day of July, 2020


A Commissioner for taking Affidavits
for British Columbia

Prepared for:

C. Cheveldave & Associates Ltd.
Receiver – Manager of Sather Ranch Ltd.
Suite 600 – I, 235 First Avenue
Kamloops, British Columbia
V2C 3J4

Prepared by:

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NCA COMMERCIAL

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File: 20-1758-LH

January 30 2020

C. Cheveldave & Associates Ltd
Receiver – Manager of Sather Ranch Ltd
Suite 600 – I, 235 First Avenue
Kamloops, British Columbia
V2C 3J4

Dear Sir:

Re: Market Value Appraisal
Acreage Property
1313 Greyback Mountain Road, Penticton, British Columbia

In response to your request, I have completed an inspection of the subject property described herein and an analysis of relevant data for the purpose of providing an opinion of the current market value, exclusive of the modular home.

In view of the potential high level of market variance/volatility regarding this category of property, the market value of the subject property, conditional to the qualifications, assumptions and limiting conditions contained herein, is concluded at \$1,050,000, with a conceivable range from \$950,000 to \$1,150,000.

ONE MILLION FIFTY THOUSAND (\$1,050,000) DOLLARS

The attached report, containing 48 pages of text and 3 exhibits in the Addenda, represents the basis for the opinions expressed herein.

Sincerely,

NCA Commercial Inc.



Per: _____
Lionel Hoffmann, AACI, P. App, BBA/ibh

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ADDENDA

- Exhibit A – Land Title Documents
- Exhibit B – Zoning Regulations
- Exhibit C – Appraiser's Qualifications

Summary of Salient Facts and Important Conclusions

- TYPE OF PROPERTY:** - Acreage property.
- CIVIC ADDRESS:** - 1313 Greyback Mountain Road, Penticton, B.C.
- LEGAL DESCRIPTION:** - Sub Lot 8, District Lot 2711, Similkameen Division Yale District, Plan 1190.
- DATE OF OPINION:** - January 30, 2020
- LOT AREA:** - 80.3 acres
- IMPROVEMENTS:** - Improvements include riding arena, hay yard, pens and corrals. As per the terms of reference, the 1,485 square foot modular home is excluded for this valuation.
- ZONING:** - RA, Resource Area.
- OFFICIAL COMMUNITY PLAN:** - RA, Resource Area.
- AGRICULTURAL LAND RESERVE:** - 55 acres inside the ALR
- HIGHEST AND BEST USE:** - Cattle operation or alternate agricultural use.
- ESTIMATE OF MARKET VALUE BY THE DIRECT COMPARISON APPROACH:** - \$1,050,000 with a conceivable range from \$950,000 to \$1,150,000.

Definition of the Appraisal and Property Identification

Purpose, Use and Scope

PURPOSE OF THE APPRAISAL

The purpose of the appraisal is to estimate the market value of the subject property's fee simple interest, exclusive of the modular home, conditional to the qualifications, assumptions and limiting conditions contained herein.

INTENDED USE AND INTENDED USERS

This report is prepared for the exclusive use of **Cheveldave & Associates Ltd** ("Client"). The intended use of the report is to provide an informed basis for property disposition. This report and its contents are considered confidential between the client and the appraiser and will not be conveyed or disclosed to any other party without the client's permission. No other person or party, other than the identified intended users, should rely on this report for any other purpose or use and liability to all such persons or parties is denied.

SCOPE OF WORK

The scope of work utilized in this appraisal assignment is in conformance with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) and is specific to the needs and requirements of the intended users and purpose as defined herein. All relevant material is contained within this report including discussion and reasoning of appropriate data and analyses utilized in the appraisal process to develop an opinion of value. Additional documentation has been retained on file if required for future reference. Data sources and the scope of this report included inspections of the neighbourhood, subject property and comparative sales analyzed herein, review of pertinent municipal land use bylaws and maps and survey plans, thorough market research and analysis of sales for comparative analysis, data sources include Kamloops Land Title Office, Landcor Data Services, municipal data, NCA Commercial Inc. data bank; and appraisal and real estate sources familiar with the real estate market, and the application of the Direct Comparison Approaches in estimating market value.

EFFECTIVE DATE OF THE OPINION OF VALUE

The Effective Date is defined in Section 3.20 of the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP 2020) as:

"The date at which the analyses, opinions and conclusions in an assignment apply."

The Effective Date of the Appraisal is January 30, 2020. The subject property was inspected on January 23, 2020.

Property Identification

CIVIC ADDRESS

1313 Greyback Mountain Road, Penticton, B.C.

LEGAL DESCRIPTION

Sub Lot 8, District Lot 2711, Similkameen Division Yale District, Plan 1190.
Parcel Identifier No.: 011-781-441

Property Rights Appraised and Definitions

PROPERTY RIGHTS APPRAISED

With reference to the *Appraisal of Real Estate*, Third Canadian Edition, 2010, the fee simple interest/estate is defined as an:

"...absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the four powers of government: taxation, expropriation, police power, and escheat."

Conditional to the expressed qualifications and assumptions contained herein, the subject property is appraised as though free and clear of all charges, liens and encumbrances, whether existing or otherwise, unless otherwise stated.

MARKET VALUE

The definition of market value accepted by the Appraisal Institute of Canada, as indicated in Section 3.44 of the 2020 edition of the *"Canadian Uniform Standards of Professional Appraisal Practice"* are as follows:

"The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in 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 duress.”

EXPOSURE TIME

With reference to the 2020 edition of the *“Canadian Uniform Standards of Professional Appraisal Practice”*, as indicated in Section 3.21, exposure time is defined as:

“The estimated length of time the property interest being appraised would have been offered on the market before the hypothetical consummation of a sale at the estimated value on the Effective Date of the appraisal.”

The *Appraisal of Real Estate*, Third Canadian Edition, 2010, defines exposure time as:

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

And further clarified:

“The overall concept of reasonable exposure time encompasses not only adequate, sufficient and reasonable time, but also adequate, sufficient and reasonable marketing effort. The reasonable exposure period is a function of price, time and use, not an isolated opinion of time alone.”

A typical market exposure period, terminating at the date of appraisal, considering economic and real estate market conditions, property location and physical characteristics, is estimated at ± 12 months.

Assumptions and Limiting Conditions

CONFIDENTIALITY AND USE PARAMETERS

This report is prepared at the request of the client and for the specific use referred to herein. The client has agreed that the performance of this appraisal and the report format are appropriate for the intended use. It is not reasonable for any other party to rely on this appraisal without first obtaining written authorization from the client, the author and any supervisory appraiser. Liability is expressly denied to any other party that does not obtain written consent and, accordingly, no responsibility is accepted for any damage suffered by any such person as a result of decisions made or actions based on this report. Diligence by the client and all intended users is assumed.

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 Canadian Uniform Standards of Professional Appraisal Practice (“The Standards”) and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The

appraiser 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 Canadian Uniform Standards of Professional Appraisal Practice (the "Standards") and in accordance with the appraiser's privacy policy. The client and any authorized intended user 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 and in accordance of the appraiser's privacy policy and with the Personal Information Protection and Electronic Documents Act (PIPEDA).

This appraisal report, its content and all attachments/addendums and are the property of the author who has signed this report. The client, intended users and any other party are 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.

If transmitted electronically, this report will have been digitally signed and may be 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 appraiser, can be relied upon without fault.

Where the intended use of this report is for financing or mortgage lending, it is the lender's responsibility to complete thorough due diligence which reasonably concludes that the borrower has the intention and capacity to repay the loan. We assume no responsibility for loans made where the borrower lacks the ability or motivation to repay the loan, or where the lender has not followed prudent lending practices.

Because market conditions, including economic, social and political factors change rapidly and, on occasion, without warning, the market value estimate expressed as of the date of this appraisal cannot be relied upon as of any other date except with further advice from the appraiser and confirmed in writing.

This report is completed on the basis that testimony or appearance in court concerning this appraisal 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 appraisal report and data related thereto and the provision of appropriate compensation.

ACCURACY OF GATHERED INFORMATION

Any/all exhibits presented are for illustration purposes only. A survey of the property has not been completed by the appraiser. Any sketch in the appraisal report shows approximate dimensions and is included only to

assist the reader of the report in visualizing the property. It is assumed that the utilization of land and improvements is within the boundaries of the subject property.

The analysis set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. Except as noted herein, a reasonable attempt has been made to verify all such information.

The term "inspection" refers to our observation and reporting of site characteristics and the general material finishing and conditions seen 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, in accordance with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP).

LEGAL AND ENVIRONMENTAL PARAMETERS

The subject property is presumed to comply with government regulations including zoning, building codes and health regulations and, if it doesn't comply, its non-compliance may affect market value.

The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and free and clear of all encumbrances including leases, unless otherwise noted in this report. The property is appraised on the basis of it being under responsible ownership and/or professional management.

Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or unapparent conditions of the property (including, but not limited to, its soils, physical structure, mechanical or other operating systems, its foundation, etc.) or adverse environmental conditions (on it or a neighbouring property, including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in completing the appraisal. 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 appraiser. 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.

The appraiser is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either,

and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the subject property.

Extraordinary Assumptions and Hypothetical Conditions

With reference to the 2020 edition of the *"Canadian Uniform Standards of Professional Appraisal Practice"*, as indicated in Section 3.32, Extraordinary Assumption is defined as:

"An assumption, directly related to a specific assignment, which, if found to be false, could materially alter the opinions or conclusions."

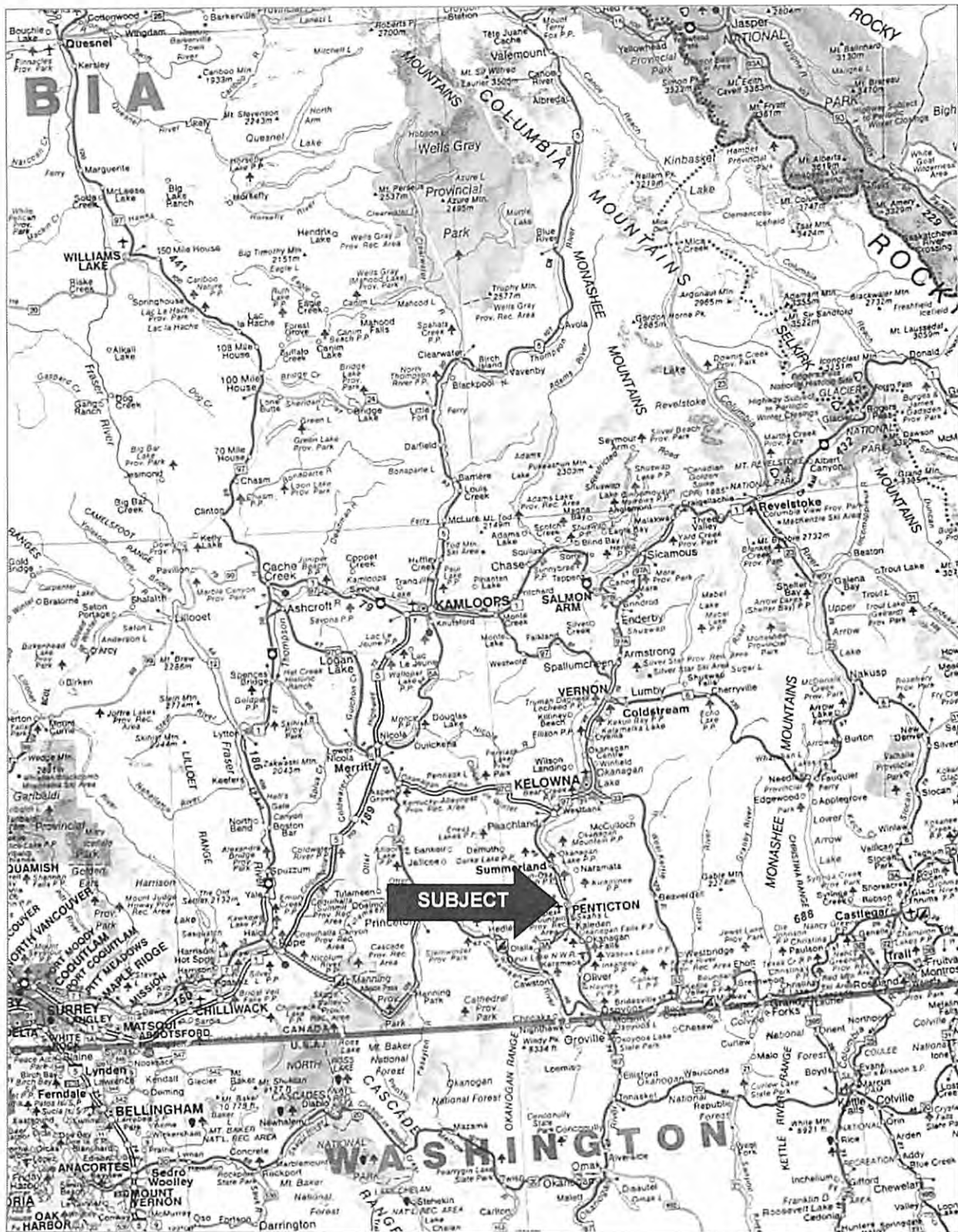
Extraordinary Assumptions presume as fact otherwise uncertain information about or anticipated changes in the physical, legal or economic characteristics of the subject property, or about conditions external to the subject property such as market conditions or trends, or the integrity of data used in an analysis.

According to Section 3.31, Hypothetical Conditions are a specific type of an Extraordinary Assumption that presumes, as fact, simulated but untrue information about physical, legal or economic characteristics of the subject property or external conditions, and are imposed for purposes of reasonable analysis.

As per the client's instructions, the existing modular home is excluded from this valuation.

According to Western Water Associates Ltd report completed on April 16, 2019, investigations revealed that there is migration of chloride and nitrate from the subject property cattle operations to the adjacent Campbell Mountain Landfill property located below the subject. The subject property owner is responsible for providing the Ministry of Environment with a Notice of Migration, site risk classification report and remediation plan. To date these requirements have not been completed by the property owner. Costs associated with completing these requirements are not known. For the purpose of this valuation, it is critically assumed that these requirements have been completed by the property owner.

Figure 1 - Regional Map



Regional Description

Overview

LOCATION

The City of Penticton, which occupies an area approximating 45 km², is located in the south portion of the Okanagan Valley, within the Regional District of Okanagan-Similkameen. Penticton, situated 72 km north of the US border near the Town of Osoyoos and 64 km south of Kelowna, is bounded by Okanagan and Skaha Lakes to the north and south and the Penticton Indian Reserve to the west. The east part of the city traverses across moderately sloped terrain, extending along the east side of both Okanagan and Skaha Lakes. The Peach city, the regional service market centre for the South Okanagan, is situated 370 km east of Vancouver and 660 km south west of Calgary, Alberta.

POPULATION

The Regional District of Okanagan-Similkameen 2016 census population, 83,022, reflected a 2.8% growth over the 2011 census population. The City of Penticton, the largest community in the RDOS, reported a 2016 census population of 33,761, a 2.7% growth over 2011. The District of Summerland's 2016 census population was 11,615 and the Towns of Osoyoos, Oliver and Princeton were 5,085, 4,928 and 2,828 respectively.

The following chart summarizes the population figures for the RDOS:

RDOS	CENSUS YEAR		POPULATION GROWTH	
	2011	2016	NUMBER	PERCENT
City of Penticton	32,877	33,761	884	2.7%
District of Summerland	11,280	11,615	335	3.0%
Town of Oliver	4,824	4,928	104	2.2%
Town of Osoyoos	4,845	5,085	240	5.0%
Town of Princeton	2,724	2,828	104	3.8%
Village of Keremeos	1,330	1,502	172	12.9%
Electoral Areas A - H	20,248	20,442	194	1.0%
Indian Reserves	2,614	2,861	240	9.9%
Total	80,742	83,022	2,273	2.8%

ECONOMIC OVERVIEW

Penticton serves as the region's economic centre. The largest employment sources include the service industry and trade, both of which are supported by tourism and retirement. The South Okanagan is a

favourite holiday destination and ongoing highway improvements have enhanced access from Vancouver, BC and Alberta.

Penticton's primary tourist attractions, in addition to the arid climate, include the expansive, well maintained Skaha Lake and Okanagan Lake beaches, affordable and accessible golfing opportunities between Summerland and Osoyoos, numerous commercial and estate wineries extending from Naramata, north of Penticton on the east side of Okanagan Lake, south to Osoyoos, and Apex Resort, one of the Okanagan's premier winter ski areas.

BC REAL ESTATE ASSOCIATION

The following excerpts were extracted from the BCREA Housing Forecast September 2019 for British Columbia:

- The BC housing market appears to be stabilizing after a year and a half of volatility induced by the B20 mortgage stress test and other policy measures. Total MLS® unit sales are on pace to finish 2019 at just under 75,000 units, a 5 per cent decline from 2018. Home sales posted a sharp rebound over the summer, buttressed by strong employment growth and a decline in mortgage rates. We expect that most markets will normalize around long-term averages in 2020, with total provincial sales reaching 82,710 units.
- Growth in the BC economy is projected to slow for a second consecutive year in 2019. A policy driven slowdown in housing activity, a challenging global trade environment and cautious consumer spending have provincial real GDP on pace to grow at about 2.2 per cent this year. Our baseline forecast is for slightly improved economic growth at 2.5 per cent in 2020, as spending on LNG projects ramp up and the impacts of restrictive mortgage credit begin to fade. There remains significant downside risk around this forecast, however, given the uncertain economic outlook in the United States.
- Housing starts in the province were much higher than anticipated through the first half of 2019 as some construction activity in the Metro Vancouver area was pushed forward to avoid higher development costs slated to be implemented in the back half of the year. While we do expect the pace of new home construction to moderate, the large pipeline of units under construction ensures that markets will be well supplied in the short-run. A recovery in home sales has slowed the accumulation of resale inventory, with active listings still well short of the previous peak in 2012. That leaves market conditions at the provincial level essentially balanced with little upward pressure on prices. We anticipate that the MLS® average price will decline 2.3 per cent in 2019 before rising modestly by 3.2 per cent to \$718,000 in 2020.
- Current market conditions are expected to provide little upward pressure on home prices this year, with the average annual residential price forecast to remain essentially unchanged, albeit down 2 per cent to \$697,000. Modest improvement in consumer demand is expected to unfold through 2020, with unit sales climbing 15 per cent and the average residential price increasing 4 per cent to \$726,000.

Housing Forecast Summary — Third Quarter

Board Area	Unit Sales			Average MLS* Price (\$)		
	2018	2019F	2020F	2018	2019F	2020F
Victoria	6,770 -20%	6,700 -1%	7,200 7.5%	700,630 7.3%	680,500 -2.9%	682,000 0.2%
Vancouver Island	8,391 -16%	7,700 -8.2%	8,100 5.2%	465,124 7.8%	488,200 5%	505,400 3.5%
Powell River Sunshine Coast	351 -13%	300 -14.5%	330 10%	359,047 13.3%	360,000 0.3%	366,000 1.7%
Greater Vancouver	25,051 -32%	24,500 -2.2%	28,500 16.3%	1,048,435 1.6%	990,000 -5.6%	1,010,000 2%
Fraser Valley	14,837 -31%	13,700 -7.7%	15,400 12.4%	747,725 6.5%	716,000 -4.2%	727,000 1.5%
Chilliwack and District	2,829 -29%	2,600 -8.1%	2,800 7.7%	516,843 11.2%	530,000 2.5%	536,000 1.1%
Kamloops and District	2,984 -11%	2,750 -7.8%	2,900 5.5%	390,668 7%	421,000 7.8%	427,000 1.4%
Okanagan Mainline	7,559 -18%	7,200 -4.7%	7,600 5.6%	521,206 5.5%	527,100 1.1%	534,200 1.3%
South Okanagan*	1,885 -22%	1,800 -4.5%	2,000 11.1%	418,422 4.6%	430,000 2.8%	437,800 1.8%
Northern Lights	379 -12%	360 -5%	380 5.6%	252,060 1.7%	258,700 2.6%	262,000 1.3%
Kootenay	3,065 -6%	2,870 -6.4%	3,000 4.5%	321,123 4.6%	343,100 6.8%	346,400 1%
BC Northern	4,404 2.6%	4,300 -2.4%	4,500 4.7%	295,427 7.8%	311,000 5.3%	323,300 4%
BC Total	78,505 -24.3%	74,780 -4.7%	82,710 10.6%	711,646 0.4%	695,500 -2.3%	718,000 3.2%

NOTE: The Northern Lights Real Estate Board (NLREB) became part of the South Okanagan Real Estate Board (SOREB) on January 1, 2011.
*Excluding Northern Lights

BUILDING PERMIT STATISTICS

Regional Overview:

The following table summarizes Regional District of Okanagan Similkameen building permit construction values and residential housing starts for the 10-year period January 1, 2010 to December 31, 2019. These figures are for the unincorporated areas outside of Osoyoos, Oliver, Penticton and Summerland.

YEAR ENDED DECEMBER 31	RDOS BUILDING PERMIT TOTAL VALUE	SINGLE FAMILY HOUSING STARTS
2010	\$44,478,749	92
2011	\$37,973,702	69
2012	\$38,777,386	57
2013	\$30,450,003	75
2014	\$41,563,930	50
2015	\$53,939,305	84
2016	\$56,629,545	85
2017	\$88,108,116	101
2018	\$61,897,739	87
2019	\$48,675,452	71

Building permit construction values and residential housing starts have declined for two consecutive years since the peak in 2017. Building permit construction values and residential housing starts have averaged \$61.9 million and 86 units over the past 5 years.

City of Penticton:

YEAR ENDED DECEMBER 31	PENTICTON PERMIT TOTAL VALUE	HOUSING STARTS		
		SINGLE/TWO FAMILY	MULTIPLE FAMILY	TOTAL
2010	\$ 94,623,144	47	196	243
2011	\$ 29,490,880	37	3	40
2012	\$ 50,874,093	17	105	122
2013	\$ 54,953,393	47	170	217
2014	\$ 59,524,208	112	42	154
2015	\$ 60,760,408	129	39	168
2016	\$197,869,483	133	221	354
2017	\$197,878,905	157	249	406
2018	\$145,111,923	160	254	414
2019	\$182,436,759	89	264	353

Aggregate building permit values fluctuated between \$29.5 and \$94.6 million from 2009 to 2015 and then accelerated to \$198 million in 2016 and 2017, surpassing the peak of \$143.3 million in 2006. Housing starts varied from 40 to 243 units from 2009 to 2015 before upward trending to 354 and 406 units in 2016 and 2017 respectively, the highest levels since 540 units in 2006 peak. Building permit values fell to \$145.1 million in 2018, 27% lower than the previous two years but housing starts at 414 units surpassed the previous year's total of 406 units. Aggregate building permit values in 2019 were \$182.4 million reflecting a 26% increase over 2018 but was largely attributable to substantial increases in commercial, institutional and multi-family construction. Single/Two family housing starts dropped to 89 units in 2019, a drop of 44% and construction permit values fell to by \$13.7 million or 30% relative to 2018. Overall, 2019 permit values are the third highest recorded level in the past 10 years.

REAL ESTATE OVERVIEW

Market Rental Survey:

The following vacancy data was extracted from the Canada Mortgage and Housing Corporation's (CMHC) Fall 2019 – 2012 rental market report for the Penticton CA.

CATEGORY (APARTMENT)	FALL 2012	FALL 2013	FALL 2014	FALL 2015	FALL 2016	FALL 2017	FALL 2018	FALL 2019
Vacancy Rate	4.2%	3.0%	1.3%	1.6%	1.1%	0.9%	1.7%	1.9%

The Penticton apartment vacancy rate declined from 4.2% in October 2012 to 0.9% in October 2017 before increasing to 1.7% in 2018 and 1.9% in 2019 in response to new supply of purpose-built rental apartments outpacing growth in demand. The average vacancy rate over the past 8 years is 2.0%.

Multiple Listing Service Statistics:

The South Okanagan Real Estate Board market area extends from the District Municipality of Summerland, north of Penticton, 80 km south to the Town of Osoyoos near the US border. Board-wide MLS statistics encompassing all property categories for the 10 year period 2010 – 2019 are summarized on the following table. Approximately 60%-80% of total MLS sales are comprised of the residential category with the remainder consisting of farms, vacant land and industrial, commercial and investment properties.

SOUTH OKANAGAN REAL ESTATE BOARD - TOTAL BOARD AREA			
YEAR ENDED DECEMBER 31	DOLLAR VOLUME	SOLD UNITS	PRICE/ UNIT
2010	\$ 499,963,202	1,533	\$326,134
2011	\$ 492,732,936	1,529	\$322,258
2012	\$ 483,113,318	1,519	\$318,046
2013	\$ 507,282,779	1,614	\$314,301
2014	\$ 642,145,293	2,010	\$319,475
2015	\$ 795,913,612	2,322	\$342,771
2016	\$1,122,708,467	2,974	\$377,509
2017	\$1,199,837,211	2,870	\$418,062
2018	\$1,005,010,346	2,233	\$450,113
2019	\$ 910,942,436	2,023	\$450,293

Dollar volumes declined in 2018 and 2019 after 5 consecutive years of increases, 2013 – 2017. The 2018 sales volume hit the \$1.0 billion mark for the third time and surpassed the 2007 peak of ±\$950 million. 2019 sales volume dropped to \$910.9 million, or 9.4% over 2018. Total unit sales in 2018 and 2019 fell to 2,233 and 2,023 units respectively, well below the previous peak years, 2016 – 2017. Notwithstanding the drop in volumes, the South Okanagan Real Estate Board market has recorded 6 consecutive years, 2014 -2019, of unit sales exceeding 2,000. Despite the decline in sales dollar volumes and sold units, the 2019 average sale price, \$450,293, remained unchanged relative to 2018.

Penticton is the largest urban centre in the Regional District of Okanagan-Similkameen. The following table includes the Penticton area MLS sale activity for the period 2019 - 2018.

PENTICTON YEAR-END			
MLS CATEGORY	YTD DEC 31 2019	YTD DEC 31 2018	%
All Category Sales Volume	\$396,116,450	\$444,750,156	-10.9%
Number of Sales	879	952	- 7.7%
Average Sale Price	\$450,644	\$467,175	- 3.5%
Current Listings	482	521	- 7.5%
All Residential Sales Volume	\$356,028,394	\$377,395,508	- 5.7%
Number of Sales	828	878	- 5.7%
Average Sale Price	\$429,986	\$429,835	0.1%
Current Listings	332	390	-14.9%
Single Family Sales Volume	\$196,778,088	\$207,300,321	- 5.1%
Number of Sales	358	360	- 0.6%
Average Sale Price	\$549,659	\$575,834	- 4.5%
Current Listings	125	160	-21.9%
Single Family Lot Sales Volume	\$4,539,000	\$6,189,500	-26.7%
Number of Sales	12	19	-36.8%
Average Sale Price	\$378,250	\$325,763	16.1%
Current Listings	94	73	28.8%

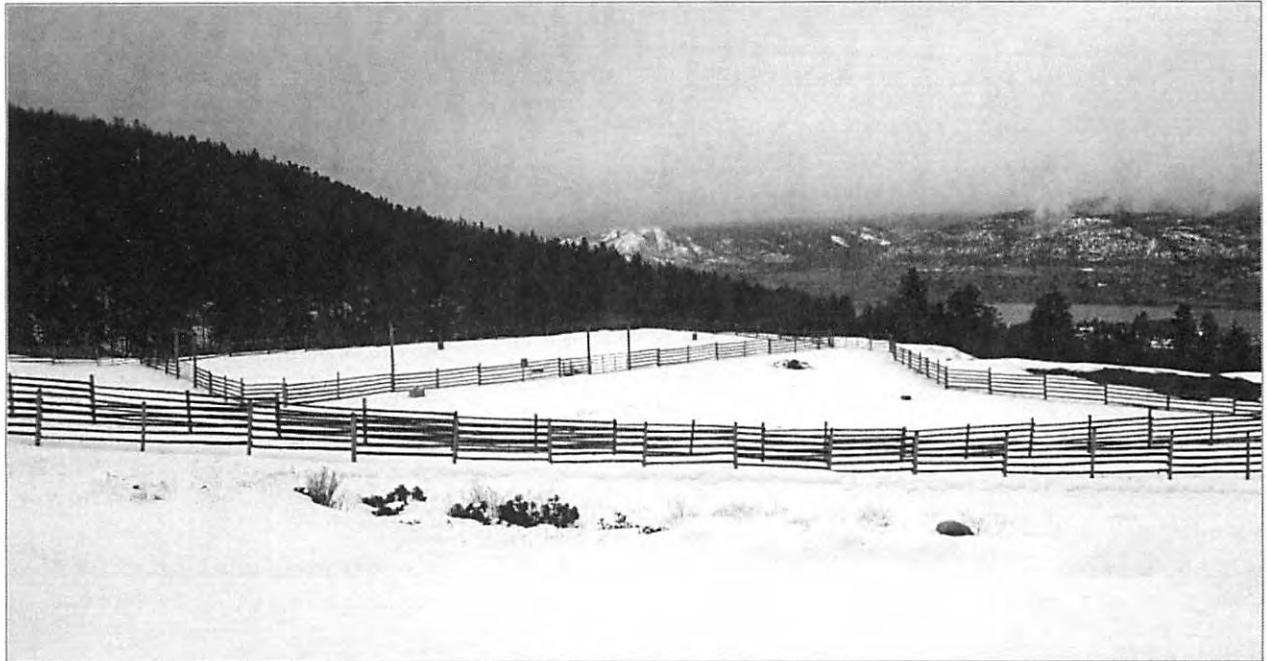
Dollar sales volume and unit sales modestly declined in three of the four categories. The largest declines were recorded in Single family Lot being the smallest category. Average sale price marginally declined in All Category and All Residential with no decline in Single Family. Current listings decreased in all categories but for Single family Lots which saw a jump of 29%.

CONCLUSION

Year-to-date statistics indicate decreased residential construction throughout the South Okanagan region save for Penticton due to commercial, institutional and large multi-family projects. Multiple listing sales dollar volume and sold units modestly decreased overall with little change in prices (slight decrease or levelling off). Notwithstanding the slight pull back in activity, the region and the province's long-term growth prospects remain strong. Favourable demographics, positive population growth and an accelerating job market mean that the economy, after a brief slowdown, should regain momentum in 2020 and beyond.

Property Description

Subject Photography



Subject property southwest perspective.



Subject property west perspective.



Subject property south perspectives.



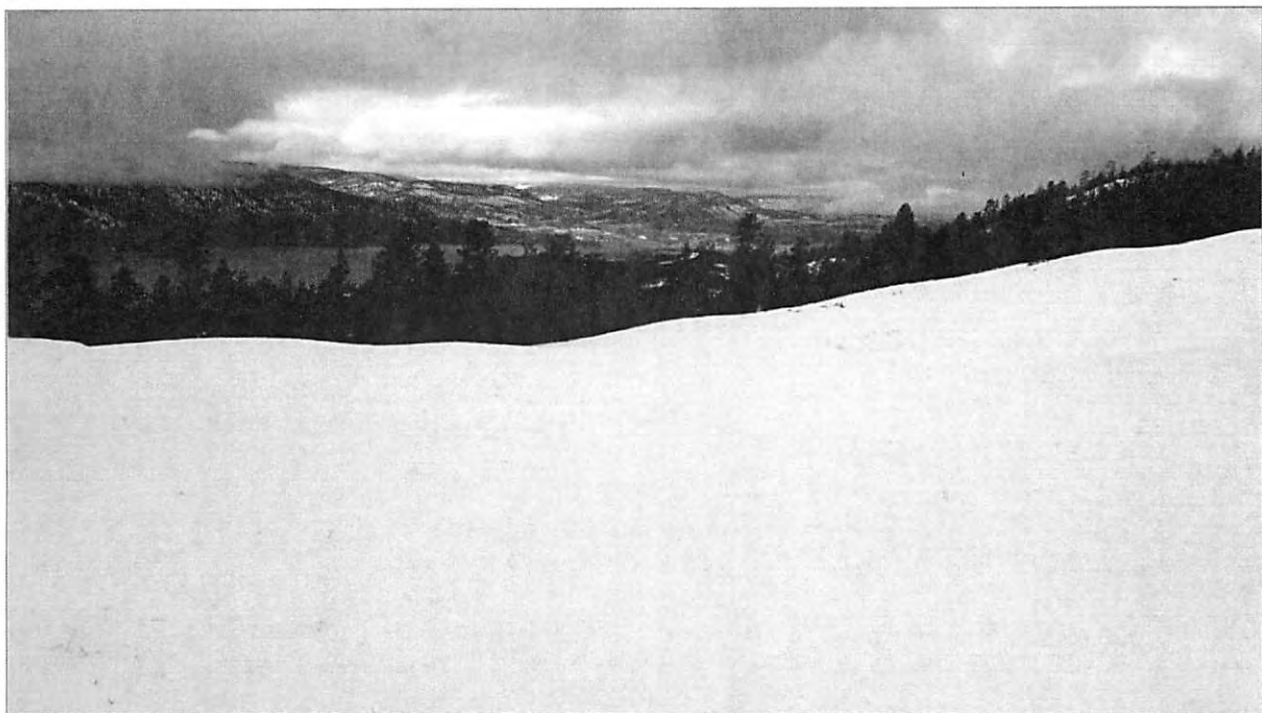


Subject property north perspectives.





Subject property north perspectives.





Subject property west perspective.



Subject property south perspective.



Subject property east perspectives.



Figure 2 - Ortho Map



Figure 3 - Location Map

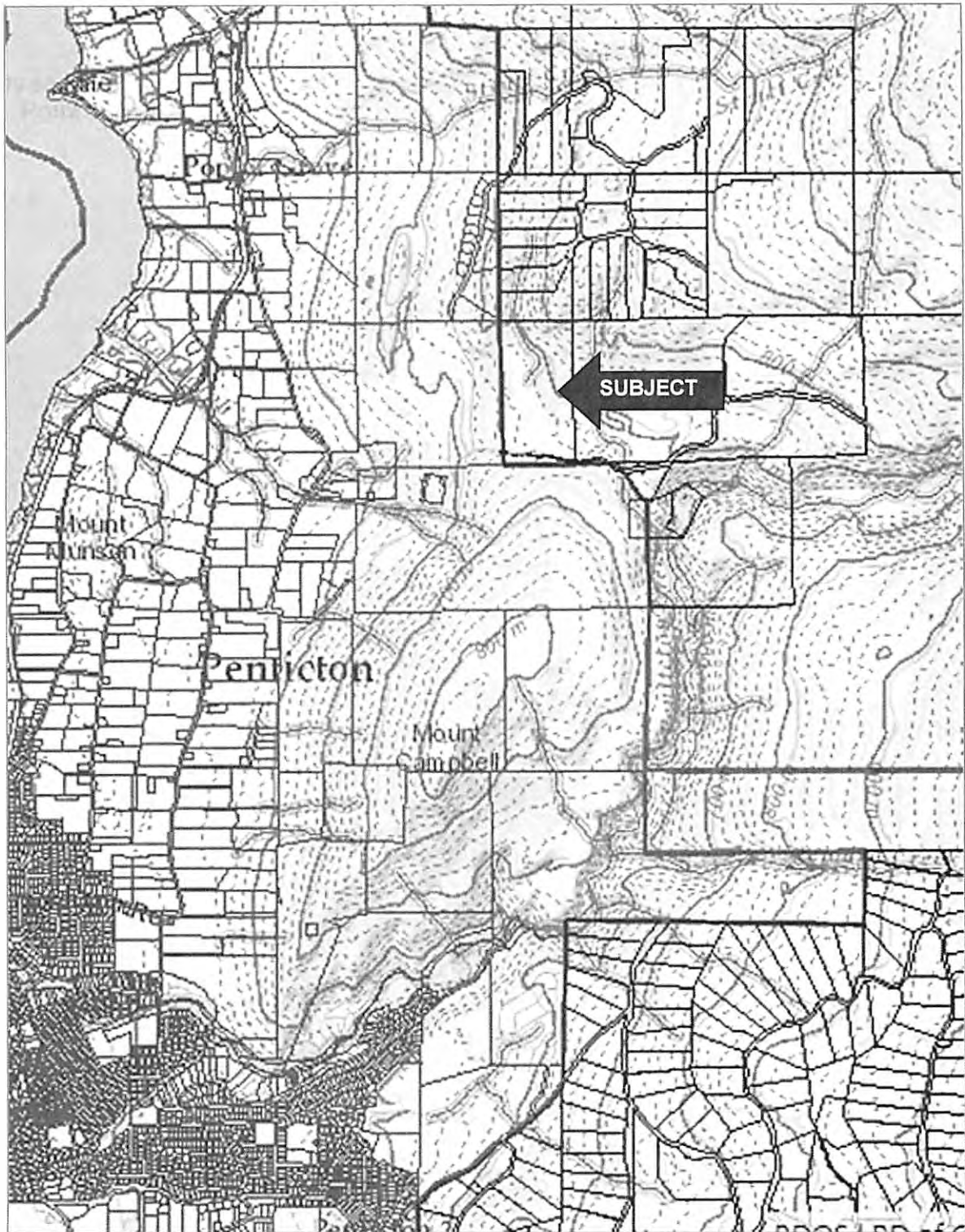


Figure 4 - Cadastral Map

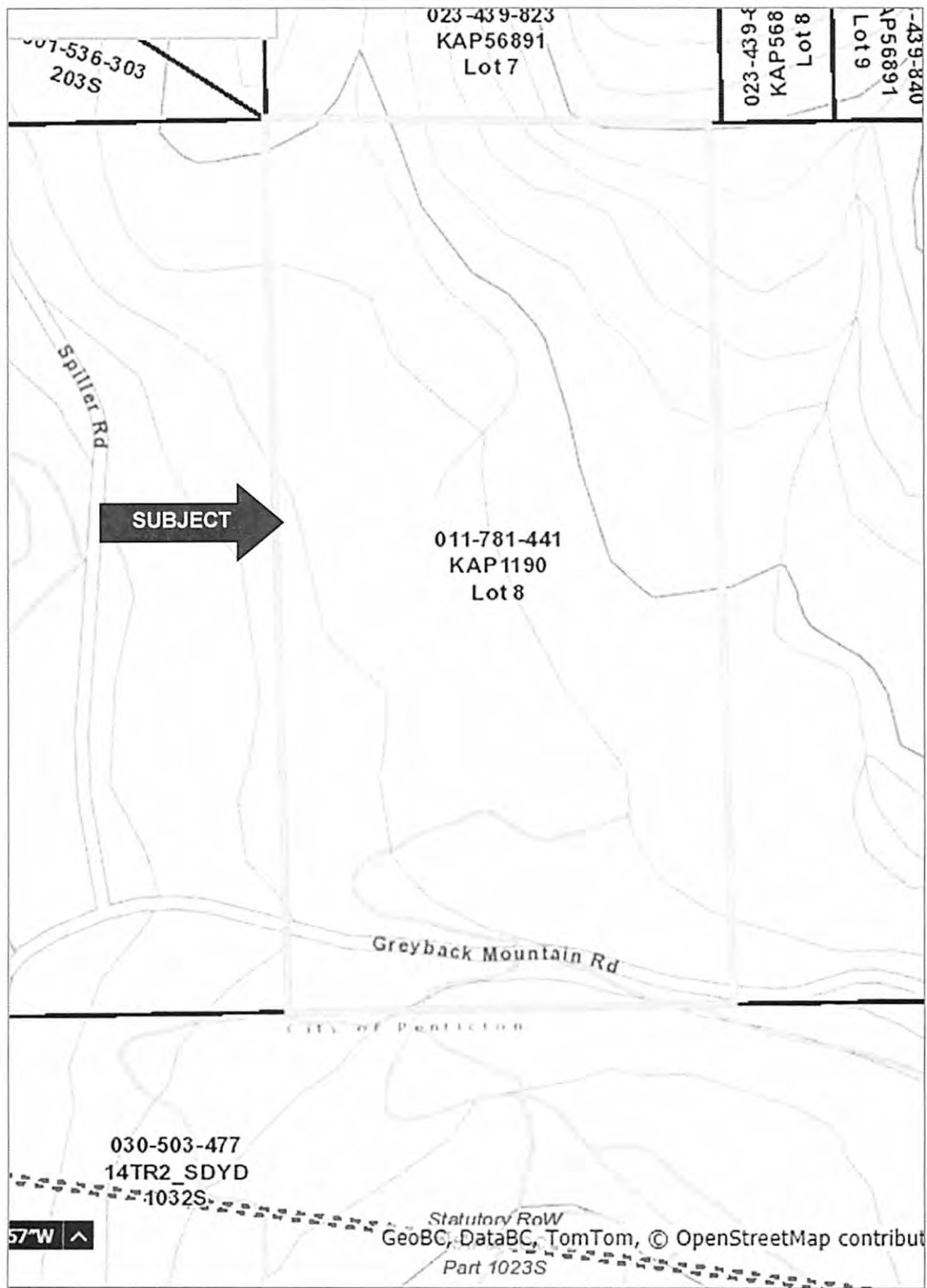
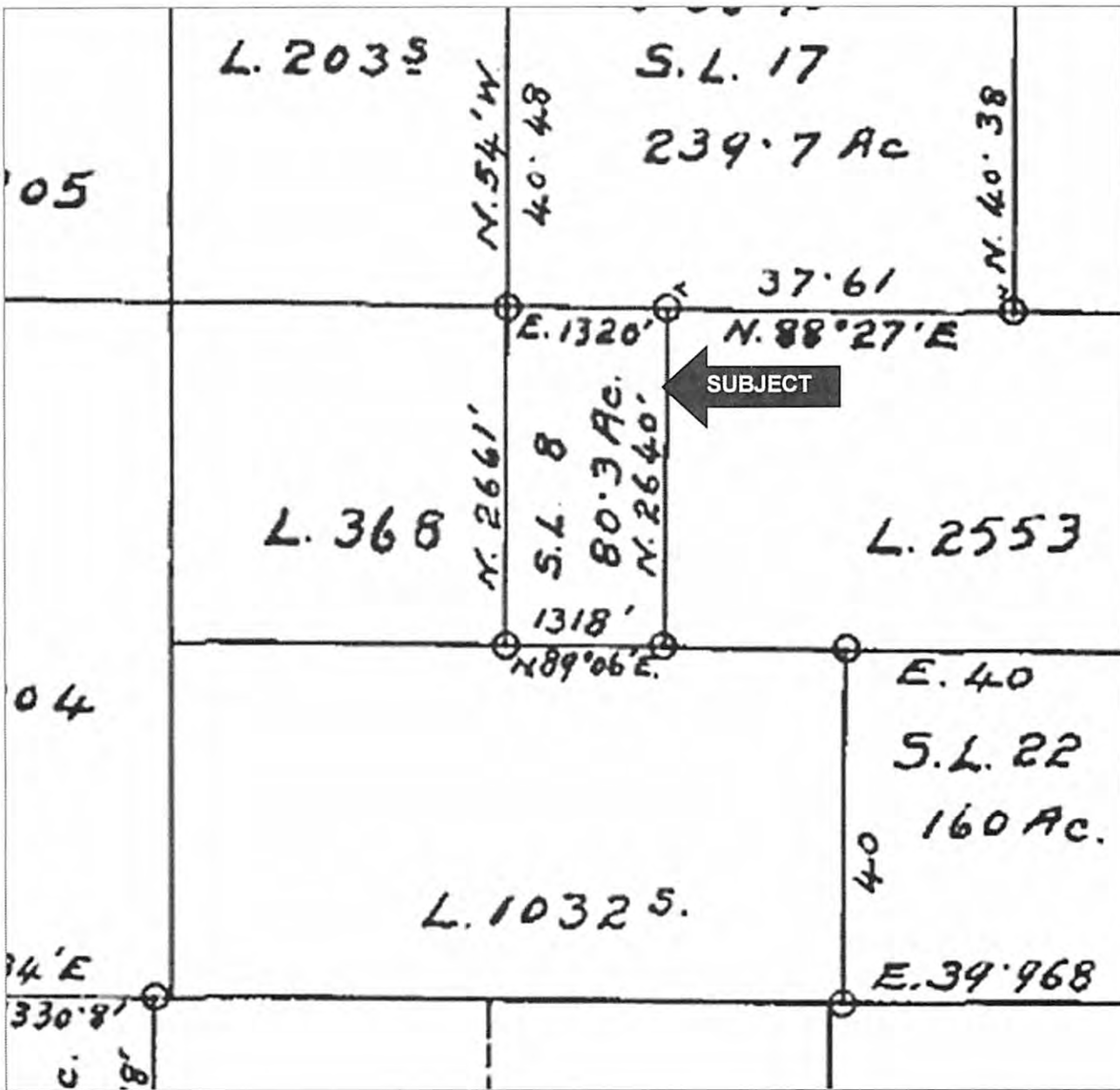


Figure 5 - Extract from Plan 1190



Location

OVERVIEW

The subject property is located adjacent to and east of the City of Penticton boundary within Electoral Area E of the Regional District Okanagan South. Although situated within Electoral E, the subject property is urban influenced due to its proximity to City of Penticton urban services and amenities.

Electoral Area E is situated on the eastern shores of Okanagan Lake, north of the City of Penticton, and is bordered to north by the Okanagan Mountain Provincial Park. Electoral Area E is located on the gently sloping west facing Naramata Benchlands above Okanagan Lake. The Naramata townsite is located below the Benchlands along the shores of Okanagan Lake, 16± km north from downtown Penticton, and is surrounded by fertile clay benches. Agricultural land is a major influence on the physical layout within Electoral Area E. Major agricultural uses currently include tree fruit and grape production, and pasture. Secondary agricultural industries include fruit packing and processing, wineries, wholesaling and retailing, tourism, and product sales. The 2016 Census population of Electoral Area E was 1,903, 2.3% of the entire population of the RDOS. Majority of the population rests along the Benchlands and within the Naramata townsite. Area E consists of six general areas of human settlement, known as Falcon Ridge, Naramata Benchlands, Naramata townsite, Indian Rock, Glenfir, and Chute. The remaining upland land base is managed by the Province as Crown land.

The most notable influence within the subject's immediate area is the Campbell Mountain Landfill located below and adjacent to the subject. The P3 zoned landfill property comprises 147 acres and is open 7 days a week from 8:30 am to 4:45 pm. Due to the proximity of the landfill, there are potentially environmental detriments due to odours and noise from landfill operations which may negatively impact the subject property.

Site Description

SIZE AND DIMENSIONS

According to Plan 1190, the rectangular shaped subject property comprises 80.3 acres but includes a portion of Greyback Mountain Road which bisects the south extremity of the site. Although this portion of the road is not a dedicated public road (not subdivided) it is considered an un-surveyed public road as per Section 42 of the Transportation Act (if public money is spent on a travelled road that is not a highway, the travelled road is deemed and declared to be a highway). It is recommended a prospective purchaser conduct their own due diligence to confirm the legal status of this road portion bisecting the property. Excluding the Section 42 road estimated at 1 acre and subject to legal survey confirmation, the property size is estimated ±79.3 acres.

Plan 1190 indicates the following subject boundary dimensions:

- north property line - 1,320 feet;
- west property line - 2,661 feet;
- east property line - 2,640 feet;
- south property line - 1,318 feet.

TERRAIN AND TOPOGRAPHY

The subject terrain varies from level to moderate and steep sloping. Approximately 35 acres is level to moderate sloping and is mostly cleared (formerly used for cattle operations). Greyback Road and the land area south of the road, estimated at ±6 acres, is moderate/steep sloping. The northeast quadrant comprises mountainous terrain with grades in excess of 30%.

ACCESS AND SERVICES

Vehicle access to the subject property is provided from Greyback Mountain Road, a two-lane paved road with gravel shoulders and ditch. Services to the property include overhead hydro and telecommunications. An on-site well and spring are located immediately north of the residence. Underground water lines distribute water to the corrals. Sewage is disposed by way of septic tank and field system.

SOILS AND ENVIRONMENTAL

The valuation assumes the subject soils have good load bearing capability. The appraiser is not aware of the contents of any geotechnical investigations that may have been carried out on the property. The value estimate assumes without verification that there are no detrimental conditions on, in or near the property that would cause a loss in value. The appraiser is unaware of any possible presence of contaminants and hazardous material, either within the boundaries of the property or in proximity to the property. The value estimate herein assumes without verification that there are no hazardous materials or condition on, in or near the property that would cause a loss in value.

HYDROLOGY

According to Western Water Associates Ltd report completed on April 16, 2019, investigations revealed that there is migration of chloride and nitrate from the subject property cattle operations to the adjacent Campbell Mountain Landfill property located below the subject. The subject property owner is responsible for providing the Ministry of Environment with a Notice of Migration, site risk classification report and remediation plan. To date these requirements have not been completed by the property owner. Costs associated with completing these requirements are not known. For the purpose of this valuation, it is critically assumed that these requirements have been completed by the property owner. This represents an extraordinary assumption.

NON-FINANCIAL ENCUMBRANCES

A title search of the subject property revealed two charges described below. Although the foregoing charges are not considered to detrimentally impact market value, it is recommended a prospective purchaser and/or lender conduct their own legal due diligence to determine if there is any impact to the property.

Reservation 44185E:

Dated November 16, 1905. The Columbia and Western Railway (grantor) grants the land to Percy Mark (grantee) reserving unto the grantor all wood, timber and tress upon the said land except as such may be required by the grantee for fuel, fencing and building. Also reserves the right unto the grantor coal, petroleum and marketable stone. Also reserving the right to take a strip or strips of land 100 feet wide to be used for a right of way or other railway purposes.

Right of Way N32015:

Dated June 12, 1978. Registered in favour of the West Kootenay Power and Light Company for electric distribution and communication lines. The registered document does not include a right of way plan.

Other:

Although not formally registered on title, the owner reports NAV Canada and Telus have a gate located on the south side of Greyback Mountain Road on the subject property for access to their works to the south. City of Penticton also has a gate within the same location accessing their water reservoir to the south.

GRAZING LICENCE

Discussions with an official from Okanagan Shuswap Natural Resource District responsible for land tenures within the subject region confirms Sather Ranch Ltd possesses a Grazing Licence (Agreement RAN077332) for the adjacent crown lands for 1,262 Animal Unit Months (AUM). A Grazing Licence allows a tenure holder access to a defined amount of forage through grazing (measured in Animal Unit Months). The subject property land tenure is for the adjacent Crown land and therefore offers inherent value for a cattle operation or to a purchaser seeking to acquire a cattle operation/ranch. There is no contributory value to any other buyer seeking an alternate use for the lands.

The client reports the annual renewal fee for the Grazing Licence was recently paid (reported to be \$3.75 per annum per AUM for 2020). The client reports Sather Ranch Ltd company has recently liquidated its cattle inventory and there is no cattle operation on the property.

Land Use Controls

ZONING

The subject property is zoned RA, Resource Area Zone, pursuant to the Electoral E Naramata Area Zoning Bylaw No. 2459, 2008 – Regional District Okanagan-Similkameen.



Principal uses in this zone include:

- a) agriculture, subject to Section 7.23;
- b) deleted;^{cxv}
- c) cemeteries;
- d) equestrian centres;
- e) forestry;
- f) packing, processing and storage of farm and off-farm products;
- g) natural resource extraction;^{cxvi}
- h) single detached dwelling or mobile home;
- i) veterinary establishments;

Section 7.23 indicates that on parcels 2.0 ha (4.94 acre) or greater in area, keeping of livestock and small livestock shall be unlimited.

Secondary uses in this zone are:

- j) accessory dwelling or mobile home, subject to Section 7.11;
- k) bed and breakfast operation, subject to Section 7.19;
- l) home industries, subject to Section 7.18;
- m) home occupations, subject to Section 7.17;
- n) kennels, subject to Section 7.25;
- o) retail sales of farm and off-farm products, subject to Section 7.24;
- p) secondary suites, subject to Section 7.12; and
- q) accessory buildings and structures, subject to Section 7.13.

The minimum parcel size is 20 ha (49.4 acres) subject to servicing requirement. Where the Agricultural Land Commission permits a subdivision under its homesite severance policy, there shall be no minimum parcel size.

The maximum number of principal dwellings for properties 12.0 ha or greater is 2. The number of accessory dwellings or mobile homes permitted per parcel is zero.

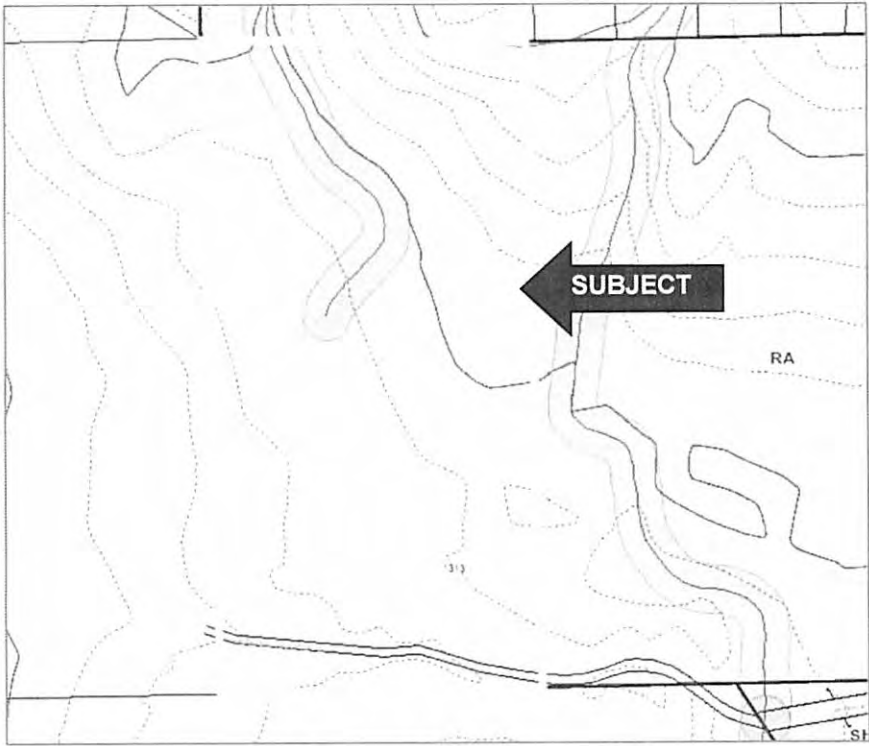
A copy of the RA zoning extract is attached in the Addenda.

OFFICIAL COMMUNITY PLAN

The subject property is designated RA – Resource Area pursuant to the Electoral E Naramata Area Official Community Plan Bylaw No. 2458, 2008 – Regional District Okanagan-Similkameen.

Resource Areas are described as large parcels of land, primarily 20 ha or greater, and includes both private and/or Crown land. Typical uses include forest land, grazing or range land, public recreation areas, watershed, and resource extraction areas. Although it is recognized that local land use designations do not apply to the Crown, the 20 ha minimum parcel size is still applied to Crown land in order to provide regulations upon alienation, and to address Crown leases.

A significant portion of the subject property is designated Environmentally Sensitive Development Permit (ESDP) Area and Watercourse Development Permit (WDP) Area for the protection of the natural environment, its ecosystems and biological diversity. For a complete discussion on these development permit areas, reference is directed to Section Official Community Plan.



Future Land Use Map



Development Permit Area Map

AGRICULTURAL LAND RESERVE

Approximately 55 acres is situated within the Agricultural Land Reserve, a provincial government land legislation which takes precedent over municipal zoning.



Assessment and Market History

ASSESSMENT

The property assessment is intended to reflect the market value of the subject land and improvements as determined by the British Columbia Assessment Authority as of July 1 of the previous year.

Assessment	2020	2019
Land	\$8,259	\$8,259
Improvements	--	--
Total	\$8,259	\$8,259

The subject property is designated as farm class. Farm class derived values are not market related.

"Market Value" assessments determined by BC Assessment are carried out via statistically generated mass appraisal techniques. Mass appraisal, as it is entirely dependent on the availability of sufficient market sales evidence, works well enough for common or relatively simple property types such as residential housing; particularly in urban areas. However, for industrial, commercial and investment properties, unique properties, or in instances where BC Assessment records on property inventory/condition/income are out of date, the assessed values can differ significantly from actual market value. This is primarily due to the lack of BC Assessment resources/expertise and/or the property not having been recently inspected.

MARKET HISTORY

The Canadian Uniform Standards of Professional Appraisal Practice requires the sales history of the subject property to be reported within the most recent three-year period. According to public records, the subject property has not sold nor been listed for sale on the Multiple Listing Service.

Highest and Best Use

PREAMBLE

With reference to the *Appraisal of Real Estate*, Third Canadian Edition, 2010, highest and best use may be defined as follows:

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

Highest and best use is influenced by the following criteria:

- **Legally Permissible:** The use must be legal and must comply with land use classifications or zoning regulations or probable zoning and with building regulations applicable to the land. The use must be within the realm of probability and not speculative or conjectural.
- **Physically Possible:** The most probable future use should be selected from among the alternatives that the site can reasonably support – considering the characteristics of its location, access, size and shape, services and load bearing capacity.
- **Financially Feasible:** There must be a demand for the use selected and economic conditions which make it probable that such use will take place.
- **Maximally Productive:** While closely associated with financially feasible, this criterion would distinguish between two equally probable uses where one can be shown to provide a higher return, or one that is more durable than the other. This concept does not imply that maximum productivity is only to be considered in monetary terms, however, that is the most common methods of measuring productive use.

These criteria are often considered sequentially, because if a use is not legally permissible or physically possible, it is irrelevant as to whether or not it is financially feasible or maximally productive.

Highest and Best Use of the property *as if vacant and unimproved* is considered separately from the Highest and Best Use *as improved* because the Highest and Best Use of the site as if vacant and available for development determines the value of the land relative to its overall value with improvements. The underlying concept is that any parcel of land can be made vacant by demolishing improvements. The analysis of highest and best use of land as though vacant focuses on testing each probable use for the above criteria. For improved properties the four tests above are applied but the focus is not on alternative uses but on three

possibilities: continuation of the existing use, modification of the existing use, or demolition and redevelopment of the land.

ANALYSES AND CONCLUSION

The subject property's highest and best use, as vacant and unimproved, considering the location, Resource Area zoning, site attributes, existing improvements and grazing licence, is for cattle operations use. Alternately rural acreage use as permitted by zoning.

Land Valuation

Valuation techniques for vacant land comprise four methodologies including:

- Direct Comparison
- Market Extraction
- Allocation
- Income Capitalization Techniques:
 - a) Direct Capitalization: Land Residual Technique
 - b) Direct Capitalization: Ground Rent Capitalization
 - c) Yield Capitalization: Discounted Cash Flow – Subdivision Development Analysis

In view of the quantity of comparative sales data, the Direct Comparison Approach represents the most reliable technique to estimating the market value of the subject property.

The Direct Comparison Approach is the most common technique for valuing land and it is the preferred method when comparable sales are available. To apply this method, data on sales of similar parcels of land is collected, analyzed, compared, and adjusted to provide a value indication for the site being appraised. In the comparison process the similarity or dissimilarity of the parcels is considered. The basis of this valuation approach is the principle of substitution and the influences of the concepts of anticipation and change, supply and demand, balance and externalities. The principle of substitution holds that the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability within a reasonable amount of time.

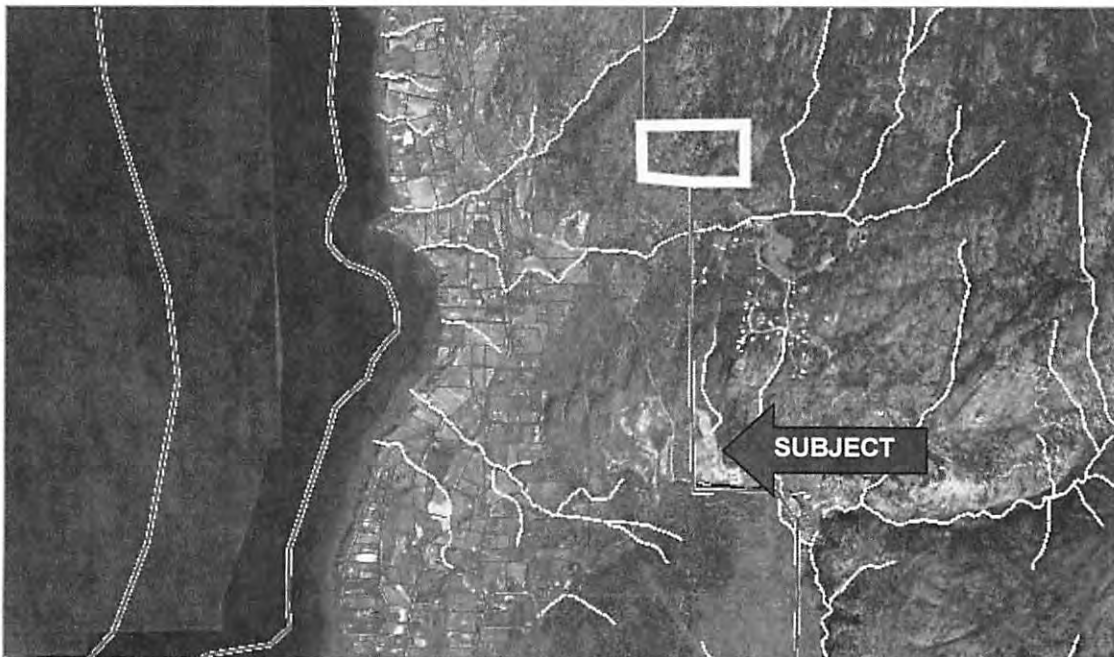
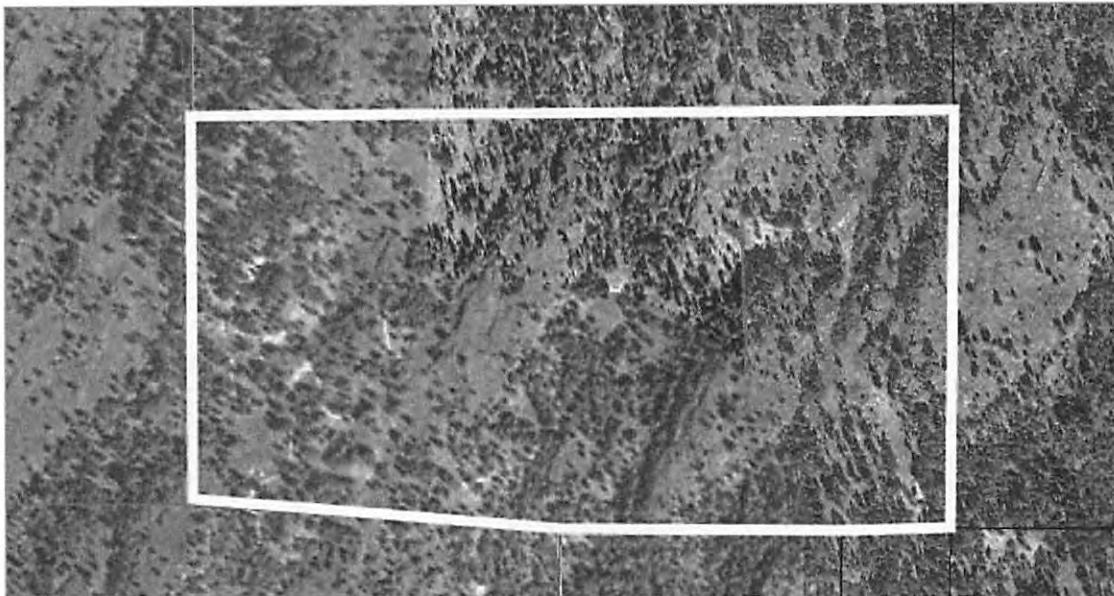
The Market Approach is also a common technique for valuing land and requires the deduction of the depreciated value of the improvements from the sale price resulting in an indicated land value.

COMPARBALE SALES SCHEDULE

The following comparative sales data have been researched and analyzed for the purpose of estimating the subject property's market value, as vacant.

Index 1

- Civic Address:** - 1251 Spiller Road, Penticton
- Parcel Identifier No.:** - 001-502-662
- Zoning:** - RA, Resource Area
- OCP:** - RA, Resource Area
- Agricultural Land Reserve:** - Outside
- Lot Area:** - 86.7 acres
- List Date:** - Active since January 2020
- List Price:** - \$1,495,000
- Rate/Acre:** - \$17,243
- Comments:** - Located north of the subject property. Undulating terrain. Limited services. Distant Lake views.



Index 2

- Civic Address:** - 931 Meadow Valley Road, Summerland
- Parcel Identifier No.:** - 005-013-933
- Zoning:** - AG3, Agriculture Three Zone
- OCP:** - AG.
- Agricultural Land Reserve:** - Outside
- Lot Area:** - 80.18 acres
- Sale Date:** - December 2017
- Sale Price:** - \$1,740,000
- Less Improvements:** - \$ 485,000
- Adjusted Sale Price:** - \$1,255,000
- Rate/Acre:** - \$15,652
- Comments:** - Land is mostly all useable. Property borders onto Garnet Lake. Improvements comprise: 1,800 sq. ft rancher (1986) & 7,800 sq. ft barn (15 horse stalls, shower, tack area & storage on main floor and 2,000 sq. ft hay loft & 1,300 sq. ft suite on upper level). 23-25 acres planted in hay. Limited services.



Index 3

- Civic Address:** - 139 Highway 3A, Kaleden
- Parcel Identifier No.:** - 004-739-761
- Zoning:** - RA, Resource Area
- OCP:** - RA, Resource Area
- Agricultural Land Reserve:** - ±30 acres inside
- Lot Area:** - 98.15 acres
- Sale Date:** - December 2017
- Sale Price:** - \$1,100,000
- Less Improvements:** - \$ 350,000
- Adjusted Sale Price:** - \$750,000
- Rate/Acre:** - \$7,641
- Comments:** - Located west of Kaleden. Mountainous terrain. Property includes small Lake. Improvements comprises a 2,000 sq. ft house (1992) and 720 sq. ft barn. Limited services.



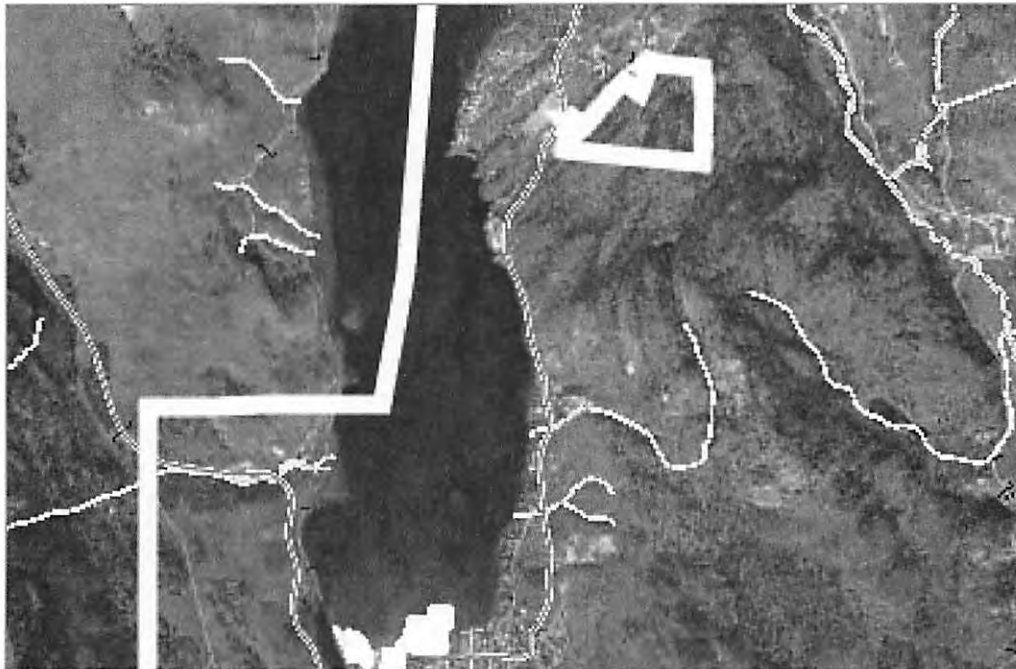
Index 4

Civic Address:	-	3200 Evergreen Drive, Penticton
Parcel Identifier No.:	-	025-796-020
Zoning:	-	Resource Area
OCP:	-	Resource Area
Agricultural Land Reserve:	-	Outside
Lot Area:	-	320 acres
Sale Date:	-	December 2016
Sale Price:	-	\$2,200,000
Rate/Acre:	-	\$13,725 (based on 160.29 acre northerly portion of site)
Comments:	-	Lands are located on the eastern hillside of Penticton known as "The Bluffs at Skaha". Property purchase included 320 acres but was subsequently subdivided into two 160 acre parcels. The southerly 160 acres was donated as Park land as part of the rezoning and incorporation into City of Penticton boundaries. The OCP for the northerly 160 acres has been amended to allow for residential development. Phased development has commenced. Lake views.



Index 5

Civic Address:	-	187 Racette Way, Okanagan Falls
Parcel Identifier No.:	-	026-922-479
Zoning:	-	CA, Conservation Area & CDS, Comprehensive Development
OCP:	-	Conservation Area & Small Holdings
Agricultural Land Reserve:	-	Outside
Lot Area:	-	48.42 acres
Sale Date:	-	October 2017
Sale Price:	-	\$856,190
Rate/Acre:	-	\$17,683
Comments:	-	North of Okanagan Falls. Mountainous terrain. Limited services. Lake views.



COMPARABLE SALES SUMMARY

Index No.	Address	Zoning	OCP	ALR	Size (Ac)	Sale Date	Sale/List Price	Improv. Value ¹	Adjusted Sale/List Price	Price/Acre
1	1251 Spiller Road, Penticton	RA	RA	Outside	86.70	Active	\$1,495,000	\$0	\$1,495,000	\$17,243
2	931 Meadow Valley Road, Summerland	AG3	AG	Outside	80.18	12/1/2020	\$1,740,000	\$485,000	\$1,255,000	\$15,652
3	139 Highway 3A, Kaleden	RA	RA	P. inside	98.15	8/1/2019	\$1,100,000	\$350,000	\$ 750,000	\$ 7,641
4	3200 Evergreen Drive, Penticton	RA	RA	Outside	160.29	12/1/2016	\$2,200,000	\$0	\$2,200,000	\$13,725
5	187 Racette Way, Okanagan Falls	CA	CA	Outside	48.42	10/1/2017	\$ 856,190	\$0	\$ 856,190	\$17,683
Subject	1313 Greyback Road, Penticton	RA	RA	P. Inside	79.3*	---	---	---	---	---

*Excluding the Section 42 road estimated at 1 acre (subject to legal survey confirmation), the subject property size is ±79.3 acres

ANALYSIS

With reference to the comparable sales summary table, large acreage properties exhibit per acre land rates from \$7,641 to \$17,683. The comparative indices presented herein vary in terms of location, size, topography/utility and land use.

Index 5 is the smallest property, 48.2 acres, and exhibits the highest rate, \$17,683 per acre. A significant determinant of value for acreage properties is size. Generally, the larger the parcel size the lower the rate per acre assuming all other value determining factors are similar. A lower per acre rate is indicated for the subject due to size differences.

Index 1 is located closest to the subject at the north end of Spiller Road. The property is of similar size, 89.70 acres, and topography. Given these key determinants, Index 1 is the best comparable but represents a listing at \$17,243 per acre. Assuming a 10% discount from the list price, Index 1's potential sale price is $\$1,495,000 \times 0.90 = \$1,345,000$, or \$15,513 per acre. A further downward adjustment is required to recognize the subject's landfill influence.

Index 3 is a larger parcel, 98.15 acres, and offers both an inferior location and topography relative to the subject. On this basis, Index 3's per acre rate, \$7,641, represents an extreme lower limit value. A much higher per acre rate is indicated for the subject.

Index 2 is a similar size property, 80.2 acres, but the rural Summerland location is inferior however site characteristic such as terrain and Garnet Lake location are superior. Index 2's indicated per acre rate of \$15,652 sets an absolute upper limit subject rate.

Index 4 represents the acquisition of 320 acres at the south end of Penticton. The southerly 160 acres was donated as Park land as part of the rezoning and incorporation into City of Penticton boundaries. Land use for the northerly 160 acres was amended to allow for residential development. The indicated per acre rate based on the northerly 160 acres was \$13,725, a reflection of its development potential.

CONCLUSION

The most notable influence within the subject's immediate area is the Campbell Mountain Landfill located below and adjacent to the subject. Due to the proximity of the landfill, there are potentially environmental detriments due to odours and noise from landfill operations which may negatively impact the subject property.

Index 1 is the best comparable. Index 1's potential sale price was estimated at $\$1,495,000 \times 0.90 = \$1,345,000$, or \$15,513 per acre. Although difficult to quantify, a 15% downward adjustment for the adjacent land fill influence is applied to Index 1 indicating a subject rate of: $\$15,513 \text{ per acre} \times 0.85 = \$13,186$.

As with any appraisal estimate, a variance of 5% is considered within market tolerances indicating the following potential values:

- Ceiling Value Estimate: 79.3 acres x \$13,845 = \$1,097,650, rounded to \$1,100,000
- Market Value Estimate: 79.3 acres x \$13,186 = \$1,045,650, rounded to \$1,050,000
- Floor Value Estimate: 79.3 acres x \$12,527 = \$ 993,339, rounded to \$1,000,000

However, the subject property is unique from the perspective that there is a grazing licence which may enhance the property's value to a cattle operator purchaser. Conversely, the property's location adjacent to the landfill will deter numerous buyers. As such a greater value variance could occur. Based on a 10% variance the following values are indicated:

- Ceiling Value Estimate: 79.3 acres x \$14,505 = \$1,150,247 rounded to \$1,150,000
- Market Value Estimate: 79.3 acres x \$13,186 = \$1,045,650 rounded to \$1,050,000
- Floor Value Estimate: 79.3 acres x \$11,867 = \$ 941,051 rounded to \$ 950,000

In view of the potential high level of market variance/volatility regarding this category of property, the market value of the subject property, conditional to the qualifications, assumptions and limiting conditions contained herein, is concluded at \$1,050,000, with a conceivable range from \$950,000 to \$1,150,000.

ONE MILLION FIFTY THOUSAND (\$1,050,000) DOLLARS

Certification

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 critical assumptions, contingent and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the affected property which is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- The client for whom this appraisal report has been prepared, and any third parties, are advised that the Appraisal Institute of Canada retains the right to review this report.
- Compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- Analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute of Canada.
- I made a personal inspection of the subject property located at 1313 Greyback Mountain Road, Penticton, British Columbia, which is the subject of this report, January 23, 2020.
- No one provided significant professional assistance to the person signing this report.

In view of the potential high level of market variance/volatility regarding this category of property, the market value of the subject property, conditional to the qualifications, assumptions and limiting conditions contained herein, is concluded at **\$1,050,000**, with a conceivable from \$950,000 to \$1,150,000.

The Appraisal Institute of Canada has a Mandatory Recertification Program for designated members. As of the date of this report, Lionel Hoffmann, AACI, P.App, BBA, has fulfilled the requirements of this program.

Certified this 30th day of January, 2020.

NCA Commercial Inc.



Per: _____
Lionel Hoffmann, AACI, P.App. BBA

ADDENDA

- Exhibit A – Land Title Documents**
- Exhibit B – Zoning Regulations**
- Exhibit C – Appraiser’s Qualifications**

EXHIBIT A

Land Title Document

TITLE SEARCH PRINT

File Reference:

Declared Value \$150000

2020-01-13, 09:03:01

Requestor: Lionel Hoffmann

****CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN****

Land Title District	KAMLOOPS
Land Title Office	KAMLOOPS
Title Number	CA5807500
From Title Number	CA5748632
Application Received	2017-02-06
Application Entered	2017-02-10
Registered Owner in Fee Simple	
Registered Owner/Mailing Address:	SATHER RANCH LTD., INC.NO. A0088770 1335 COMMERCIAL WAY PENTICTON, BC V2A 3H4
Taxation Authority	Penticton Assessment Area
Description of Land	
Parcel Identifier:	011-781-441
Legal Description:	SUB LOT 8 DISTRICT LOT 2711 SIMILKAMEEN DIVISION YALE DISTRICT PLAN 1190
Legal Notations	NONE
Charges, Liens and Interests	
Nature:	RESERVATION
Registration Number:	44185E
Registered Owner:	THE COLUMBIA WESTERN RAILWAY
Remarks:	DD 8303
Nature:	RIGHT OF WAY
Registration Number:	N32015
Registration Date and Time:	1978-06-12
Registered Owner:	WEST KOOTENAY POWER AND LIGHT COMPANY LIMITED

TITLE SEARCH PRINT

2020-01-13, 09:03:01
Requestor: Lionel Hoffmann

File Reference:

Declared Value \$150000

Nature:	MORTGAGE
Registration Number:	CA5807665
Registration Date and Time:	2017-02-06 15:46
Registered Owner:	MICHAEL NEIL STREET MARIELLE JACQUELINE ANGELLA BRULE AS JOINT TENANTS
Transfer Number:	CA7496634

Nature:	ASSIGNMENT OF RENTS
Registration Number:	CA5807666
Registration Date and Time:	2017-02-06 15:46
Registered Owner:	MICHAEL NEIL STREET MARIELLE JACQUELINE ANGELLA BRULE AS JOINT TENANTS
Transfer Number:	CA7496635

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE

EXHIBIT B

Zoning Regulations

10.0 RURAL

10.1 RESOURCE AREA ZONE (RA)

10.1.1 Permitted Uses:^{cmv}

Principal uses:

- a) agriculture, subject to Section 7.23;
- b) *deleted;*^{cmv}
- c) cemeteries;
- d) equestrian centres;
- e) forestry;
- f) packing, processing and storage of farm and off-farm products;
- g) natural resource extraction;^{cmv}
- h) single detached dwelling or mobile home;
- i) veterinary establishments;

Secondary uses:

- j) accessory dwelling or mobile home, subject to Section 7.11;
- k) bed and breakfast operation, subject to Section 7.19;
- l) home industries, subject to Section 7.18;
- m) home occupations, subject to Section 7.17;
- n) kennels, subject to Section 7.25;
- o) retail sales of farm and off-farm products, subject to Section 7.24;
- p) secondary suites, subject to Section 7.12; and
- q) accessory buildings and structures, subject to Section 7.13.

10.1.2 Site Specific Resource Area (RAs) Provisions:

- a) see Section 17.1

10.1.3 Minimum Parcel Size:

- a) 20 ha, subject to servicing requirements

^{cm} Amendment Bylaw No. 2728, 2017 – adopted July 20, 2017.

^{cm} Amendment Bylaw No. 2808, 2018 – adopted October 18, 2018.

^{cm} Amendment Bylaw No. 2783, 2018 – adopted April 19, 2018.

- b) where the Agricultural Land Commission permits a subdivision under its homesite severance policy, there shall be no minimum parcel size.^{cxxvi}

10.1.4 Minimum Parcel Width:

- a) Not less than 25% of the parcel depth.

10.1.5 Maximum Number of Dwellings Permitted Per Parcel:^{cxxvii}

- a) the number of principal dwellings and the number of accessory dwellings or mobile homes permitted per parcel shall be as follows:

Parcel Size	Maximum Number of Accessory Dwellings or Mobile Homes	Maximum Number of Principal Dwellings
Less than 4.0 ha	1	1
4.0 ha to 7.9 ha	2	1
8.0 ha to 11.9 ha	3	1
12.0 ha or greater	4	1
12.0 ha or greater	0	2

- b) one (1) secondary suite.

10.1.6 Minimum Setbacks:^{cxxviii}

- a) Buildings and structures:

- i) Front parcel line: 10.0 metres
- ii) Rear parcel line: 9.0 metres
- iii) Interior side parcel line: 4.5 metres
- iv) Exterior side parcel line: 4.5 metres

- b) Despite Section 10.1.6(a), livestock shelters, equestrian centres, generator sheds, boilers or walls with fans, greenhouses and cannabis production facilities:^{cxxix}

- i) Front parcel line: 15.0 metres
- ii) Rear parcel line: 15.0 metres
- iii) Interior side parcel line: 15.0 metres
- iv) Exterior side parcel line: 15.0 metres

- c) Despite Section 10.1.6(a), incinerators or compost facility:

^{cxxvii} Amendment Bylaw No. 2728, 2017 – adopted July 20, 2017.
^{cxxviii} Amendment Bylaw No. 2743, 2016 – adopted September 15, 2016.
^{cxxix} Amendment Bylaw No. 2728, 2017 – adopted July 20, 2017.
^{cxix} Amendment Bylaw No. 2849, 2019 - adopted December 5, 2019.

i) Front parcel line:	30.0 metres
ii) Rear parcel line:	30.0 metres
iii) Interior side parcel line:	30.0 metres
iv) Exterior side parcel line:	30.0 metres

10.1.7 Maximum Height:

- a) No building, accessory building or structure shall exceed a height of 10.0 metres.

10.1.8 Maximum Parcel Coverage:^{cod}

- a) 35% for parcels less than 2,500 m² in area;
- b) 20% for parcels greater than 2,500 m² and less than 2.0 ha in area; and
- c) for parcels greater than 2.0 ha in area:
- i) 5%; and
 - ii) 75% for greenhouse uses.

^{cod} Amendment Bylaw No. 2728, 2017 – adopted July 20, 2017.

EXHIBIT C

Appraiser's Qualifications

Qualifications and Affiliations
Lionel Hoffmann, AACI, P. App, BBA

EDUCATION

- **Accreditation** - Appraisal Institute of Canada - 2000
- **Diploma in Real Estate Appraisal** - Langara College, 1996 (Honours)
- **Bachelor of Business Administration** - Simon Fraser University, 1987

DESIGNATIONS

- **AACI, P. App** - (Accredited Appraiser Canadian Institute) Appraisal Institute of Canada
- **BBA** - Simon Fraser University
- **DIPL.RA** - Langara College, British Columbia

PROFESSIONAL BACKGROUND

- **Appraiser (Associate)** – NCA Commercial Inc., Kelowna, British Columbia – 2015 to present.
- **Appraiser (Associate)** - Kent-Macpherson, Kelowna, British Columbia - 1998 to 2014.
- **Appraiser** - Okanagan Appraisals Ltd., Kelowna, British Columbia - 1996 to 1998.
- **Property Agent Assistant** - Ministry of Transportation and Highways, Nanaimo, British Columbia - 1995.

MEMBERSHIP AND AFFILIATIONS

- Member of the Appraisal Institute of Canada.
- Member of the Okanagan Chapter of the Appraisal Institute of Canada.
- Member of the British Columbia Expropriation Association

EXPERT QUALIFICATIONS

- Qualified as an expert witness (Real Estate Valuation) - Supreme Court of British Columbia.

QUALIFICATIONS

Extensive real estate valuation and consultation for financing, purchase and sale, due diligence, and litigation support regarding:

- Office buildings
- Shopping centres and retail plazas
- Mixed use developments
- Light and heavy industrial properties
- Service commercial properties
- Multiple family properties (rental and strata-title)
- Modular/mobile home parks
- Development land (residential, commercial and industrial)
- Waterfront land (acreage and development)
- Agricultural and acreage land
- Institutional properties
- Claimant and authority partial and full takings pursuant to the British Columbia Expropriation Act
- road and utility rights-of-way
- Appraisal review
- Commercial lease analysis and market rent estimates
- Market studies

Appraisal assignments completed throughout the Okanagan, Similkameen, Columbia-Shuswap, and Kootenay regions.



CONTRACT OF PURCHASE AND SALE

BROKERAGE: CANADA FLEX REALTY INC. DATE: July 4th 2020
ADDRESS: 1873 MAIN STREET KELOWNA PC: V1Y6L4 PHONE: (778) 932-0220
PREPARED BY: GIL SZABO, *PREC* MLS® NO: 184404

SELLER: <u>C CHEVELDAVE & ASSOCIATES LTD.</u>	BUYER: <u>BRODERSEN, DENNIS</u>
SELLER: <u>Receiver of SAHAR KASHI</u>	BUYER: <u>BRODERSEN, KIM</u>
ADDRESS: <u>LTD.</u>	ADDRESS: _____
<u>SUITE 600 - I, 235 FIRST AVENUE</u>	AB _____ PC: _____
<u>KAMLOOPS BC</u> PC: <u>V2C 3J4</u>	PHONE: _____
PHONE: <u>[Signature]</u>	OCCUPATION: _____

PROPERTY: 1313 GREYBACK MOUNTAIN ROAD
UNIT NO. _____ ADDRESS OF PROPERTY _____
Penticton V2A 8T4

CITY/TOWN/MUNICIPALITY _____ POSTAL CODE _____
011-781-441 This is Exhibit "B" referred to in the Affidavit
PID _____ OTHER PID(S) _____ of Cecil Cheveldave
sworn before me the 29th day of July 20

LEGAL DESCRIPTION
The Buyer agrees to purchase the Property from the Seller on the following terms and subject to the following conditions:

1. PURCHASE PRICE: The purchase price of the Property will be _____
One Million Six Hundred Thousand
_____ DOLLARS \$ 1,600,000.00 (Purchase Price)

DEPOSIT: A deposit of \$ 80,000.00 which will form part of the Purchase Price, will be paid within 24 hours of acceptance unless agreed as follows: (CFC)

DEPOSIT SHALL BE INCREASED TO \$80,000 UPON FINAL SUBJECT REMOVAL, _____ AS PER CLAUSE 17 ON SCHEDULE "A"
All monies paid pursuant to this section (Deposit) will be paid in accordance with section 10 or by uncashed cheque except as otherwise set out in this section 2 and will be delivered in trust to CANADA FLEX REALTY GROUP

and held in trust in accordance with the provisions of the Real Estate Services Act. In the event the Buyer fails to pay the Deposit as required by this Contract, the Seller may, at the Seller's option, terminate this Contract. The party who receives the Deposit is authorized to pay all or any portion of the Deposit to the Buyer's or Seller's conveyancer (the "Conveyancer") without further written direction of the Buyer or Seller, provided that: (a) the Conveyancer is a Lawyer or Notary; (b) such money is to be held in trust by the Conveyancer as stakeholder pursuant to the provisions of the Real Estate Services Act pending the completion of the transaction and not on behalf of any of the principals to the transaction; and (c) if the sale does not complete, the money should be returned to such party as stakeholder or paid into Court.

INITIALS [Signatures]

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PROPERTY ADDRESS

CFC

DS DS
[Signature]

3. TERMS AND CONDITIONS: The purchase and sale of the Property includes the following terms and is subject to the following conditions:
SUBJECT TO THE BUYER COMPLETING AND BEING SATISFIED WITH THEIR DUE DILIGENCE BY JULY 13, 2020.

17 xxxxxxxx

DS DS
[Signature]

THE SELLER SHALL PROVIDE A COPY OF THE AUTHORIZATION LETTER TO REVIEW RDOS FILES WITHIN 72 HOURS OF ACCEPTANCE. *UPON CONFIRMATION THE INITIAL DEPOSIT OF \$10,000 HAS BEEN PAID.*

THIS CONDITION IS FOR THE SOLE BENEFIT OF THE BUYER

DS DS
[Signature]

SUBJECT TO COURT APPROVAL BY AUGUST 17, 2020
THIS CONDITION IS FOR THE BENEFIT OF BOTH THE BUYER AND SELLER

THE BUYER IS AWARE OF THE BC PROPERTY TRANSFER TAX OF 1% ON THE FIRST \$200,000 AND 2% ON THE BALANCE.

THE BUYER IS AWARE THAT GST IS APPLICABLE ON THIS TRANSACTION AND IS RESPONSIBLE TO PAY APPLICABLE GST.

THE BUYER HAS BEEN ADVISED TO SEEK INDEPENDENT LEGAL AND ACCOUNTING ADVICE

DS DS
[Signature]

SCHEDULE 'A' IS INCORPORATED INTO AND FORMS A PART OF THIS CONTRACT.

DS DS
[Signature]

SCHEDULE 'B' IS INCORPORATED INTO AND FORMS A PART OF THIS CONTRACT.

CFC will arrange for CFC

THE SELLER WARRANTS THAT ALL PERSONAL PROPERTY AND DEBRIS SHALL BE REMOVED FROM THIS PROPERTY NO LESS THAN 7 DAYS PRIOR TO COMPLETION, AND THAT THE PROPERTY SHALL BE CLEAN AND CLEAR OF ALL PERSONAL PROPERTY, JUNK, SCRAP METAL AND ANY OTHER DEBRIS OF ANY KIND. THE BUYER AND SELLER SHALL CONDUCT A WALK THROUGH OF THE PROPERTY TO ENSURE ALL DEBRIS AND PERSONAL PROPERTY HAS BEEN REMOVED NO MORE THAN 7 DAYS PRIOR TO COMPLETION. SHOULD THERE BE ANY PERSONAL PROPERTY, JUNK, SCRAP METAL AND ANY OTHER DEBRIS OF ANY KIND REMAINING ON THE PROPERTY, THE BUYER AND SELLER MUTUALLY AGREE THAT A HOLD BACK OF \$10,000 SHALL BE HELD BY THE BUYERS LAWYER UNTIL ALL DEBRIS HAS BEEN REMOVED. SHOULD THE DEBRIS NOT BE REMOVED WITH 30 DAYS OF COMPLETION, THE SELLER AUTHORIZES THE BUYER TO HAVE THE DEBRIS REMOVED AT THE SELLERS EXPENSE AND SAID REMOVAL PAID FOR FROM THE HOLDBACK HELD BY THE BUYERS LAWYER. ANY AND ALL REMAINING FUNDS SHALL BE FORWARDED TO THE SELLER AND OR THEIR REPRESENTATIVE AFTER THE EXPENSE OF REMOVING THE DEBRIS HAS BEEN PAID.

Personal property does not include the modular home which will be removed on or before October 31, 2020. Wood debris / wood-waste will not be removed.

IN THE EVENT THAT THIS CONTRACT DOES NOT PROCEED DUE TO NO FAULT ON THE BUYERS PART, INCLUDING BUT NOT LIMITED TO, THE COURTS ACCEPTANCE OF ANOTHER OFFER, OR THE PROPERTY BEING REDEEMED BUY THE MORTGAGOR OR ANY OTHER RESPONDANT, THAT THE FULL DEPOSIT SHALL BECOME DUE AND PAYABLE TO THE BUYER AND RETURNED IN FULL IMMEDIATELY TO THE BUYER

Each condition, if so indicated is for the sole benefit of the party indicated. Unless each condition is waived or declared fulfilled by written notice given by the benefiting party to the other party on or before the date specified for each condition, this Contract will be terminated thereupon and the Deposit returnable in accordance with the Real Estate Services Act.

INITIALS

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PROPERTY ADDRESS

4. COMPLETION: The sale will be completed on September 14, yr. 2020
(Completion Date) at the appropriate Land Title Office.

5. POSSESSION: The Buyer will have vacant possession of the Property at 4:00 p.m. on
September 14, yr. 2020 (Possession Date) OR, subject to the following existing tenancies, if any:

6. ADJUSTMENTS: The Buyer will assume and pay all taxes, rates, local improvement assessments, fuel utilities and other charges from, and including, the date set for adjustments, and all adjustments both incoming and outgoing of whatsoever nature will be made as of September 14th, yr. 2020 (Adjustment Date).

DS
[Signature]

7. INCLUDED ITEMS: The Purchase Price includes any buildings, improvements, fixtures, appurtenances and attachments thereto, and all blinds, awnings, screen doors and windows, curtain rods, tracks and valances, fixed mirrors, fixed carpeting, electric, plumbing, heating and air conditioning fixtures and all appurtenances and attachments thereto as viewed by the Buyer at the date of inspection, INCLUDING:

DS
[Signature]

~~AUTOMATIC STOCK WATERERS, ALL FENCING AND GATES ON SITE, LARGE WHITE COVERALL PORTABLE BUILDING, ALL SHEDS ON SITE;~~

ALL FENCING THAT IS AFFIXED TO THE LAND & THE 'YELLOW' GATE, LEADING TO CAMPBELL MOUNTAIN

CATTLE RANGE LICENCE

CFC

DS
[Signature]

DS
[Signature]

DS
[Signature]

DS
[Signature]

BUT EXCLUDING:

ALL ITEMS LISTED IN SCHEDULE 'B'

8. VIEWED: The Property and all included items will be in substantially the same condition at the Possession Date as when viewed by the Buyer on July 3rd yr. 2020

9. TITLE: Free and clear of all encumbrances except subsisting conditions, provisos, restrictions exceptions and reservations, including royalties, contained in the original grant or contained in any other grant or disposition from the Crown, registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities, existing tenancies set out in Section 5, if any, and except as otherwise set out herein.

10. TENDER: Tender or payment of monies by the Buyer to the Seller will be by certified cheque, bank draft, cash or Lawyer's/Notary's or real estate brokerage's trust cheque.

11. DOCUMENTS: All documents required to give effect to this Contract will be delivered in registrable form where necessary and will be lodged for registration in the appropriate Land Title Office by 4 pm on the Completion Date.

11A. SELLER'S PARTICULARS AND RESIDENCY: The Seller shall deliver to the Buyer on or before the Completion Date a statutory declaration of the Seller containing: (1) particulars regarding the Seller that are required to be included in the Buyer's Property Transfer Tax Return to be filed in connection with the completion of the transaction contemplated by this Contract (and the Seller hereby consents to the Buyer inserting such particulars on such return); (2) declarations regarding the Speculation and Vacancy Tax for residential properties located in jurisdictions where such tax is imposed and the Vancouver Vacancy By-Law for residential properties located in the City of Vancouver; and (3) if the Seller is not a non-resident of Canada as described in the non-residency provisions of the *Income Tax Act*, confirmation that the Seller is not then, and on the Completion Date will not be, a non-resident of Canada. If on the Completion Date the Seller is a non-resident of Canada as described in the residency provisions of the *Income Tax Act*, the Buyer shall be entitled to hold back from the Purchase Price the amount provided for under section 116 of the *Income Tax Act*.

[Signature] [Signature] [Signature] [Signature]
INITIALS

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PROPERTY ADDRESS

11B. GST CERTIFICATE: If the transaction contemplated by this Contract is exempt from the payment of Goods and Services Tax ("GST"), the Seller shall execute and deliver to the Buyer on or before the Completion Date, an appropriate GST exemption certificate to relieve the parties of their obligations to pay, collect and remit GST in respect of the transaction. If the transaction contemplated by this Contract is not exempt from the payment of GST, the Seller and the Buyer shall execute and deliver to the other party on or before the Completion Date an appropriate GST certificate in respect of the transaction.

12. TIME: Time will be of the essence hereof, and unless the balance of the cash payment is paid and such formal agreements to pay the balance as may be necessary is entered into on or before the Completion Date, the Seller may, at the Seller's option, terminate this Contract, and, in such event, the amount paid by the Buyer will be non-refundable and absolutely forfeited to the Seller, subject to the provisions of Section 28 of the Real Estate Services Act, on account of damages, without prejudice to the Seller's other remedies.

13. BUYER FINANCING: If the Buyer is relying upon a new mortgage to finance the Purchase Price, the Buyer, while still required to pay the Purchase Price on the Completion Date, may wait to pay the Purchase Price to the Seller until after the transfer and new mortgage documents have been lodged for registration in the appropriate Land Title Office, but only if, before such lodging, the Buyer has: (a) made available for tender to the Seller that portion of the Purchase Price not secured by the new mortgage, and (b) fulfilled all the new mortgagee's conditions for funding except lodging the mortgage for registration, and (c) made available to the Seller, a Lawyer's or Notary's undertaking to pay the Purchase Price upon the lodging of the transfer and new mortgage documents and the advance by the mortgagee of the mortgage proceeds pursuant to the Canadian Bar Association (BC Branch) (Real Property Section) standard undertakings (the "CBA Standard Undertakings").

14. CLEARING TITLE: If the Seller has existing financial charges to be cleared from title, the Seller, while still required to clear such charges, may wait to pay and discharge existing financial charges until immediately after receipt of the Purchase Price, but in this event, the Seller agrees that payment of the Purchase Price shall be made by the Buyer's Lawyer or Notary to the Seller's Lawyer or Notary, on the CBA Standard Undertakings to pay out and discharge the financial charges, and remit the balance, if any, to the Seller.

15. COSTS: The Buyer will bear all costs of the conveyance and, if applicable, any costs related to arranging a mortgage and the Seller will bear all costs of clearing title.

16. RISK: All buildings on the Property and all other items included in the purchase and sale will be, and remain, at the risk of the Seller until 12:01 am on the Completion Date. After that time, the Property and all included items will be at the risk of the Buyer.

17. PLURAL: In this Contract, any reference to a party includes that party's heirs, executors, administrators, successors and assigns; singular includes plural and masculine includes feminine.

18. REPRESENTATIONS AND WARRANTIES: There are no representations, warranties, guarantees, promises or agreements other than those set out in this Contract and the representations contained in the Property Disclosure Statement if incorporated into and forming part of this Contract, all of which will survive the completion of the sale.

19. PERSONAL INFORMATION: The Buyer and the Seller hereby consent to the collection, use and disclosure by the Brokerages and by the managing broker(s), associate broker(s) and representative(s) of those Brokerages (collectively the "Licensee(s)") described in Section 21, the real estate boards of which those Brokerages and Licensees are members and, if the Property is listed on a Multiple Listing Service, the real estate board that operates the Multiple Listing Service, of personal information about the Buyer and the Seller:

A. for all purposes consistent with the transaction contemplated herein:

B. if the Property is listed on a Multiple Listing Service, for the purpose of the compilation, retention and publication by the real estate board that operates the Multiple Listing Service and other real estate boards of any statistics including historical Multiple Listing Service data for use by persons authorized to use the Multiple Listing Service of that real estate board and other real estate boards:

Handwritten initials in a box, with the word "INITIALS" printed below.

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PROPERTY ADDRESS

- C. for enforcing codes of professional conduct and ethics for members of real estate boards; and
- D. for the purposes (and to the recipients) described in the brochure published by the British Columbia Real Estate Association entitled *Privacy Notice and Consent*.

The personal information provided by the Buyer and Seller may be stored on databases outside Canada, in which case it would be subject to the laws of the jurisdiction in which it is located.

20. **ASSIGNMENT OF REMUNERATION:** The Buyer and the Seller agree that the Seller's authorization and instruction set out in section 25(c) below is a confirmation of the equitable assignment by the Seller in the Listing Contract and is notice of the equitable assignment to anyone acting on behalf of the Buyer or Seller.

20A. **RESTRICTION ON ASSIGNMENT OF CONTRACT:** The Buyer and the Seller agree that this Contract: (a) must not be assigned without the written consent of the Seller; and (b) the Seller is entitled to any profit resulting from an assignment of the Contract by the Buyer or any subsequent assignee.

21. **AGENCY DISCLOSURE:** The Seller and the Buyer acknowledge and confirm as follows (initial appropriate box(es) and complete details as applicable):

INITIALS	

A. The Seller acknowledges having received, read and understood Real Estate Council of British Columbia (RECBC) form entitled "Disclosure of Representation in Trading Services" and hereby confirms that the Seller has an agency relationship with

TIM TEREPOCKI (Designated Agent(s)/Licensee(s))

who is/are licensed in relation to ROYAL LEPAGE KAMLOOPS REALTY (Brokerage).

INITIALS	

B. The Buyer acknowledges having received, read and understood RECBC form entitled "Disclosure of Representation in Trading Services" and hereby confirms that the Buyer has an agency relationship with

GIL SZABO, * PREC * (Designated Agent(s)/Licensee(s))

who is/are licensed in relation to CANADA FLEX REALTY INC. (Brokerage).

INITIALS	

C. The Seller and the Buyer each acknowledge having received, read and understood RECBC form entitled "Disclosure of Risks Associated with Dual Agency" and hereby confirm that they each consent to a dual agency relationship with

_____ (Designated Agent(s)/Licensee(s))

who is/are licensed in relation to _____ (Brokerage).

having signed a dual agency agreement with such Designated Agent(s)/Licensee(s) dated _____.

INITIALS	

D. If only (A) has been completed, the Buyer acknowledges having received, read and understood RECBC form "Disclosure of Risks to Unrepresented Parties" from the Seller's agent listed in (A) and hereby confirms that the Buyer has no agency relationship.

INITIALS	

E. If only (B) has been completed, the Seller acknowledges having received, read and understood RECBC form "Disclosure of Risks to Unrepresented Parties" from the Buyer's agent listed in (B) and hereby confirms that the Seller has no agency relationship.

INITIALS			

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22. ACCEPTANCE IRREVOCABLE (Buyer and Seller): The Seller and the Buyer specifically confirm that this Contract of Purchase and Sale is executed under seal. It is agreed and understood that the Seller's acceptance is irrevocable, including without limitation, during the period prior to the date specified for the Buyer to either:

- A. fulfill or waive the terms and conditions herein contained; and/or
- B. exercise any option(s) herein contained.

DS DS
[Signatures]

23. THIS IS A LEGAL DOCUMENT, READ THIS ENTIRE DOCUMENT AND INFORMATION PAGE BEFORE YOU SIGN.
CFC [Signatures]

24. OFFER: This offer, or counter offer, will be open for acceptance until 12:00 o'clock p.m. on 09 July 2020 (unless withdrawn in writing with notification to the other party of such revocation prior to notification of its acceptance), and upon acceptance of the offer, or counter-offer, by accepting in writing and notifying the other party of such acceptance, there will be a binding Contract of Purchase and Sale on the terms and conditions set forth.

X WITNESS _____ DocuSigned by: [Signature] BUYER 14495B1AC415 SEAL BRODERSEN, DENNIS PRINT NAME

X WITNESS _____ DocuSigned by: [Signature] BUYER AB081 DAB1 07D4CD SEAL BRODERSEN, KIM PRINT NAME

If the Buyer is an individual, the Buyer declares that they are a Canadian citizen or a permanent resident as defined in the Immigration and Refugee Protection Act:

Yes [Signature] INITIALS No [] INITIALS

25. ACCEPTANCE: The Seller (a) hereby accepts the above offer and agrees to complete the sale upon the terms and conditions set out above, (b) agrees to pay a commission as per the Listing Contract, and (c) authorizes and instructs the Buyer and anyone acting on behalf of the Buyer or Seller to pay the commission out of the proceeds of sale and forward copies of the Seller's Statement of Adjustments to the Cooperating/Listing Brokerage, as requested forthwith after completion.

Seller's acceptance is dated July 9, 2020

The Seller declares their residency: [Signature]

RESIDENT OF CANADA [Signature] INITIALS NON-RESIDENT OF CANADA [] INITIALS as defined under the Income Tax Act.

X WITNESS _____ C. CHEVELDAVE & ASSOCIATES LTD. RECEIVED OF SARGENT LARK LTD. SEAL C CHEVELDAVE & ASSOCIATES PRINT NAME CECIL CHEVELDAVE

X WITNESS _____ SELLER [Signature] PRINT NAME

*PREC represents Personal Real Estate Corporation

Trademarks are owned or controlled by The Canadian Real Estate Association (CREA) and identify real estate professionals who are members of CREA (REALTOR) and/or the quality of services they provide (MLS).

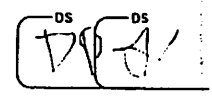
SCHEDULE "A"
(Court Approved Sale)

DATE: JULY 04, 2020

CONTRACT OF PURCHASE AND SALE RE the lands and premises having the following parcel identifier
011-781-441 (the "Lands")

The following terms replace, modify and where applicable override the terms of the attached Contract of Purchase and Sale. Where a conflict arises between the terms of this Schedule and the Contract of Purchase and Sale, the terms of this Schedule shall apply. Notwithstanding any term or condition to this Contract of Purchase and Sale, whether contained herein or otherwise, on accepting this Contract of Purchase and Sale the parties hereto agree as follows:

1. All references to Vendor/Seller in the Contract of Purchase and Sale and in this Schedule mean C. Cheveldave & Associates Ltd., in its capacity as court-appointed Receiver and Manager (the "Receiver") of the assets, undertakings and properties of Sather Ranch Ltd. (the "Debtor") and the Lands pursuant to the Court Order made in Supreme Court of British Columbia, Action No. S1913131 (Vancouver Registry) on November 21, 2019, and not as vendor or owner.
2. The Receiver agrees, subject to the other terms of this Contract of Purchase and Sale, to present this contract of Purchase and Sale to Court for approval and in so doing is not contractually or otherwise liable to any party in any way;
3. The Buyer accepts the Lands "as is, where is" as of the Possession Date and saves the Receiver harmless from all claims resulting from or relating to the age, fitness, condition, zoning, lawful use, environmental condition or circumstances and location of the Lands, and agrees to accept the Lands subject to any outstanding work orders or notices or infractions as to the date of closing and subject to the existing municipal or other governmental by-laws, restrictions or orders affecting its use, including subdivision agreement and easements;
4. The Buyer acknowledges and agrees that the Receiver makes no representations or warranties whatsoever with respect to the Lands. The Buyer acknowledges and agrees that he has relied entirely upon his own inspection and investigation with respect to quantity, quality and value of the Lands.
5. With respect to environmental matters, and without limiting the generality of the foregoing, the Buyer agrees that he is responsible to investigate the environmental condition of the Lands to his satisfaction and that he is responsible to satisfy himself, and is relying on his own investigations to verify that the level of Contaminants, as hereinafter defined, on or migrating to or from the Lands is satisfactory to the Buyer and the environmental condition of the Lands is otherwise acceptable. Contaminants includes, without limitation, any contaminant, pollutant, underground or aboveground tank, asbestos materials, urea formaldehyde, deleterious substance, dangerous substance or good, hazardous, corrosive or toxic substance, special waste, waste or any other substance which is now or hereafter regulated under any laws, regulations, bylaws, orders or other lawful requirements of any governmental authority having jurisdiction over the Lands.
6. The Buyer acknowledges and agrees that the assets to be purchased under the Contract of Purchase and Sale do not include any personal property or chattels and that any personal property or chattels remaining in the premises on the Lands which are taken by the Buyer are taken by him at his own risk completely, without representation or warranty of any kind from the Receiver as to the ownership or state of repair of any such personal property or chattels;
7. The Buyer acknowledges and agrees that there will be no adjustments, including but not limited to adjustments for rents or security deposits, made to the purchase price on account of any tenancies assumed by the Buyer.
8. The Receiver is not and will not be liable to the Buyer nor to anyone claiming by, through or under the Buyer for any damages, costs or expenses for damage caused to the Lands by the registered owner of the Lands or his tenants, guests, assigns, agents or by persons unknown.
9. This Contract of Purchase and Sale is subject to approval by the Supreme Court of British Columbia (the "Court"), with the real estate commission in respect of this contract of Purchase and Sale to be paid only if the sale completes pursuant to an order of the Court in the Proceedings. This condition is for the sole benefit of the Receiver.
10. The Buyer acknowledges and agrees that other prospective purchasers may attend in Court in person or by agent at the hearing of the motion to approve this Contract of Purchase and Sale and such prospective purchasers may make competing offers which may be approved by the Court. The Receiver may be compelled to advocate that the Court consider other offers in order to obtain the highest price for the Lands. The Receiver gives no undertaking to advocate the acceptance of this offer. To protect his interest in purchasing the Lands, the Buyer acknowledges and agrees that he should attend at the Court hearing in person or by agent and be prepared there to make such amended or increased offer to purchase the Lands as the Court may permit or direct;

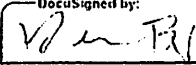


11. This Contract of Purchase and Sale may be terminated at the Receiver's sole option if at any time prior to Court approval:
 - a. the Court varies or vacates the receivership order to remove or impede the Receiver's ability to market the Lands for sale;
 - b. the property is redeemed by the mortgagor or any respondent, through private sale or otherwise, prior to court approval of a sale of the Lands; or
 - c. the Receiver determines it is inadvisable to present this Contract of Purchase and Sale to the Court
 and in any such event the Receiver shall have no further obligations or liability to the Buyer under this Contract of Purchase and Sale or otherwise. This condition is for the sole benefit of the Receiver.
12. The Buyer acknowledges and agrees that he is purchasing title in the Lands free and clear of all encumbrances of the parties to the proceedings concerning the Lands brought by Michael Street and Marielle Brule in the Supreme Court of British Columbia in accordance with such vesting order as may be made in the said proceedings except: subsisting conditions, provisos, restrictions, exceptions and reservations, including royalties contained in the original grant or contained in any other grant or disposition from the Crown registered or pending restrictive covenants and rights-of-way in favour of utilities and public authorities, existing tenancies, if any, and except as otherwise set out herein.
13. The Buyer acknowledges and agrees that time will be of the essence hereof, and unless the balance of the cash payment is paid and such formal agreement to pay the balance as may be necessary is entered into on or before the Completion Date, the Receiver may at its option either terminate or reaffirm this Contract, and in either event the amount paid by the Buyer, including without limitation the deposit will be absolutely forfeited to the Receiver on account of damages, and not in substitution therefor, without prejudice to the Receiver's other remedies.
14. No property condition disclosure statement concerning the Lands forms part of this Contract of Purchase and Sale whether or not such a statement is attached to it.
15. The Purchase Price does not include Goods and Services Tax, if any, which shall be payable by the Buyer.
16. The Receiver may, at its sole discretion, extend the Completion Date by up to 10 days.
17. If the Buyer fails or refuses to complete the purchase and sale herein contemplated after all the Buyer's conditions have been satisfied or waived, the Deposit together with accrued interest thereon shall be forfeited to the Receiver as liquidated damages as a genuine pre-estimate of its damages, without prejudice to any other rights and remedies which the Receiver may have at law or in equity against the Buyer. In accordance with s. 30(1)(g) and 30(2)(b) of the *Real Estate Services Act*, the Buyer and Receiver hereby agree to the release of the Deposit and accrued interest thereon to the Receiver, and the Buyer hereby instructs the party holding the Deposit to so release the Deposit together with accrued interest thereon to the Receiver, upon written demand from the Receiver or its counsel confirming that the Buyer has failed or refused to complete the purchase and sale herein contemplated despite the Buyer's conditions having been satisfied or waived.
18. All funds payable in connection with this Contract of Purchase and Sale will be by certified cheque, bank draft, cash or certified Lawyer's/Notary's trust cheque, and shall be delivered by prepaid courier to the solicitor acting for the Receiver.

Witness

Witness

Witness

DocuSigned by:

 Buyer 4A44306B1AC116 DocuSigned by:

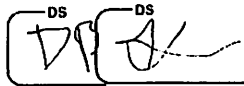
Buyer
 AE08F3AEF-07D4CD

C. Chynoweth & Associates Ltd., Receiver and
 Manager of Sather Ranch Ltd., including the Lands
 as defined herein (and not in its personal capacity)

SCHEDULE B – EXCLUSIONS TO PURCHASE AND SALE OF 1313 GREYBACK MOUNTAIN ROAD

Items specifically excluded:

- 1000 gallon tank
- Snow plow blade
- Old cattle squeeze
- Misc. gates
- 600 gallon water trough
- Calf shelters (6)
- Horse shelters (3)
- Feeders (4)
- Steel panels (20)
- HiQual cattle squeeze
- Calf squeeze
- 10 x 8 Hi Hog frame gate (6)
- Hi Hog Maternity Pen
- 40 x 40 tent
- Heavy duty bull feeders (2)
- Wall tent 14 x 16
- Honda Generator 3500 (well used)
- Misc tools / chainsaw
- Truck ramps
- Stock waterers (5)
- 2009 Modular Home.





2020-06-29, 08:36:13

Requestor: Sandi Taylor

TITLE SEARCH PRINT

File Reference: TEREPOCKI

Declared Value \$150000

****CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN****

Land Title District	KAMLOOPS
Land Title Office	KAMLOOPS
Title Number	CA5807500
From Title Number	CA5748632
Application Received	2017-02-06
Application Entered	2017-02-10
Registered Owner in Fee Simple	
Registered Owner/Mailing Address:	SATHER RANCH LTD., INC.NO. A0088770 1335 COMMERCIAL WAY PENTICTON, BC V2A 3H4
Taxation Authority	Penticton Assessment Area
Description of Land	
Parcel Identifier:	011-781-441
Legal Description:	SUB LOT 8 DISTRICT LOT 2711 SIMILKAMEEN DIVISION YALE DISTRICT PLAN 1190
Legal Notations	NONE
Charges, Liens and Interests	
Nature:	RESERVATION
Registration Number:	44185E
Registered Owner:	THE COLUMBIA WESTERN RAILWAY
Remarks:	DD 8303
Nature:	RIGHT OF WAY
Registration Number:	N32015
Registration Date and Time:	1978-06-12
Registered Owner:	WEST KOOTENAY POWER AND LIGHT COMPANY LIMITED

TITLE SEARCH PRINT

File Reference: TEREPOCKI

Declared Value \$150000

2020-06-29, 08:36:13

Requestor: Sandi Taylor

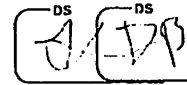
Nature:	MORTGAGE
Registration Number:	CA5807665
Registration Date and Time:	2017-02-06 15:46
Registered Owner:	MICHAEL NEIL STREET MARIELLE JACQUELINE ANGELLA BRULE AS JOINT TENANTS
Transfer Number:	CA7496634

Nature:	ASSIGNMENT OF RENTS
Registration Number:	CA5807666
Registration Date and Time:	2017-02-06 15:46
Registered Owner:	MICHAEL NEIL STREET MARIELLE JACQUELINE ANGELLA BRULE AS JOINT TENANTS
Transfer Number:	CA7496635

Duplicate Indefeasible Title NONE OUTSTANDING

Transfers NONE

Pending Applications NONE



PROPERTY DISCLOSURE STATEMENT LAND ONLY



Date of disclosure: June 21, 2020

The following is a statement made by the seller concerning the Land located at:

ADDRESS: 1313 Grayback Mountain Rd Penticton (the "Land")

THE SELLER IS RESPONSIBLE for the accuracy of the answers on this Property Disclosure Statement and where uncertain should reply "do not know." This Property Disclosure Statement constitutes a representation under any Contract of Purchase and Sale if so agreed, in writing, by the seller and the buyer.	THE SELLER SHOULD INITIAL THE APPROPRIATE REPLIES.			
	YES	NO	DO NOT KNOW	DOES NOT APPLY
1. LAND				
A. Are you aware of any encroachments, unregistered easements or unregistered rights-of-way?	<u>A</u>			
B. Are you aware of any existing tenancies, written or oral?	<u>A</u>			
C. Are you aware of any past or present underground oil storage tank(s) on the Land?		<u>A</u>		
D. Is there a survey certificate available?			<u>A</u>	
E. Are you aware of any current or pending local improvement levies/charges?		<u>A</u>		
F. Have you received any other notice or claim affecting the Land from any person or public body?	<u>A</u>			
G. Is the Land managed forest lands?		<u>A</u>		
H. Is the Land in the Agricultural Land Reserve?	<u>A</u>			
I. Are you aware of any past or present fuel or chemical storage anywhere on the Land?		<u>A</u>		
J. Are you aware of any fill materials anywhere on the Land?		<u>A</u>		
K. Are you aware of any waste sites, past or present, excluding manure storage anywhere on the Land?		<u>A</u>		
L. Are you aware of any uncapped or unclosed water wells on the Land?		<u>A</u>		
M. Are you aware of any water licences affecting the Land?		<u>A</u>		
N. Has the Land been logged in the last five years?		<u>A</u>		
(i) If yes, was a timber mark/licence in place?				
(ii) If yes, were taxes or fees paid?				
O. Is there a plot plan available showing the location of wells, septic systems, crops etc.			<u>A</u>	
2. SERVICES				
A. Indicate the water system(s) the Land uses: Municipal <input type="checkbox"/> Community <input type="checkbox"/> Private <input checked="" type="checkbox"/> Well <input checked="" type="checkbox"/> Not Connected <input type="checkbox"/> Other _____	<u>A</u>			
B. Are you aware of any problems with the water system?		<u>A</u>		
C. Are records available regarding the quantity and quality of the water available?	<u>A</u>			
D. Indicate the sanitary sewer system the Land is connected to. Municipal <input type="checkbox"/> Community <input type="checkbox"/> Septic <input checked="" type="checkbox"/> Lagoon <input type="checkbox"/> Not Connected <input type="checkbox"/> Other _____				
E. Are you aware of any problems with the sanitary sewer system?		<u>A</u>		
F. Are there any current service contracts (i.e., septic removal or maintenance)?		<u>A</u>		
G. If the system is septic or lagoon and installed after May 31, 2005, are maintenance records available?		<u>A</u>		

INITIALS [Signature]

DATE OF DISCLOSURE _____
 ADDRESS: 1313 Greyback Mountain Rd Ponticton


	YES	NO	DO NOT KNOW	DOES NOT APPLY
3. BUILDING: (Not Applicable)				
4. GENERAL:				
A. Are you aware if the Land has been used to grow cannabis (other than as permitted by law) or to manufacture illegal substances?		<input checked="" type="checkbox"/>		
B. Are you aware of any latent defect in respect of the Land? <i>For the purposes of this question, "latent defect" means a defect that cannot be discerned through a reasonable inspection of the Land that renders the Land: (a) dangerous or potentially dangerous to occupants; or (b) unfit for habitation.</i>		<input checked="" type="checkbox"/>		
C. Are you aware if the Land, or any portion of the Land, is designated or proposed for designation as a "heritage site" or of "heritage value" under the Heritage Conservation Act or under municipal legislation?		<input checked="" type="checkbox"/>		

ADDITIONAL COMMENTS AND/OR EXPLANATIONS: (Use additional pages if necessary.)

- CITY OF PONTICTON HAS A GATE & ROAD ACCESS TO THE DAM - NO REGISTERED EASEMENT
- LOCKED GATE AT SOUTH END OF THE LOT PROVIDES TELUS, NAV CANADA, ETC ACCESS TO TOWERS ON CAMPORELL MOUNTAIN - NO REGISTERED EASEMENT
- GREYBACK MNT. ROAD IS A SECTION 4/2 ROAD
- WATER INFLUATION ISSUE NOTED IN 2019.

The seller states that the information provided is true, based on the seller's current actual knowledge as of the date on page 1. Any important changes to this information made known to the seller will be disclosed by the seller to the buyer prior to closing. The seller acknowledges receipt of a copy of this Property Disclosure Statement and agrees that a copy may be given to a prospective buyer.

PLEASE READ THE INFORMATION PAGE BEFORE SIGNING.

PER:  C. CHEVELDAVE
 SELLER(S) C Cheveldave & Associates SELLER(S) Receiver of Sathor Ranch Ltd

The buyer acknowledges that the buyer has received, read and understood a signed copy of this Property Disclosure Statement from the seller or the seller's brokerage on the _____ day of _____ yr. _____ The prudent buyer will use this Property Disclosure Statement as the starting point for the buyer's own inquiries.

The buyer is urged to carefully inspect the Land and, if desired, to have the Land inspected by a licensed inspection service of the buyer's choice.

DocuSigned by:  BUYER(S)
 DocuSigned by:  BUYER(S)

The seller and the buyer understand that neither the listing nor selling agencies or their representatives warrant or guarantee the information provided about the Land.

*PREC represents Personal Real Estate Corporation
 Trademarks are owned or controlled by The Canadian Real Estate Association (CREA) and identify real estate professionals who are members of CREA (REALTOR®) and/or the quality of services they provide (MLS®).





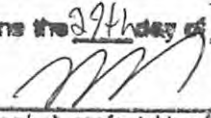
July 20, 2020

C.Cheveldave & Associates Ltd
 Suite 600 - I, 235 - First Ave
 Kamloops, BC
 V2C 3J4

Attention: Mr. Cecil Cheveldave

Dear Mr. Cheveldave

Re: 1313 Greyback Mountain Rd, Penticton, BC - Marketing Summary

This is Exhibit 'C' referred to in the Affidavit
 of Cecil Cheveldave
 sworn before me the 29th day of July 2020

 A Commissioner for taking Affidavits
 for British Columbia

Further to your request, we are pleased to provide you with a summary of our marketing efforts with respect to the potential sale of 1313 Greyback Mountain Rd, Penticton, British Columbia (the "property").

I, Tim Terepocki, am a professional realtor focused on marketing and selling ranches, farms and rural acreages for over 12 years offering specialized services to clients with my vast knowledge in the agricultural sector along with being very familiar with the working aspects of farms and ranches.

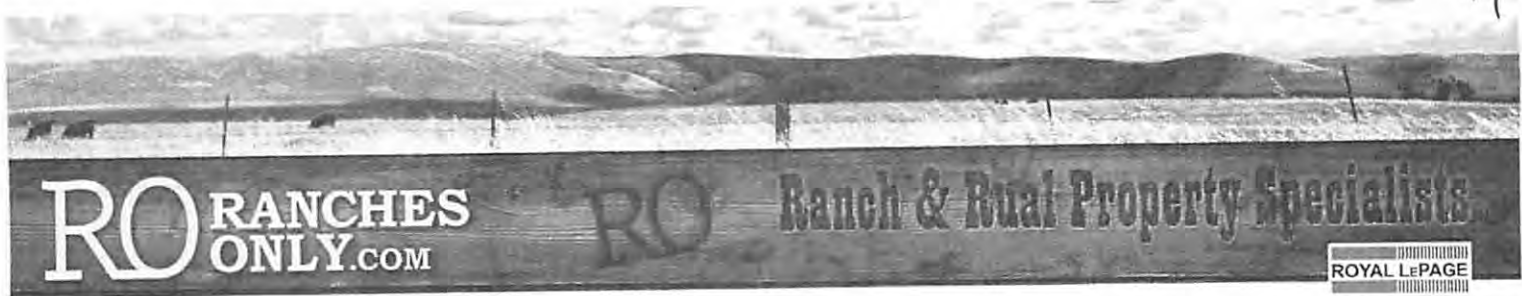
Prior to listing the property, I preformed my due diligence and valuation of the property with two on-site visits. I then reviewed multiple comparable properties that were listed at the present time and multiple 'sold' properties from the past 3 years. I concluded that 1313 Greyback Mountain Rd property is a unique acreage with many desirable attributes such as but not limited to:

- The acreage is bordering Penticton city limits
- Partially within the Agricultural Land Reserve
- Zoned LH1 under Naramata zoning by-law as Resource Area
- Fenced and cross fenced with 5 stock waters and developed spring
- Cattle handling setup, including cattle chute
- 200 head grazing license adjacent to the property
- Adequate water supply and newer pump
- Riding arena along with many other recreational opportunities out the back door
- Beautiful views and only 10 minutes from Penticton

With all the above considerations an asking price of \$1,595,000.00 was established.

Tim Terepocki Cell 250.280.7653

ranchproperties@gmail.com



The property was listed on June 23, 2020 for \$1,595,000.00

MARKETING

In addition to placing the listing on the Realtor.ca, I also took a proactive approach to marketing 1313 Greyback Mountain Rd in Penticton, BC. My approach included a combination of direct contact of potential purchasers, internet advertising along with listing on Royal LePage and Ranches Only website.

1. Realtor.ca Services: The listing of 1313 Greyback Mountain Rd was placed on the Realtor.ca website. Realtor.ca is available to the public as well as to all Realtors in the province along with Canada.
2. Detailed Information Package: I prepared a comprehensive electronic and hardcopy information package providing prospects detailed information on the property. I included location maps, legal information, improvement details, zoning information and disclosure of current Covid19 related court protocols.
3. Internet: I placed the listing on Ranches Only.com website along with Royal LePage.ca. RanchesOnly.com receives over 10,000 visitors a day looking for ranch and rural properties. Royal LePage receives over 50,000 visitors a day. I created marketing material for Ranches Only Facebook and Instagram pages along with sharing it on my Facebook page.
4. Direct Contact: I contacted 6 of my direct contacts that were potential prospects. This number does not include casual conversations or quick inquires developed from social media.

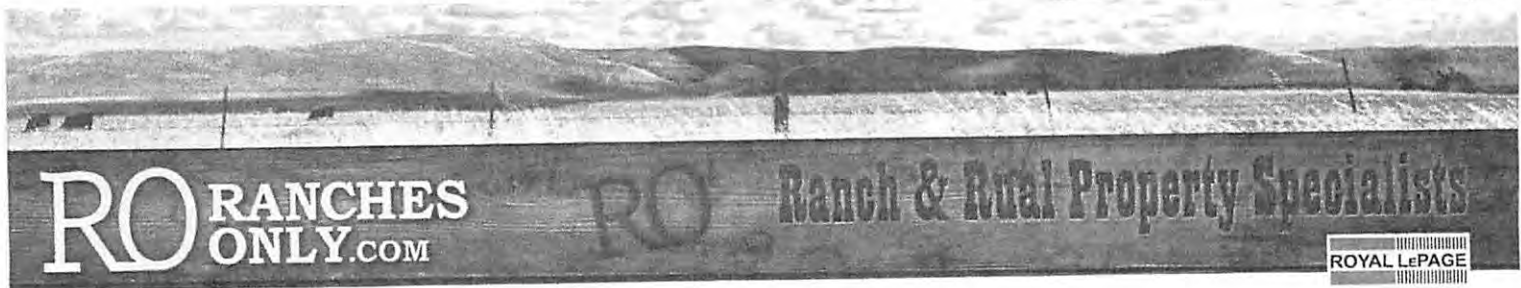
OFFERS

I received 7 enquiries regarding the property prior to receiving an offer. There were 2 on-site showings from the 7 enquiries. An offer was received July 4, 2020.

On July 4, 2020 an offer was presented by Gil Szabo of Gil Szabo Realestate from Penticton on behalf of Dennis and Kim Brodersen. The offer was for \$1,600,000.00, which was \$5000.00 above the asking price. Negotiations took place on non-price terms and the offer was accepted by the Receiver on July 9, 2020

Subsequent to the acceptance of the offer, I've received interest from one interested party regarding the property.

SUMMARY



In summary, I have marketed 1313 Greyback Mountain Rd for 27 days. During this time I have continually marketed the property and have answered/replied to all enquires. I believe that the accepted offer represents the current market conditions and is fair to all parties involved.

I trust that this letter will be helpful in obtaining approval of the accepted offer by the Court. Please do not hesitate to call if you have any questions or require any clarification.

Sincerely

Tim Terepocki Personal Real Estate Corporation

A handwritten signature in black ink, appearing to read "Tim Terepocki".

JULY 20 / 2020

Tim Terepocki
 250-280-7653
ranchproperties@gmail.com