



COURT FILE NUMBER B-180285  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL  
OF PUREWAL BLUEBERRY FARMS LTD.**

**FIRST REPORT OF THE PROPOSAL TRUSTEE**

**MAY 25, 2018**

## INTRODUCTION

1. This report (“**First Report**”) has been prepared by FTI Consulting Canada Inc. (“**FTI**”) in its capacity as the Trustee (the “**Proposal Trustee**”) under a Notice of Intention to File a Proposal (“**NOI**”) signed by Purewal Blueberry Farms Ltd. (“**Purewal**” or the “**Company**”) as of March 28, 2018 but filed with the Superintendent of Bankruptcy on April 30, 2018 pursuant to Part III, Division I of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the “**BIA**”).
2. Purewal commenced operations in 1981 for the purpose of producing, packing and marketing blueberries. The Company was formed by three brothers, Malkiat Singh Purewal, Charan Singh Purewal and Gurjit Singh Purewal. In May 2005, Purewal was amalgamated with two other corporate entities; Berar Farms Ltd. and Purewal Farms Ltd.
3. Since its inception, the Company has developed a reputation for quality blueberries which it sold as fresh product predominantly through Safeway stores in Canada and the USA and in frozen form through an established network of North American fruit brokers.
4. Over the years the Company expanded its operations to the point where in the late 1990’s it was recognized as one of the largest blueberry producers in North America, producing and marketing between 20 and 25 million pounds of blueberries per year.
5. During its off peak season the Company also co-packs approximately 25 million pounds annually of mandarin and navel oranges for Safeway, Costco and Save-On-Foods.
6. The corporate organization chart for the Purewal group of companies is attached as Appendix A.
7. As competition in the industry grew and profit margins declined, Purewal was slow to react and did not make the changes necessary to reduce its operating costs.

8. In addition, in 2007/2008 the Company expanded its operations by planting 165 acres of blueberries on leasehold land in Pitt Meadows at a cost of approximately \$3 million funded from its operating revenues.
9. As a result, these decisions had a significant negative impact on the Company's cash flow and liquidity leading to loss of confidence by its supply chain and customers utilizing the capacity in its processing plant.
10. Due to increasing pressure from its secured lenders, suppliers and customers, the Company commenced a process to reduce its financial obligations and restore its profitability.
11. In 2013 the Company sold 368 acres of blueberry producing properties in Abbotsford, Coquitlam, Pitt Meadows and Richmond. Total proceeds from these land sales was approximately \$37 million which was primarily used to pay down long term debt and bring the accounts payable current.
12. Since its inception Purewal has been a family run business with management and direction being provided by the three founding brothers. As the brothers aged and began to withdraw from the business, a co-ordinated succession plan was not implemented. Accordingly, the management of the business suffered resulting in poor financial results and increasing pressure from the secured lender for either an exit strategy or succession plan.
13. In the fall of 2017, the secured lender had become frustrated with management's indecision and commenced foreclosure proceedings. On January 11, 2018, the secured lender (Blueberry Holdings (GP)) obtained an Order Ni Si subject to a six month redemption period expiring in July 2018.
14. After several discussions amongst the three founding shareholders, it was decided by a majority vote to file a NOI on the basis that the Company has significant value and an orderly process is required in order to maximize its value for all stakeholders. Accordingly, on April 30, 2018 the NOI was filed with the Superintendent of Bankruptcy.

15. The reports of the Proposal Trustee and other information in respect of these proceedings are posted on the Proposal Trustee's website at <http://cfcanada.fticonsulting.com/purewal/>.

## **PURPOSE**

16. The purpose of the First Report is to provide this Honourable Court with an update on the following:
- (a) The activities of the Company since the filing of its NOI;
  - (b) The Company's efforts to secure funding for its ongoing costs during this proceeding;
  - (c) An analysis of the Company's actual cash receipts and disbursements to date, compared to the forecast filed on May 10, 2018;
  - (d) The Company's cash flow projection for the period from May 28, 2018 to July 13, 2018;
  - (e) The rationale for the proposed Professional Charge over the Company's assets to secure the professional fees and disbursements in relation to these proceedings; and
  - (f) The Company's request for an extension of the current stay of proceedings under the NOI from May 30, 2018 to July 13, 2018.

## TERMS OF REFERENCE

17. In preparing this report, the Proposal Trustee has relied upon unaudited financial information, other information available to the Proposal Trustee and, where appropriate, the Company's books and records and discussions with various parties (collectively, the "**Information**").
18. Except as described in this report:
  - (a) The Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
  - (b) The Proposal Trustee has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
19. Future oriented financial information reported or relied on in preparing this report is based on assumptions regarding future events; actual results may vary from forecast and such variations may be material.
20. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

## UPDATE ON THE COMPANY'S ACTIVITIES

21. Subsequent to filing the NOI, the Company's representatives worked with the Proposal Trustee in updating its creditor list. The initial notice to creditors (attached as Appendix B) was mailed out to all known creditors on May 7, 2018.
22. In addition, the Company's representatives worked with the Proposal Trustee to prepare a cash flow statement for the initial 30 day stay period. The cash flow was filed with the Office of the Superintendent of Bankruptcy on May 10, 2018.
23. The cash flow indicated a cash need of approximately \$193,000, the majority of which was to provide retainers for the Company's professionals and to pay for the management support of the Company's accounting staff.
24. The funding to finance this cash need was anticipated to come from debtor-in-possession financing ("DIP"). Prior to filing its NOI, the Company met with its senior secured lender (the "Secured Lender") to inform it of the Company's plan to restructure its balance sheet and avail itself of the provisions of the BIA. The Secured Lender was supportive of the Company's plan and indicated its willingness to provide a DIP to assist with the process.
25. Subsequent to filing its NOI, the Company again met with its Secured Lender to discuss the terms of a DIP and the need for it to be provided on an urgent basis as the Company had no operating funds.
26. On May 13, 2018 the Secured Lender forwarded a term sheet to the Company, the terms of which were acceptable to the Company and agreed to on May 17, 2018.
27. However the negotiations between the Company and its Secured Lender stalled and due to the urgent need for financing, the Company with assistance from its legal counsel contacted some alternative lenders to provide a DIP.

28. On May 24, the Secured Lender removed its conditions with respect to the DIP term sheet, subject only to approval by this Honourable Court. Given the support of the Secured Lender and the potential opposition that may have arisen from the Company agreeing to a DIP from an alternative lender, the Company agreed to the DIP provided by the Secured Lender.
29. Prior to filing its NOI, the Company shut its processing plant to production and has entered into a temporary lease with a party for a portion of the space. It is expected that the rental income from the third party will be sufficient to cover the utility costs.

### **THE DIP COMMITMENT**

30. The Company has agreed to the terms of a DIP from Blueberry Holdings (GP) Ltd. (the “**DIP Loan**”). A summary of its principal terms are as follows:
- (a) Funding is to be provided in tranches on the basis of meeting certain milestones. The maximum funding approved is \$500,000;
  - (b) A lending fee of \$15,000 which will be earned upon approval by this Honourable Court. The fee will be added to the principal value of the loan given the Company’s inability to pay upfront;
  - (c) The DIP Loan is to be repaid from proceeds of any asset sale or will mature on the day the stay of proceedings expires;
  - (d) Interest is to accrue at the rate of 13% per annum; and
  - (e) The Company is responsible for the repayment of all legal and other costs associated with the DIP Loan.

31. The DIP Loan is conditional upon approval by this Honourable Court and the granting of a first ranking priority charge against all of the Company's assets.
32. A copy of the DIP Loan is attached as Appendix C.
33. The Proposal Trustee has reviewed the DIP Loan and its terms and conditions. The Proposal Trustee is of the opinion that the terms and conditions are consistent with DIP's approved in other similar BIA or *Companies' Creditors' Arrangement Act* proceedings.

#### **ASSETS OF THE COMPANY**

34. Prior to filing its NOI, the Company's wholly owned subsidiary, Newberry Farms Ltd. ("Newberry") entered into a contract of purchase and sale for approximately 165 acres of land planted with blueberry bushes located at 4300 Oliver Road in Coquitlam.
35. The sale generated gross proceeds of \$8 million, which after deduction of normal closing costs were directed to pay down the outstanding debt of the Secured Lender.
36. As a result of the sale of the land owned by Newberry, the Company has three primary assets remaining:

- (a) A 39 acre parcel of land located at 13753 Hale Road in Pitt Meadows, B.C. Eight acres of this parcel have been utilized for a processing plant with the remaining 30 acres planted with blueberry bushes. The assessed value of the land and buildings as at July 1, 2017 according to BC Assessment was \$6.3 million. The Company last had an appraisal done on the land, building and equipment in 2011 (copy attached as Appendix D) which appraised the land, blueberry plantings and processing plant at \$9.7 million. The equipment was also appraised at that time for \$3.6 million, however the Proposal Trustee is unsure to what extent the equipment valued at that time still exists today;
- (b) An 18 acre parcel of land located at 13549 Hale Road, Pitt Meadows, B.C. Approximately 3 acres of this property are improved with two residences used by members of the Purewal family while the remaining fifteen acres have been planted with blueberry bushes. The assessed value of the land and residences as at July 1, 2017 according to BC Assessment was \$903,000. The property was appraised by Canada Revenue Agency Appraisal Services in May 2014 at \$1.6 million (excerpt of appraisal attached as Appendix E); and
- (c) A leasehold interest in 165 acres of land located in Pitt Meadows on which the Company has planted blueberry bushes. The Company does not have an appraisal on the leasehold interest, however it estimates the value at approximately \$1.2 million.

37. Accordingly, the Company holds assets with an appraised value of approximately \$12.5 million.

#### **THE SECURED CREDITORS WITH MORTGAGES ON THE REAL PROPERTY**

38. Attached as Appendices F and G are title searches for the properties located at 13549 Hale Road and 13753 Hale Road, Pitt Meadows, B.C.

39. There are two mortgages registered against the property located at 13549 Hale Road, one in favour of Blueberry Holdings (GP) Ltd. and another in favour of Harjinder Singh Berar, Karmit Kaur Berar and Berar Farms Ltd. (the “**Berar Mortgage**”).
40. The property located at 13753 Hale Road has the same two mortgages registered against it in addition to a mortgage in favour of Her Majesty the Queen in Right of Canada (“**CRA Mortgage**”).
41. The debt outstanding under the mortgage held by Blueberry Holdings (GP) Ltd. is approximately \$3.5 million.
42. The Berar Mortgage was granted by the Company as security for the performance of a lease pursuant to which the Company is a lessee. Although the Proposal Trustee is uncertain of the terms of the lease, the Proposal Trustee has been served with a copy of a demand letter indicating an amount owing of \$396,000.
43. The CRA Mortgage was provided by the Company as security for a related company debt relating to unremitted employee withholding taxes. According to a representative of the Canada Revenue Agency (“**CRA**”), the amount due pursuant to the mortgage is \$763,000.
44. In addition, CRA has asserted deemed trust claims in the amount of approximately \$3.5 million relating to additional unremitted employee withholding taxes and \$155,000 for unremitted GST.
45. The Company has raised concerns over the quantum of CRA’s assessment with respect to the employee withholding taxes and will need to further investigate this claim.

46. There are also several judgements that have been registered against the properties, however in an insolvency proceeding these would likely be ranked as unsecured creditors.
47. Assuming all of the secured claims are valid, the total value of the secured and deemed trust claims is approximately \$8.3 million. As a result, there would appear to be approximately \$4.2 million of value available to the unsecured creditors.
48. The granting of a priority charge to the Secured Lender for its DIP Loan would not appear to be prejudicial to the interests of the secured creditors. The DIP Loan would provide the funding necessary for the Company to meet its continuing obligations while providing it with the time to formulate a restructuring plan and proposal to its unsecured creditors.
49. The Proposal Trustee would therefore support the Company in seeking approval of the DIP Loan and the granting of a priority charge to the Secured Lender.

## COMPARISON OF FORECAST TO ACTUAL

50. The following table indicates the actual cash receipts and disbursements for the period from April 30, 2018 to May 25, 2018 as compared to the forecast filed by the Company on May 10, 2018.

Purewal Blueberry Farms Ltd.

Cash flow statement for the period from April 30, 2018 to May 25, 2018

	Period covering April 30, 2018 to May 25, 2018		Variance
	Forecast	Actual	
	Week 1 - Week 4	Week 1 - Week 4	
<b>Opening Cash</b>	-	-	-
<b>Cash Receipts</b>			
DIP financing	150,000	-	150,000
Collection of A/R	-	-	-
<b>Total - Operating Receipts</b>	<b>150,000</b>	<b>-</b>	<b>150,000</b>
<b>Cash Disbursements</b>			
Finance Charges/Secured Debt Payments	-	-	-
Utilities	25,000	-	25,000
Accounting fees	-	-	-
Insurance	10,000	-	10,000
Plant labour	4,000	-	4,000
Equipment rentals	7,500	-	7,500
Professional Fees	100,000	-	100,000
Office supplies/packaging supplies	1,250	-	1,250
Management Fees	-	-	-
<b>Total - Operating Disbursements</b>	<b>147,750</b>	<b>-</b>	<b>147,750</b>
<b>Net Change in Cash from Operations</b>	<b>2,250</b>	<b>-</b>	<b>2,250</b>
<b>Total Net Cash Flow</b>	<b>2,250</b>	<b>-</b>	<b>2,250</b>
<b>Ending cash</b>	<b>2,250</b>	<b>-</b>	<b>2,250</b>

51. The cash flow statement filed on May 10, 2018 had anticipated the approval of a DIP to support the professional fees and holding costs of these proceedings. Now that the Company has received a commitment letter for DIP subject to the approval of this Honourable Court, it is expected that these timing differences will be reversed as the Company will have the resources available to satisfy its expenses.

### **CASH FLOW PROJECTION**

52. The Company prepared an updated Cash Flow Statement for the period from May 28, 2018 to July 13, 2018 (attached as Appendix H).
53. On the assumption that the DIP Loan is approved by this Honourable Court, the Cash Flow Statement indicates a cash need of approximately \$315,000 for the extension period being sought.
54. The funding of the cash requirement is expected to be provided from sales of frozen blueberry inventory and from draws under the DIP Loan.

### **ADMINISTRATIVE CHARGE**

55. The Company is seeking an Administrative Charge in the amount of \$200,000 in respect of the fees and expenses of the Proposal Trustee and its counsel as well as the Company's legal counsel, Clark Wilson LLP, and any other professionals whose services may be retained by the Proposal Trustee in these proceedings (the "**Professional Charge**").
56. Given the value that appears to be available to the unsecured creditors that would result from an orderly restructuring process and the lack of liquidity in the Company, the Proposal Trustee is of the view that a Professional Charge is appropriate to ensure the continued support of the professionals in this process.

## COMPANY'S REQUEST FOR AN EXTENSION

57. The Company is seeking an extension of the stay of proceedings from May 30, 2018 to July 13, 2018. The Company is seeking an extension for the following reasons:

- (a) To provide the Company with the time required to pursue a refinancing, recapitalization, sale or investment transaction that would allow the Company to restructure its balance sheet and formulate a proposal to its unsecured creditors;
- (b) In this regard, the Company intends to work with the Proposal Trustee in formulating a Sale and Investor Solicitation Process with the expectation to be back before this Honourable Court within the next few weeks seeking its approval; and
- (c) Given the number of unsecured creditor claims and the uncertainty around the quantum of each claim, the Company may also be seeking the approval of this Honourable Court for a claims process to assist it in formulating a proposal to its unsecured creditors.

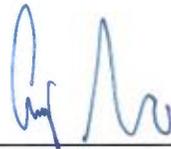
58. The Proposal Trustee supports the Company's request for an extension of its stay of proceedings based on the following:

- (a) The Company is acting in good faith and with due diligence;
- (b) The Secured Lender is supportive of the Company's efforts and is providing a DIP Loan to fund the post-filing costs associated with this proceeding as projected in the Cash Flow Projection; and

- (c) Subject to further evaluation, there appears to be value for the unsecured creditors and some time is required to explore alternatives to maximize the value for all stakeholders in addition to preserving employment for many employees who are currently laid off and the continuation of a business with a good brand name.

All of which is respectfully submitted this 25<sup>th</sup> day of May, 2018.

FTI Consulting Canada Inc.,  
in its capacity as Proposal Trustee under a NOI  
filed by Purewal Blueberry Farms Ltd.

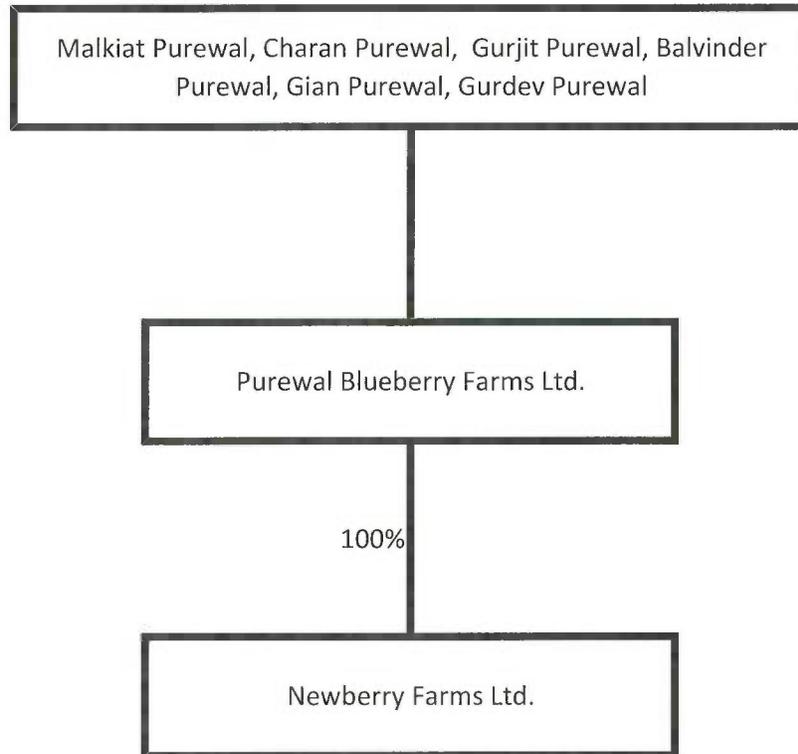


---

Name: Craig Munro  
Title: Managing Director,  
FTI Consulting Canada Inc.

# APPENDIX A

**Appendix A**  
**Corporate Organization Chart for Purewal Group**



# APPENDIX B



**Corporate Finance**

Pacific Centre  
701 West Georgia Street  
Suite 1502  
Vancouver, BC V7Y 1C6

fticonsulting.com

May 7, 2018

**To the creditors of Purewal Blueberry Farms Ltd. (the “Company”)**

On April 30, 2018 the Company filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act*. FTI Consulting Canada Inc. (“**FTI**”) consented to act as the Trustee in this matter.

We enclose herewith the following:

1. A copy of the NOI;
2. A list of creditors and the amounts owing per the Company’s records; and
3. Certificate of filing of the NOI.

Further information with respect to this matter is available on the Trustee’s web-site: [www.cfcanada/fticonsulting.com/purewal](http://www.cfcanada/fticonsulting.com/purewal).

Should you have any queries in the interim, please do not hesitate to contact a representative of the Trustee, Robert Kleebaum at (403) 454-6035.

Yours truly,

**FTI CONSULTING CANADA INC.**

In its capacity as Trustee under a Proposal of  
Purewal Blueberry Farms Ltd.  
and not in its personal capacity

A handwritten signature in blue ink, appearing to read "Craig Munro".

Per:

Craig Munro, CA, CIRP

District of: British Columbia  
Division No. 03 - Vancouver  
Court No.  
Estate No.

- FORM 33 -  
Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

Take notice that:

1. I, Purewal Blueberry Farms Ltd., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. FTI Consulting Canada Inc. of Pacific Centre, Suite 1502, 701 West Georgia Street, Vancouver, BC, V7Y 1C6, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the city of Vancouver in the Province of British Columbia, this 28th day of March 2018.



---

Purewal Blueberry Farms Ltd.  
Insolvent Person

To be completed by Official Receiver:

---

Filing Date

---

Official Receiver

## Purewal Blueberry Farms Ltd.

Listing of Creditors

As at April 30, 2018

Creditor Name	Currency	Unsecured	Secured	Preferred
RECEIVER GENERAL FOR CANADA - PAYROLL	CAD		\$ 4,805,655.77	
BLUEBERRY HOLDINGS (GP) LTD.	CAD		\$ 3,000,000.00	
RECEIVER GENERAL FOR CANADA - GST	CAD			\$ 174,021.11
THIARA BROTHERS ENT. LTD	CAD	\$ 1,189,650.10		
SURJIT K SHOKAR	CAD	\$ 626,283.09		
JOGINDER S.GHAG	CAD	\$ 623,759.59		
VIJAY DHILLON	CAD	\$ 452,635.44		
PALVINDER BAINS AND MALKIAT S PUREWAL	CAD	\$ 366,453.76		
B.K.S. ENTERPRISES	CAD	\$ 352,979.82		
GURJIT S PUREWAL	CAD	\$ 280,000.00		
FRASER VALLEY PACKERS CAD	CAD	\$ 243,737.91		
SUPER SAVE DISPOSAL INC.	CAD	\$ 151,071.21		
JRT NURSERIES	CAD	\$ 147,890.00		
THIARA BROS - DFI	CAD	\$ 129,395.14		
MASON LIFT	CAD	\$ 124,765.29		
MTS ALLSTREAM	CAD	\$ 116,084.00		
DHALIWAL FARMS	CAD	\$ 113,099.26		
TAJINDER S PUREWAL	CAD	\$ 100,000.00		
GURDAWAR S PUREWAL	CAD	\$ 99,000.00		
PARMINDER S PUREWAL	CAD	\$ 99,000.00		
GROWERS SUPPLY COMPANY LIMITED	CAD	\$ 90,531.30		
CAL-SAN - PACKAGING	CAD	\$ 90,000.00		
BRAR DHILLON	CAD	\$ 85,604.46		
OKANAGAN FERTILIZER LTD	CAD	\$ 83,603.60		
NEGER FARMS LTD.	CAD	\$ 80,000.00		
KINDER SIDHU & ASSOCIATES INC.	CAD	\$ 54,525.00		
EAGLE MOUNTAIN	CAD	\$ 53,985.01		
SOBHA SINGH GREWAL & SONS FARM	CAD	\$ 53,772.46		
ABC STATIONERS LIMITED	CAD	\$ 51,975.80		
PITT MEADOWS ENT	CAD	\$ 46,641.32		
BLUE VALLEY FARM	CAD	\$ 40,569.85		
DAVID GEMMELL	CAD	\$ 33,656.28		
FASKEN MARTINEAU DUMOULIN LLP	CAD	\$ 27,671.62		
MOGA - DFI	CAD	\$ 26,592.79		
BKS ENTERPRISES LTD	CAD	\$ 26,250.00		
CAL SAN - (PUREWAL)	CAD	\$ 25,536.56		
WEBER SUPPLY COMPANY INC	CAD	\$ 23,154.05		
BANK OF MONTREAL MASTERCARD 8131	CAD	\$ 23,000.00		
BUKANWALA FARM LTD	CAD	\$ 22,885.00		
NAGRA BROS PLUMBING & HEATING	CAD	\$ 22,635.45		
BKS BLUEBERRY FARM LTD	CAD	\$ 22,000.00		
ENVIRO PALLET RECOVERY BUY & SELL	CAD	\$ 21,156.80		
J.L. MUNRO FIRE PROTECTION	CAD	\$ 20,988.33		
NATURE'S BLUE FOODS LTD	CAD	\$ 20,245.22		

**Note:**

The creditor list has been compiled based on the Company's books and records as at the date of the NOI. The Company's books and records may not be complete and accurate. Accordingly the above amounts may differ from the creditor's books and records. Please note that there is no need to contact the Proposal Trustee at this time as there will be a claims process in the near future whereby any discrepancies can be reconciled.

## Purewal Blueberry Farms Ltd.

Listing of Creditors

As at April 30, 2018

Creditor Name	Currency	Unsecured	Secured	Preferred
JOHN DEERE FINANCIAL	CAD	\$	18,981.18	
LAIL ENTERPRISES	CAD	\$	15,133.74	
VAN DER WAL EQUIPMENT	CAD	\$	14,866.35	
GET ER DONE MECHANICAL	CAD	\$	14,614.20	
IMRAN IOSMAN	CAD	\$	12,500.00	
PACIFIC CUSTOMS BROKERS LTD.	CAD	\$	11,685.77	
D & H TENT HOUSE	CAD	\$	11,200.00	
HOME DEPOT	CAD	\$	11,150.84	
STRATUM SOLUTIONS	CAD	\$	11,110.00	
MINISTRY OF FINANCE	CAD	\$	10,062.23	
DARSHAN SINGH NIJJAR	CAD	\$	9,921.54	
BHATTI BLUEBERRY FARMS	CAD	\$	9,884.69	
BMO MASTERCARD - 8563 - MAL	CAD	\$	9,528.00	
TRANS MOUNTAIN TRUCKING INC.	CAD	\$	9,459.70	
ALASKA COPPER & BRASS CO. COD ACCT	CAD	\$	9,266.37	
AIR LIQUIDE	CAD	\$	9,173.63	
COASTAL MOUNTAIN FUELS	CAD	\$	8,325.88	
FORTIS BC	CAD	\$	8,080.32	
BELL MOBILITY	CAD	\$	7,845.29	
WISEWORTH CANADA	CAD	\$	7,754.01	
TELUS	CAD	\$	7,746.99	
BC SAFETY AUTHORITY	CAD	\$	7,199.00	
BKS - DFI	CAD	\$	7,044.80	
ASSOCIATED LABELS	CAD	\$	6,914.62	
BMO MASTERCARD - 8555 - CHARAN	CAD	\$	6,652.91	
BC HYDRO - 9830 465	CAD	\$	6,250.85	
AUTOGAS PROPANE	CAD	\$	6,209.83	
RAY WAGNER FINANCIAL CONSULTING LTD	CAD	\$	5,400.00	
4REFUEL CANADA LP	CAD	\$	5,229.05	
FRUITICANA PRODUCE LTD	CAD	\$	4,974.59	
JAGRAJ BUTTAR BLUEBERRY FARMS	CAD	\$	4,725.93	
1ST CHOICE MOBILITY PRODUCTS INC	CAD	\$	3,998.07	
TRANCOLD SERVICES LTD.	CAD	\$	3,570.50	
COINAMATIC	CAD	\$	3,507.04	
ABELL PEST CONTROL	CAD	\$	3,391.37	
SUPERIOR PROPANE	CAD	\$	3,386.55	
GS 1 CANADA	CAD	\$	3,307.50	
START AUTOMOTIVE	CAD	\$	2,914.37	
CROWN PACKAGING LTD.	CAD	\$	2,842.61	
ARSH GILL TRUCKING	CAD	\$	2,500.00	
RLR LAWYERS	CAD	\$	2,315.21	
AT SOURCE RECYCLING SYSTEMS CORP.	CAD	\$	2,060.80	
MCRAE'S SEPTIC TANK SERVICE LTD	CAD	\$	2,048.26	
DEOL ESSO	CAD	\$	2,003.00	

**Note:**

The creditor list has been compiled based on the Company's books and records as at the date of the NOI. The Company's books and records may not be complete and accurate. Accordingly the above amounts may differ from the creditor's books and records. Please note that there is no need to contact the Proposal Trustee at this time as there will be a claims process in the near future whereby any discrepancies can be reconciled.

## Purewal Blueberry Farms Ltd.

Listing of Creditors

As at April 30, 2018

Creditor Name	Currency	Unsecured	Secured	Preferred
PITNEY BOWES - LEASE 13448860	CAD	\$	1,861.37	
DEPENDABLE PEST SOLUTIONS	CAD	\$	1,805.00	
LOMA SYSTEMS	CAD	\$	1,732.50	
DULAY BROTHERS	CAD	\$	1,510.70	
DIRECT SOLUTIONS	CAD	\$	1,341.23	
TRANS POWER CONSTRUCTION	CAD	\$	1,339.98	
ADVANCED MOBILE FIRST AID & SAFETY	CAD	\$	1,323.53	
STAR WEST PETROLEUM LTD	CAD	\$	1,238.78	
WATERTEC IRRIGATION LTD.	CAD	\$	1,219.20	
KONICA MINOLTA PREMIER FINANCE - LEASE ACCOUNT	CAD	\$	1,204.86	
ICBC	CAD	\$	1,119.00	
PRO PUMP SERVICE	CAD	\$	1,050.00	
PACIFIC DOCK & DOOR LTD	CAD	\$	1,033.60	
FRASER VALLEY REFRIGERATION LTD	CAD	\$	1,013.25	
MAPLE RIDGE TANK CLEANING SERVICE	CAD	\$	995.40	
WESTERN BELTING & HOSE LTD	CAD	\$	979.63	
WESTMINSTER LIFT & TRUCK SERVICES LTD	CAD	\$	840.00	
J.K.F. IND. BRUSH LTD.	CAD	\$	761.60	
OCEAN TRAILER	CAD	\$	749.92	
SCOTT'S WESTERN AUTO ELECTRIC	CAD	\$	716.80	
NTS RESEARCH & INC	CAD	\$	708.75	
COMBINED INSURANCE COMPANY OF AMERICA	CAD	\$	701.00	
LINDE CANADA LIMITED	CAD	\$	674.33	
CANADIAN LINEN & UNIFORM SERVICE	CAD	\$	638.42	
PRAXAIR DISTRIBUTION	CAD	\$	582.79	
KUEHNE & NAGEL LTD	CAD	\$	578.33	
BELL CANADA - 3098	CAD	\$	523.83	
PACIFIC AGRICULTURAL CERTIFICATION SOCIETY	CAD	\$	521.62	
METROGUARD SECURITY PATROL LTD.	CAD	\$	504.00	
COMMERCIAL VENT CLEANING CO	CAD	\$	477.75	
RELIABLE FIRE & SAFETY	CAD	\$	436.80	
GOSAL TRUCKING LTD	CAD	\$	405.98	
OPENTEXT GXS	CAD	\$	330.40	
GOLDEN EARS BRIDGE TOLLS	CAD	\$	323.89	
DOME ELECTRICAL SERVICES	CAD	\$	315.00	
CANADIAN DOORMASTER ELECTRIC LTD	CAD	\$	275.63	
PHELPS APARTMENT LAUNDRIES LTD	CAD	\$	275.24	
NEOPOST	CAD	\$	268.13	
PITNEY WORKS ACCOUNT 6100-9000-1212-7962	CAD	\$	246.55	
CLEAR CRAFT PRINT & SIGN LTD	CAD	\$	246.40	
BARRY HAMEL EQUIPMENT LTD	CAD	\$	223.70	
UPS SCS. INC	CAD	\$	191.88	
MAPLE RIDGE TOWING (1981) LTD.	CAD	\$	177.60	
ECOLAB - PEST	CAD	\$	167.28	

**Note:**

The creditor list has been compiled based on the Company's books and records as at the date of the NOI. The Company's books and records may not be complete and accurate. Accordingly the above amounts may differ from the creditor's books and records. Please note that there is no need to contact the Proposal Trustee at this time as there will be a claims process in the near future whereby any discrepancies can be reconciled.

## Purewal Blueberry Farms Ltd.

Listing of Creditors

As at April 30, 2018

Creditor Name	Currency	Unsecured	Secured	Preferred
AAA MULTITECH SERVICE & SALES	CAD	\$ 165.00		
METALTROPOLIS SUPPLIES	CAD	\$ 96.98		
A1 MESSENGER SERVICES	CAD	\$ 82.00		
PRICE'S ALARM SYSTEMS LTD.	CAD	\$ 44.25		
INTRINSLQ TECHNOLOGY GROUP INC	CAD	\$ 39.20		
CHEP CANADA	CAD	\$ 13.43		
<b>Total - CAD</b>		<b>\$ 6,623,595.61</b>	<b>\$ 7,805,655.77</b>	<b>\$ 174,021.11</b>
NETPAK PAPER & PACKAGING LTD.	USD	\$ 1,076,614.03		
FRASER VALLEY PACKERS USD	USD	\$ 880,000.00		
WOODSIDE ELECTRONICS CORPORATION	USD	\$ 180,000.00		
NATURE'S BLUE FOODS LTD	USD	\$ 140,000.00		
RUPINDER PUREWAL	USD	\$ 71,200.00		
THIARA BLUEBERRIES - USD	USD	\$ 39,218.94		
TQL LOGISTICS	USD	\$ 26,625.00		
PRIMUS LABS.COM	USD	\$ 11,509.26		
BEST USA	USD	\$ 11,000.00		
UPS SUPPLY CHAIN SOLUTIONS INC	USD	\$ 7,931.69		
ARSH GILL TRUCKING	USD	\$ 5,785.00		
PRIMUS AUDITING OPERATIONS	USD	\$ 2,096.46		
MULTIVIEW	USD	\$ 1,500.00		
WHATCOM FARMERS CO-OP	USD	\$ 1,286.53		
ODENBERG INC	USD	\$ 1,177.94		
KULAR TRANSPORT	USD	\$ 1,055.00		
MOTORWAYS TRANSPORT LTD	USD	\$ 800.00		
A & B PACKING EQUIPMENT, INC.	USD	\$ 577.28		
BOGARIN TRUCKING INC	USD	\$ 250.00		
ROADWAY TRANSPORT CORP	USD	\$ 250.00		
ANTOINETTE M. TEASE, P.L.L.C.	USD	\$ 50.00		
<b>Total -USD</b>		<b>\$ 2,458,927.13</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total - in CAD Equivalent (CAD/USD FX = \$1.2836)</b>		<b>\$ 9,779,874.47</b>	<b>\$ 7,805,655.77</b>	<b>\$ 174,021.11</b>

**Note:**

The creditor list has been compiled based on the Company's books and records as at the date of the NOI. The Company's books and records may not be complete and accurate. Accordingly the above amounts may differ from the creditor's books and records. Please note that there is no need to contact the Proposal Trustee at this time as there will be a claims process in the near future whereby any discrepancies can be reconciled.



# APPENDIX C

TERM SHEET FOR SENIOR SECURED SUPER-PRIORITY DEBTOR-IN-POSSESSION (DIP) CREDIT FACILITY  
(the "Term Sheet")

**BORROWER:** Purewal Blueberry Limited (the "Borrower")

**LENDER:** Blueberry Holdings (GP) LTD.

**CURRENCY:** All monetary references are in Canadian dollars.

**FACILITY/AMOUNT:** Subject to the approval by the British Columbia Supreme Court (the "Court") of sufficient powers of the DIP borrowing facility, a credit facility will be available to the maximum amount of \$1,000,000 (the "Credit Facility").

**TRANCHES:** The Facility will be advanced in Tranches based on milestones and further tranches will be advanced at the sole discretion of the Lender

Tranche A - \$75,000 immediately

Tranche B - \$75,000 once the Lender has received an uncontested Conduct of Sale pursuant to their Order Nisi dated X

Tranche C - \$50,000 per month as needed = *sole discretion acts reasonably*

Tranche D - The remaining amounts to facilitate the sale of the assets which should in of itself provide working capital to carry out the plan of arrangement and repay the DIP facility

**BIA PROPOSAL PROCEEDINGS:** The Credit Facility is made pursuant to the Notice of Intention filed X, 2018 pursuant to the *Bankruptcy and Insolvency Act (Canada)* (the "Notice of Intention") and such future orders as may be granted by the Court in the proceedings (the "Proposal Proceedings").

**SECURITY:** Security (the "Security") for repayment of the Credit Facility is a fully perfected first-ranking court-ordered super-priority registered charge against the assets of the Borrower.

**CONDITIONS PRECEDENT TO CLOSING:** The Credit Facility shall be subject to the following conditions precedent:

- a) Court approval and authorization of a DIP borrowing charge with the priority contemplated herein, authorizing the payment of the Lender of all the Credit Facility, and such orders being in full force and effect, unamend and not stayed;
- ~~b) the Borrower shall have paid all fees then owing to the Lender;~~
- ~~c) Provision of a cash flow forecast to the satisfaction of the Lender; and~~

12/1/18

12/1/18

12/1/18

~~d) Provision of a list of owned equipment and other assets to the satisfaction of the Lender with support of evidence of title as necessary and~~ (K) (H)

~~e) Such other conditions precedent as are customary and reasonable in the circumstances;~~ (K) (H)

(Collectively, the "Conditions Precedent").

**AVAILABILITY:** Provided that no Event of Default has occurred and is then continuing, on and after the date on which the Conditions Precedent shall have been satisfied, the Borrower may request advances under the Credit Facility.

**MATURITY:** The maturity of the Credit Facility (the "Maturity Date") shall be the earliest of:

- (i.) The sale of 13753 Hale Road; 13549 Hale Road; or the leasehold interest in Airport Property (description)
- (ii.) the date any stay of proceedings with respect to the Proposal Proceedings expires; or
- (iii.) 10 business days following written notice being provided by the Lender to the Borrower of an unremedied Event of Default.

**INTEREST:** ~~13%~~ <sup>15%</sup> per annum. (K) (H)

**LENDING FEES:** ~~\$50,000~~ <sup>\$15,000</sup> earned upon the acceptance of this DIP financing and court acceptance (K) (H)

**LEGAL :** All legal fees incurred by the Lender with respect to this DIP financing and all other matters with the Borrower are to be paid by the Borrower from the date of acceptance.

**CLOSING DATE:** As soon as practicable following satisfaction or waiver of all Conditions Precedent, or such later date as the Lender may approve (the "Closing Date").

**REPAYMENT:** All amounts outstanding under the Credit Facility, principal and interest, shall be repaid on demand by the Lender.

**REPRESENTATIONS AND WARRANTIES:** The Borrower represents and warrants to the Lender:

- (a) The Borrower has full corporate power and authority to enter into and perform its obligations provided for under this Term Sheet.
- (b) This Term Sheet has been duly authorized by all necessary corporate action.
- (c) Accuracy of Information. All written information delivered by the Borrower to the Lender in connection with this Term Sheet is accurate in all material respects and contains no material misstatement of fact nor does it omit a material fact the omission of which would make such information misleading in light of the circumstances in which the statements contained therein were made; and, to the extent that there

are financial forecasts contained in such information, they have been prepared on the basis of reasonable assumptions and procedures and represent an estimate of the results forecast therein.

- (d) Default. No Event of Default has occurred and is continuing.
- (e) Defects of Title and Liens. There is no deficiency or defect in the title of the Borrower to the assets reasonably to be expected to have a Material Adverse Effect.
- (f) The Borrower does not contest a conduct of sale under the order nisi issued by the lender (ke) (del)
- ~~(g) Confirmation by CRA, the Crown and the Lender(s) legal counsel that this DIP financing takes priority and is secured over the Real Estate Assets and is in first position.~~

**EVENTS OF DEFAULT:**

"Material Adverse Effect" means (i) any adverse effect on the commercial operations or situation (financial or otherwise) of the Borrower that, in the Lender's opinion acting reasonably, is material; (ii) any adverse effect on the ability of the Borrower to perform and discharge its obligations which, in the Lender's opinion acting reasonably, is material; or (iii) any event that would constitute an Event of Default or any event which, with the giving of notice or lapse of time or otherwise, could constitute an Event of Default.

Each of the following events constitutes an "Event of Default" under this Term Sheet whether any such Event of Default shall be voluntary or involuntary or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any governmental authority:

- (a) Payment. The Borrower fails to make any payment of fees, interest or principal when due and payable;
- (b) Breach or Default of Borrower. The Borrower commits a material breach of, or defaults in the due and prompt performance or observance of, any of its material covenants, conditions or obligations pursuant to this Term Sheet or any other document and such breach is not remedied within 10 days after the Borrower has received written notice thereof;
- (c) Change of Proposal Trustee. There is a change in the party appointed as Proposal Trustee over the assets of the Borrower without the prior written consent of the Lender;
- (d) Operation of Ineligible Activity. The Borrower engages or permits the assets to be used, by the Borrower or any other person, for the purpose of an ineligible activity in the Proposal Proceedings or otherwise;
- (e) Jeopardy. The Lender in good faith and on commercially reasonable grounds believes that the prospect of payment or performance of any of the Security is impaired or that any of the Property is or is about to be placed in jeopardy.

**CONFIDENTIAL:**

This Term Sheet is being provided to you on the condition that its existence and contents will be kept confidential and will not be disclosed by you to any other person without the Lender's prior written consent except to those individuals who have a need to know as a result of their being specifically involved in the proposed transaction.

**GOVERNING LAW:**

This Term Sheet is governed by, and will be interpreted in accordance with, the laws of the Province of British Columbia.

**COUNTERPART EXECUTION:**

This Term Sheet and all other documents related thereto or arising there from may be executed in any number of counterparts (including by facsimile transmission) and by different parties in separate counterparts, each of which when so executed will be deemed to be an original and all of which taken together will constitute one and the same instrument.

This Term Sheet is open for acceptance until ~~2015~~ <sup>MAY 25, 2015</sup>

*[Handwritten initials]*

◆

By: *[Signature]*

Name: ◆ *Blueberry Holdings GO LTD.*  
Title: ◆ *Director*

Purewal Blueberry Limited

By: *[Signature]*

Name: ◆ *GULDANAR PUREWAL*  
Title: ◆ *COO*

ACCEPTED this 24 day of MAY, 2015.

*[Handwritten initials]*

**THIS IS A NON-BINDING TERM SHEET FOR DISCUSSION PURPOSES ONLY AND IS SUBJECT TO REVIEW AND REVISION BY LENDERS LEGAL COUNSEL**

# APPENDIX D

*ESTABLISHED 1971 – OVER 35 YEARS OF SERVICE*

**ARC**  
**APPRAISALS LTD.**  
100-33832 S. FRASER WAY  
ABBOTSFORD, B.C. V2S 2C5

PHONE: 604-853-4887  
604-856-5500  
FAX: 604-853-1118  
E-MAIL: [arcappraisals@telus.net](mailto:arcappraisals@telus.net)

**ADDENDUM "C" TO  
MARKET VALUE APPRAISAL OF  
PUREWAL BLUEBERRY FARMS LTD.  
HOLDINGS AT 13753 HALE ROAD  
PITT MEADOWS, B.C.**

(Addendum "B" to Original Appraisal Dated July 25, 2005 – ARC Appraisals Ltd. File No.  
32027)

ESTABLISHED 1971 – OVER 35 YEARS OF SERVICE

**ARC**  
**APPRAISALS LTD.**  
100-33832 S. FRASER WAY  
ABBOTSFORD, B.C. V2S 2C5

PHONE: 604-853-4887  
604-856-5500  
FAX: 604-853-1118  
E-MAIL: [arcappraisals@telus.net](mailto:arcappraisals@telus.net)

## TABLE OF CONTENTS

• INTRODUCTION & PURPOSE OF APPRAISAL	1
• SCOPE OF APPRAISAL	2
• ASSUMPTIONS & LIMITING CONDITIONS	2
• FORMAT OF APPRAISAL REPORT	2
• DEFINITION OF VALUE APPRAISED	3
• PROPERTY RIGHTS APPRAISED	3
• SALES HISTORY	4
• MUNICIPAL & RECORD DATA	4
• CHARGES REGISTERED ON TITLE	5
• SUMMARY DESCRIPTION OF SUBJECT SITE	
- Land Base	5 - 10
- Buildings & Site Improvements	10 - 14
• HIGHEST & BEST USE – DEFINED & DISCUSSED	14
• VALUATION – PREAMBLE	15
• VALUATION	
- Cost Approach	16 - 24
- Comparison Approach	25 - 26
- Overview – Revenue/Expense History	27 - 30
- Correlation & Summary	30 - 31
• MARKET EXPOSURE PERIOD	31
• <b>FINAL ESTIMATE OF VALUE</b>	<b>32</b>

## **APPENDICES**

- APPENDIX 1 - General Assumptions & Limiting Conditions
- APPENDIX 2 - Experience & Qualifications of Appraiser
- APPENDIX 3 – Marshall & Swift Costing
- APPENDIX 6 – Subject Property Title
- APPENDIX 7 – Subject Property Photographs

ESTABLISHED 1971 – OVER 35 YEARS OF SERVICE

**ARC**  
**APPRAISALS LTD.**  
100-33832 S. FRASER WAY  
ABBOTSFORD, B.C. V2S 2C5

December 9, 2011

PUREWAL BLUEBERRY FARMS LTD.  
13753 Hale Road  
Pitt Meadows, B.C.  
V3Y 1Z1

PHONE: 604-853-4887  
604-856-5500  
FAX: 604-853-1118  
E-MAIL: [arcappraisals@telus.net](mailto:arcappraisals@telus.net)

Attention: Mr. Eboo Keshani

Dear Sir:

**Re: Updated Current Market Value Appraisal of 13753 Hale Road, Pitt Meadows, B.C.**

At your request, we have re-inspected the above captioned property, carried out the necessary research and analysis, and prepared the following update appraisal report for the purpose of estimating the current market value of the fee simple interest in the *fixed assets* of the property (i.e., land, buildings and fixed equipment only).

This appraisal represents an update of earlier work carried out by ARC Appraisals Ltd., specifically ARC File No. 32027-3, dated July 25, 2005. That appraisal also included 17 additional titles comprising the blueberry farms owned and operated by Purewal's. The Subject property and processing plant improvements were valued in that report, with the description of the processing plant improvements being based on an onsite inspection by the undersigned Appraiser and a review of an appraisal of this facility prepared by Burgess, Austin, Cawley & Associates, dated December, 2002. This appraisal had been prepared for the Bank of Montreal and a copy was supplied to us by Purewal Blueberry Farms Ltd.

We understand your reason for requesting this update appraisal is to assist your lending institution in assessing mortgage security. The following report has been prepared in conformity with the Canadian Uniform Standards of Professional Appraisal Practice (the "Standards"), and summarizes our methodology and findings. The Subject Property was last inspected, in the company of the Addressee, on October 26, 2010, which is the effective date of this appraisal.

**SCOPE OF APPRAISAL:**

This assignment encompasses the research and analysis deemed necessary to provide supported opinions of current market value for the Subject property, in conformity with both its intended use and with the Canadian Uniform Standards of Professional Appraisal Practice (the "Standards"), which have been adopted by the Appraisal Institute of Canada. The research has included, but is not necessarily limited to:

- Examination of our past appraisal files with respect to the Subject Property;
- Examination of Land Titles Office records with respect to current and pending issues affecting title;
- Examination of Municipal records with regard to servicing, access, zoning, OCP designation, etc.; and
- Gathering/examination of sales evidence within the market area deemed appropriate.

Local Municipal (District of Pitt Meadows) sources were contacted to obtain current information on site mapping, zoning, servicing and ALR status. Discussions were also held with the Building Department with respect to siting of buildings, access considerations, etc. The Appraiser is satisfied that Municipal authorities have no outstanding issues or concerns with the Subject property in its present or state and use.

**ASSUMPTIONS AND LIMITING CONDITIONS:**

The Reader's attention is directed to the appended **General Assumptions and Limiting Conditions**, which form an integral part of the appraisal. Any extraordinary assumptions or limiting conditions regarding the Subject property which may be deemed to influence value conclusions would normally be included at this point.

Refer to the "Highest and Best Use" section of this report for further discussion in this regard.

**FORMAT OF APPRAISAL REPORT:**

The appraisal report itself is presented in a summarized **Narrative** format, in conformity with the Appraisal Institute of Canada's *Canadian Uniform Standards of Professional Appraisal Practice* (the "Standards"). Some data respecting the Subject site, buildings,

neighborhood and sales evidence utilized may be summarized within the report. More detailed information is then held on file and available should the Client require further support.

**Please note that summarization of any information within this appraisal report is not intended to distort the facts or deceive or mislead those relying upon it. If any questions or concerns arise from any perceived lack of detail in this report, *the Reader is directed to contact the Appraiser immediately.***

**DEFINITION OF VALUE APPRAISED:**

The value estimated within this appraisal are *Market Value*, current as of the effective date of the appraisal. The definition of *Market Value* used here, as included in the 2011 Edition of the Appraisal Institute of Canada's "Canadian Uniform Standards of Professional Appraisal Practice" ("The Standards"), is:

*"The most probable price which a property should bring in a competitive and open market as of the specified date under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specific date and the passing of title from seller to buyer under conditions whereby:*

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

**PROPERTY RIGHTS APPRAISED:**

The property rights appraised in this valuation are fee simple title ownership, except for normal public limitations. Fee simple interest is defined as:

*"The greatest interest an individual can own in land, or complete ownership in law, subject only to the governmental powers of police, escheat, taxation and expropriation."*

**SALES HISTORY:**

Records indicate that the Subject property has not been offered for sale since the date of the last appraisal update (2005).

**MUNICIPAL AND RECORD DATA:**

**Civic Address:** 13753 Hale Road, District of Pitt Meadows  
**Registered Owner:** PUREWAL BLUEBERRY FARMS LTD., INC. NO. 726034  
**Legal Description:** Lot "A", Section 34, Township 9, New Westminster District, Plan 7239  
**L.T.O. P.I.D. No.:** 011-105-526  
**Property Size:** 39.49 acres (Site size taken from B.C. Assessment Authority property records)

**2011 Assessed Values:**

Land:	\$ 304,618.
Improvements:	\$5,576,000.

**Zoning:**

The following italicized text is taken from the original "BAC" appraisal:

*"While part of the overall larger parcel of 39.49 acres, and remaining unsubdivided, the District of Pitt Meadows has amended the Zoning Bylaws to permit the Subject 8.00 acres to be developed under the Agricultural and Farm Industrial (AF) zone. This rezoning was "finally considered and adopted the 19<sup>th</sup> day of October, 1999". The intent of the Agricultural and Farm Industrial zone is to enhance the economic viability of farming and promote investment and diversification of the agricultural industry in Pitt Meadows. It is specifically noted that any regulations made or permits issued by the Province of British Columbia Minister of Municipal Affairs or Ministry of Agriculture, Fisheries and Food, take precedence over the District of Pitt Meadows zoning requirements.*

*Specifically permitted uses include agricultural use and agricultural buildings and farm industrial use and farm industrial buildings, amongst others.*

*As the Subject Property was specifically rezoned to permit the Subject development, it is presumed that the property is a legal and conforming use."*

The 8.0 acre (3.24 ha.) portion of the northeast corner of the Subject site is still zoned Agriculture and Farm Industrial, although the designation has been altered from "AF" to "A-3". It is still occupied by the processing facility which is still assumed to be a conforming use. The remainder of the Subject site is still zoned A-1 Agriculture. The entire Subject Property is still located within the Agricultural Land Reserve (ALR) of the B.C. Agricultural Land Commission, and is also still partly classified as "farm" for property tax assessment purposes.

#### **REGISTERED CHARGES AGAINST TITLE:**

Aside from conventional mortgage documentation, the following charges were noted:

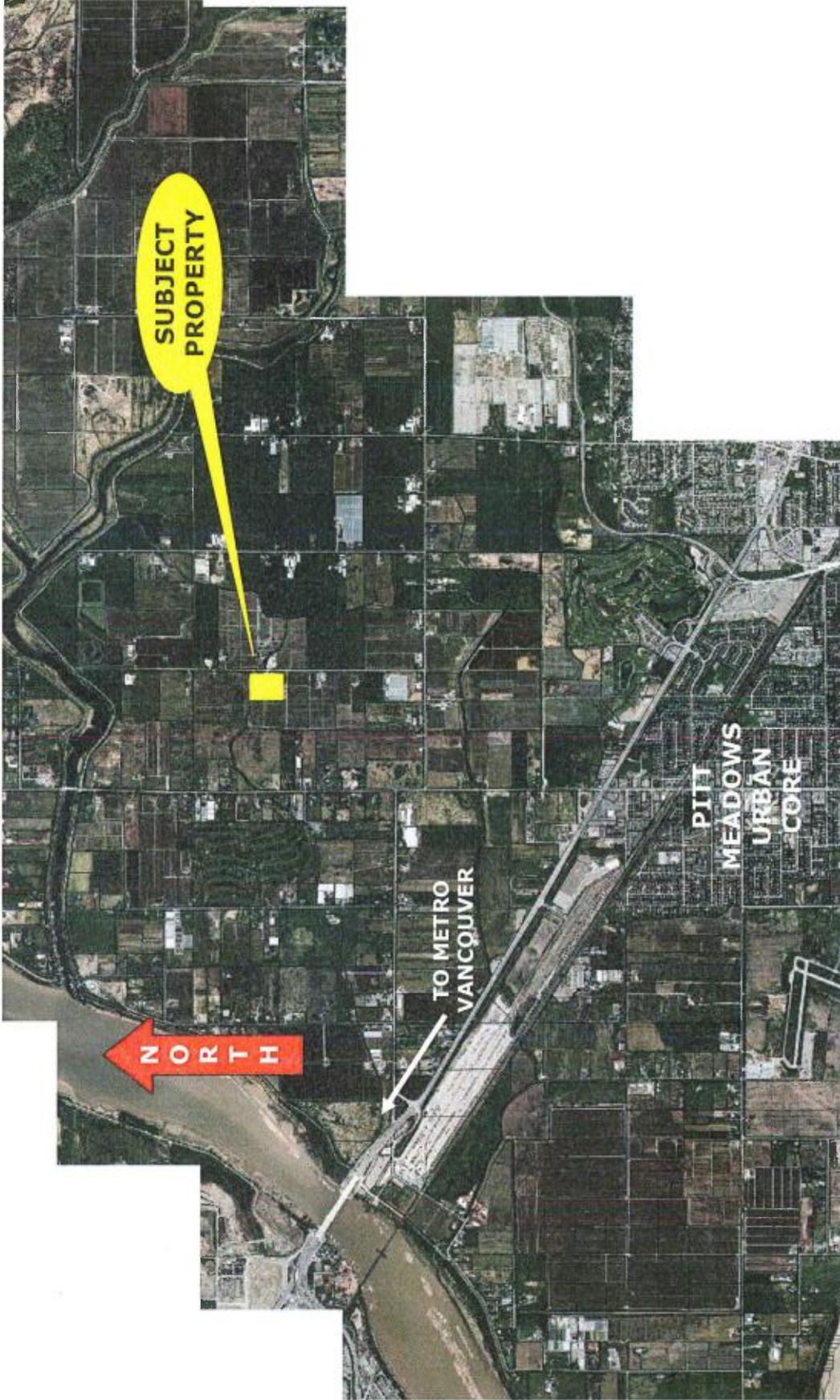
- **Easement No. BM73664** is registered against Lot 6 to the south of the Subject, in favor of the Subject, to permit construction of the sewer force main which services the Subject plant and property. No direct value influence as the presence of the sewer is beneficial to the Subject in any event;
- **Restrictive Covenant No. BH218550 (June, 1994)** is registered in favor of the District of Pitt Meadows, and requires the Subject property to maintain a contract for a "pump and haul" service to maintain any holding tank systems in use on the Subject property. Again, no direct value influence as this would be done anyway as part of plant operations;
- **Restrictive Covenant No. BJ135402 (May, 1995)** is also registered in favor of the District of Pitt Meadows, certifying completion of the original processing building on site to the requirements of the Municipality. No value influence.

#### **SUMMARY DESCRIPTION OF SUBJECT SITE:**

##### **1) Land Base: (Please refer to the Aerial Photos on Pages 5 and 6 for the general property and building layout)**

The Subject Property still consists of a 39.49 acre parcel of which the 8.0 acre northeast corner contains the processing facility and is zoned "A-3" (Agricultural and Farm Industrial). The remainder is zoned "A-1" agricultural, and is still fully planted to mature blueberries. A number of cold frame greenhouse structures are located on a portion of the A-1 zoned area, but otherwise this part of the site has no buildings.

.....continued on Page 9.....



**GENERAL NEIGHBORHOOD**



**SUBJECT PROPERTY**



**BUILDING DETAIL**

.....continued from Page 5.....

Note that the original "BAC" appraisal only included the 8.0 acre A-3 zoned portion of the site. The following italicized comments are taken from that report:

*"The Subject Property comprises an approximate 8.00 acre specially zoned site which is part of a larger contiguous single legal parcel of land. The property is irregularly shaped although it most closely defines a rectangle; the irregularity occurs along the property's northern boundary as it follows the curve of the Cranberry Slough. Access to the Subject Property is off Hale Road via a driveway towards the northern end of the property's frontage with Hale Road.*

*"We would note, for the purposes of clarification, that while the Subject Property is part of a single legal parcel of land, only the 8.00 acres, which is specially zoned to permit the Subject use, is considered in this appraisal report. This 8.00 acres is delineated as outlined on the Site Plan on the following page which is the Reference Plan which accompanies the Zoning Amendment Bylaw No. 1956, 1999."*

*"The Subject Property has been filled to a few feet above the road level and is otherwise cleared, level and fully developed with the Subject improvements, outlying buildings and paved yard areas. The embankments along the Cranberry Slough to the north and the steep drainage ditch along the Hale Road frontage are lined with rip-rap to prevent erosion."*

*"The Subject site is fully serviced although, given the rural nature of the Subject area, some of the servicing has been installed by Purewal Blueberry Farms rather than the municipality. It is our understanding that the municipality provides water and the storm sewer via the open drainage ditch along Hale Road and the Cranberry Slough. Power to the site is provided by B.C. Hydro although it was brought to the site by Purewal Blueberry Farms. The property has sanitary sewers which were installed at its own cost with a private sanitary pump station and force main connecting with the municipal sewage system further to the south near the Lougheed Highway. The site also is provided with*

*telephone service. Emergency services are understood to be provided by the District of Pitt Meadows, including police, fire and ambulance services."*

The balance of the land area is unchanged from past descriptions. ±28 to 29 acres (net of headlands) was planted to Duke variety blueberries in 1991. Density is 3 ft. by 11 ft. and production levels have been industry average or better. Soils underlying the site are predominantly varying intermixtures of the Alouette and Pitt series having silty clay loam or shallow organic surface horizons overlaying silt loams, which grade to more sandy materials at depth. Agricultural Capability Ratings, according to the Canada Land Inventory, are predominantly Class 3.

**2) Buildings and Site Improvements: (Refer to Pages 13 through 15 of the original BAC appraisal)**

The improvements on the Subject property are substantially unchanged from their description in the original BAC appraisal. The following italicized description is reprinted from that report.

*"The Subject improvements comprise a multi-phase average to good quality industrial building that was designed and built specifically for Purewal Blueberry Farms Ltd. to be utilized as a food storage, packaging and distribution warehouse specifically geared to the fruit industry. The earliest existing phases were constructed in 1998 with the most recent component, comprising the bulk of the facility, being constructed in the second half of 2002; while fully operational, the most recent component is not yet fully completed. For example, while the building is fully sprinklered with five separate sprinkler trees for the five main building components, the water main has not yet been connected to the sprinkler system. We would also note that structural mezzanines have been constructed within the newest component for office space which have not yet been constructed."*

*"The most recent component comprises the bulk of the facility and occupies a location at the front of the overall plant having the street exposure. The irregularly shaped building has construction comprising a five-inch concrete slab, steel frames and interior support pillars on concrete spread footings which support metal I-beams which in turn support*

*metal roof joists which support a corrugated metal roof deck with EPDM waterproof membrane above with rock ballast above. The concrete floor slab throughout has a special hardener finish and is sloped to facilitate drainage into the extensive drain system throughout the plant. The exterior walls are clad in pre-finished insulated metal panels (these wall panels are of the same design and style as the new Ikea facility). This portion of the building has been designed with 30-foot ceiling heights with 27 foot clear."*

*"The bulk of the space is open warehouse/storage although there is a significant separately demised packaging area at the front of the warehouse indicated on the plans as a packaging area, with this area having full height ceilings and connected to the rest of the warehouse with large sliding doors. In addition, this component has significant cooler space with one large cooler at the rear southwest corner (Cooler 3) having 7,817 sq. ft. of space and two coolers being located on the northern side of the building; Cooler 1 has 5,211 sq. ft. and Cooler 2 has approximately 3,532 sq. ft. All three coolers have special design ZerOLoc insulated wall and ceiling panels with Coolers 1 and 2 having 16 foot clear ceiling heights and Cooler 3 having a 12 foot ceiling height. Cooler 3 also has an interesting feature in that it is directly served by five dock-level loading doors which have been specially designed to have a double row of overhead doors to crate an air lock system. Cooler 3 is also a cooler/freezer area. Coolers 1 and 2 are pressurized. We would note that the entire cooler system is computerized designed by Seimens and allows for easy control and recording of cooler room temperatures and air pressure for purposes of quality control. The plant also has an extensive air ventilation system."*

*"This portion of the plant has 12 dock-level loading doors each loading door has a 40,000 lb. capacity hydraulic lift. Of these, five service Cooler 3, three serve the main storage area, two provide direct access to Cooler 2 and two provide access to Cooler 1. All 12 dock-level loading doors are accessed by wide 80 foot concrete ramps which are recessed into the ground to provide for the dock loading as the facility itself is at grade. A further interesting feature is that each dock loading door has an exterior plug-in for the large highway trucks which have their own refrigeration system so that these refrigeration units can run overnight while the trucks are parked. In addition to the dock-level loading doors, there is one large drive-through door at the front of the plant."*

*"Overall, this new plant area has a total area of approximately 55,230 sq. ft. of which 16,559 sq. ft. approximately is cooler space. An interesting feature is that structural steel mezzanines were constructed above the cooler space. An interesting feature is that structural steel mezzanines were constructed above the cooler areas for future office development; consequently, there is a potential of 16,559 sq. ft. of mezzanine office space for which plans have been drawn up. Currently, the plant does not have any office space except for a small shipping and customs office located within the warehouse. Offices are currently provided by portable buildings elsewhere on the site."*

*"The run the cooler systems, the extensive ventilation system as well as the hydraulic lifts for the dock-level loading doors (each door has 40,000 lb. capacity), the project has very heavy power. There is a 1,000 KVA transformer at the southernmost edge of the Subject site, while power to the building, by Federal Pioneer, is 1,200 amps, 600 volts, 60 hertz, ¾ wire. The plant then has 400 amp service sub-panels throughout. The entire plant also has a fiber-optic communication system. The plant has carbon monoxide detectors throughout which are connected to special vents so that the plant can be vented in case of any problems."*

*"The earlier portion of the plant, constructed in 1998, is L-shaped running along the rear/western wall of the aforementioned new plant and along the southern side of the new plant. This earlier component is comprised of two key sections. The first section, running along the rear of the newly completed main plant, is a standard warehouse/storage area with construction being of a similar nature to the main plant having concrete slab foundation, steel frame with metal pillars supported on a corrugated metal roof deck above. The walls are corrugated metal panels. Portions of the roof line are sloped and ceiling height is variable with clear ceiling heights of approximately 24 to 25 feet along the bulk of the facility, while there is a lower ceilinged area towards the northern end with 14 feet and a sorting facility at the rear southwest corner with 18 foot ceiling heights. The western façade has three overhead doors at grade, the south façade has one overhead at grade, the north façade has one overhead at grade, while the east façade has one sliding door at grade."*

"The second section, located at the southern end of the building, encompasses approximately 22,000 sq. ft. of freezer space. This freezer space is constructed of concrete slab foundation with the structure being steel frame with Zer-O-Loc refrigeration panels with the roof being a corrugated metal deck supported by metal roof joists with insulating EPDM membrane above. The clear ceiling height in this area is estimated at approximately 26 feet. Included within this 22,000 sq. ft. of freezer space is a newly completed 3,300 sq.ft. blast freezer. This blast freezer is a highly unique facility which we understand to be one of the only such facilities in the Lower Mainland. This blast freezer was constructed at a cost in excess of \$820,000. The engineering specification for this blast freezer have been included as an appendix to this report although we would summarize some of the key details as follows. In addition to the 3,300 sq. ft. of blast freezer space, there is a 16 x 42 foot compressor room with the blast freezer being designed to "freeze 200,000 lbs. of cultivated blueberries stacked in lugs from +90 degrees Fahrenheit to a core temperature of 0 degrees Fahrenheit with a turnover time of 20 hours". The blast freezer is divided into three separate blast freezer compartments divided by insulated wall panels each with its own thermostatic control. It is estimated that each compartment will hold approximately 70,000 lbs. of blueberries. Once frozen in the blast freezers, the blueberries may be stored in the adjacent 18,700 sq. ft. freezer prior to shipping. We understand from discussions with not only Purewal Blueberry Farms but also Polar Industries, the firm that designed and installed this facility, that it is one of only a few such facilities in the Lower Mainland which makes the Subject facility one of the most significant facilities of its type."

"This earlier portion of the plant, constructed in 1998, contains approximately 53,462 sq. ft."

"Overall, the plant has the following areas delineated as follows:

- New (2002) Plant

Cooler/Freezer Space 16,559 sq. ft.

Storage/Packaging 38,672 sq. ft.

- Existing (1998) Plant

Blast Freezer Space 3,300 sq. ft.

Freezer Space	18,700 sq. ft.
Storage/Packaging	<u>31,462 sq. ft.</u>
TOTAL AREA	108,693 sq. ft."

*"The plant is served by a total of 12 dock and 8 grade-level loading doors."*

*"We would note that, with the exception of a small shipping/customs office, the facility does not have any office space although structural steel mezzanine structures were constructed above the coolers in the new plant area to permit upwards of 16,559 sq. ft. of office space to be completed at a later date. Currently, the plant offices are in portable buildings elsewhere on site."*

*"Overall, this is a high quality state-of-the-art facility with very heavy power, fiber-optic communication system and extensive computer monitored air ventilation systems."*

*"There are other facilities on the site including a butler maintenance shed, portable offices and an older single family house. These outlying buildings are not considered to provide any significant increment in value to the overall property."*

*"The plant is designed to handle a throughput of 1,000,000 lbs. of product per day and, at peak capacity, there are two shifts of 500 workers each. The plant provides product to all major food stores in the G.V.R.D. except for Superstore."*

**HIGHEST AND BEST USE:**

The *definition* of Highest and Best Use has not changed since the date of the 2005 appraisal. (ref. Pages 9 and 10 of that report).

The Subject property still carries the same "split" zoning as in the past, as discussed earlier (ref. Pages 4 and 5 foregoing). Therefore, the Highest and Best Use of the property has not altered since the 2005 report (ref. Page 10 of that report). The Highest and Best Use of the Subject property is therefore the continued operation of the processing facilities along with active farming on the remainder of the site.

**VALUATION**

Again, the valuation of real estate offers three approaches, summarized following:

The ***Direct Comparison Approach*** employs the Principle of Substitution, which states that a prudent purchaser will not pay more for a property than what it would cost to buy an equally desirable substitute property. It is a method of estimating value for the Subject Properties on the basis of the selling prices of other similarly-developed properties, either on an overall sale price basis or based upon the properties' sale price per unit (i.e., price per acre for rural lands). Adjustments are then made to the prices of the sold properties to reflect the Appraiser's opinion of the principal value influencing factors governing these properties in comparison and contrast to the Subjects. *However, very little evidence is available for fully developed processing/freezer facilities; therefore, this approach will be further discussed but not emphasized in the final analysis. It WILL, however, be stressed in the development of land value under the Cost Approach (see below).*

The ***Cost Approach*** to value is based on the depreciated value of buildings and improvements plus the estimated land value as if vacant, from market evidence. This approach is an estimation of the amount of money required to produce a property with the same utility as the Subjects, in the same location, and in the same condition as of the date of appraisal. A Cost Approach will be developed here.

If a property is income-generating in and of itself (i.e., through rental or term lease), an investor will usually purchase for the benefit (income) that the property is capable of producing. The value of the property depends on its earning power and the ***Income Approach*** is a method of estimating the present value of anticipated income benefits. However, as properties developed in the manner of the Subject are not bought and sold on their ability to generate *rental income*, this Approach is also not considered appropriate in this case. However, a review of *business revenues* IS considered appropriate to corroborate values estimated under the Cost Approach.

**VALUATION – PART 1:****COST APPROACH TO VALUE*****A) Estimate of Land Value:***

Owing to the split zoning of the Subject site, two sets of sales evidence is needed to estimate its land value. The first summary following includes sites within the ALR in the Pitt Meadows area (for underlying A-1 land value), the second shows planted blueberry land in other areas (for contributory value of blueberry plantings), and the third outlines industrial land sales in the area to assist in estimating the value of the Subject's A-3 zoned area.

The sales evidence utilized for this analysis is summarized on the following pages.

SALE SUMMARY OUTLINE NO. 1 - PITT MEADOWS LANDS, AGRICULTURALLY ZONED

SALE NO.	LOCATION	LEGAL DESCRIPTION (CONDENSED)	SITE SIZE (AC.)	SALE DATE	SALE PRICE	SALE PRICE/AC. OVERALL	BUILDINGS	EST. BLDG. VALUE	EST. RESIDUAL VALUE TO LAND (PER ACRE)	COMMENTS
1	14325 Harris Road Pitt Meadows	Block A, Plan 8019	27.308	Jul-11	\$2,600,000	\$95,210	4 yr. old 4031 sq.ft. home, shop & quonset, 23 ac. mature blueberries.	\$725,000	\$68,661	Owned by Purewall's, sold to Johal, a local grower. Near new home. Plantings older but in good condition. Sold under some duress.
2	14086 Harris Road Pitt Meadows	PID No. 009-043-624	19.84	Jul-11	\$1,450,000	\$73,085	Old quonset shed, 19 ac. older blueberry plantings.	\$190,000	\$63,508	Owned by Purewall's, sold to local grower. Fully planted to older blueberries Sold under some duress.
3	16982 Ford Road Pitt Meadows	Lot 3, Plan 9471	33.6	Apr-11	\$2,300,000	\$68,452	Two old homes and barns.	\$150,000	\$63,988	All cleared to pasture, very old farm, dyke and river frontage. DOM = 63. from asking price of \$2,550,000. Purchased by local farmer.
4	13555 Sharpe Road Pitt Meadows	Lot 9, Plan 34230	17.243	Dec-10	\$937,900	\$54,393	Small storage shed only.	\$0	\$54,393	Level, cleared to pasture. Slough partly through. Next to blueberry farm, bought by neighbor for planting. Sold off MLS.
5	14135 McKechnie Road Pitt Meadows	Lot 10, Plan 4360	20.0	Sep-10	\$1,000,000	\$50,000	Old storage barn only.	\$0	\$50,000	Cleared, level, was in nursery stock not included in sale. Built-up homestead. Property cut by slough but access improved by corner location. Was on MLS but sold privately.
6	19990 Dewdney Trunk Pitt Meadows	Lot B, Plan 5387	23.0	Sep-10	\$1,275,000	\$55,435	1,768 sq. ft. older home, 7-stall horse barn, sand riding ring, etc.	\$165,000	\$48,261	Long, narrow site, well located, creek through. Good older home (reno), very good barn. Balance of land in pasture. No plantings. DOM 427 from asking price \$1,680,000.

SALE SUMMARY OUTLINE NO. 2 - PLANTED BLUEBERRY LANDS - OTHER AREAS

SALE NO.	LOCATION	LEGAL DESCRIPTION (CONDENSED)	SITE SIZE (AC.)	SALE DATE	SALE PRICE	SALE PRICE/AC. OVERALL	BUILDINGS	EST. BLDG. VALUE	EST. RESIDUAL VALUE TO LAND (PER ACRE)	COMMENTS ("DOM" = Days on Market - MLS)
1	8915 McElwee Road Chilliwack	Lot 2, Plan 20403	76.6	Jun-11	\$3,385,000	\$44,191	1550 sq. ft. older home, 2nd home, older dairy barns.	\$430,000 incl. plantings	\$38,577	Much larger site, inferior soils, 66 ac. newer blueberry plantings needing work. Good infrastructure (drainage, irrigation, etc.). Court ordered sale. 114 DOM from asking price \$3.625M.
2	34659 Townshipline Road Matsqui Prairie	Lot 15, Plan 649A	29.39	Jun-11	\$2,675,000 (see Comments)	\$91,017	Older home & shop. Approx. 28 acres of Duke, Bluecrop plantings. Highest producing farm in Matsqui.	\$760,000 (incl. plantings)	\$65,158	Good home, smaller site. Excellent production history (over 10 tons per acre), regarded as the best farm in Matsqui. Sold under foreclosure for \$2.4M in Mar/10. Good crop in 2010. Current sale to area farmer.
3	40500 Block No. 3 Road Sumas Prairie	Lot 29, Plan 4211	27.58	Jun-11	\$1,900,000	\$68,891	Est. 26 acres net planted area. Dukes, Rekas, young plantings, irrigated.	\$390,000 (plantings only)	\$54,750	Sandy loams, young plantings, smaller site. Approximately 7 acres under powerline R/W. DOM 66 from asking price of \$2,100,000.
4	34061 Townshipline Rd. Matsqui Prairie	W/2 Lot 14, Plan 649A	19.75	Apr-11	\$2,025,000	\$102,532	Older residence, two barns, 17 ac. planted b/berries, drained, irrigated.	\$600,000 (incl. plantings)	\$72,152	Good older home, two-storey, very old barn plus 1992 modern barn. Plantings are Duke/Bluecrop/Reka. Good condition. DOM 1 on MLS. Sold in July/09 for \$1,750,000, current sale appears high.
5	5746 Bell Road Matsqui Prairie	Lot 11, Plan 649A	19.21	Apr-11	\$1,870,000	\$97,345	Large, modern home, large shop. Approx. 16 ac. planted to young b/berries.	\$590,000 (incl. plantings)	\$66,632	Similar location, good mineral soils, excellent home & shop. Young plantings Sold off MLS. Price again appears high.
6	32258 Harris Road Matsqui Prairie	Lot 8, Plan 3457	19.45	Feb-11	\$1,170,000	\$60,154	Two barn/shop buildings, no plantings.	\$60,000	\$57,069	Good land, level, in grass. Sold to nearby dairy farmer as part of estate sale. Private, not on MLS.
7	38580 No. 5 Road Sumas Prairie	Lot 2, Plan 13264	21.82	Jan-11	\$1,538,000	\$70,486	1,400 sq. ft. older basement home, 14.5 ac. mature b/berries, irrigated, good.	\$320,000 (incl. plantings)	\$55,820	Good production history, well maintained sold under some duress as bank was preparing to foreclose. Not MLS.

**SALE SUMMARY OUTLINE NO. 3 - MAPLE RIDGE/PITT MEADOWS LANDS, INDUSTRIALLY ZONED**

SALE NO.	LOCATION	LEGAL DESCRIPTION (CONDENSED)	SITE SIZE (SQ.FT./AC.)	ZONING	SALE DATE	SALE PRICE	SALE PRICE/SQ.FT. OVERALL	COMMENTS
1	24069-128th Avenue Maple Ridge	Lot 25, Plan 2622	217,800 5.00	M-2 Industrial	Oct-11	\$1,300,000	\$5.97	Office and roofed shelters, net value to land \$5.50/sq.ft. Outlying, city water only.
2	23359 Fisherman Road Maple Ridge	Lot 11, Plan 6421	78,844 1.81	M-2 Industrial	Jul-11	\$1,400,000	\$17.76	Two old quonsets, balance flat land. Two leaseable areas, one title, fenced, fully serviced.
3	23690 River Road Maple Ridge	Parcel 1, Plan 10995	94,090 2.16	M-2	Feb-11	\$1,025,000	\$10.89	Small old office, no value. Fully serviced. Flat land, river frontage, needs cleanup.
4	23432 River Road Maple Ridge	PID No. 000-550-213	22,216 0.51	M-2	Jun-10	\$500,000	\$22.51	Vacant, filled, fenced. Fully serviced.
5	20070-113B Avenue Maple Ridge	Lot 9, Plan 86659	20,473 0.47	M-3	Apr-10	\$425,000	\$20.76	Service Industrial, small frontage but excellent ex- posure. Fully serviced.

***Analysis of Sales Evidence:*****1) Agricultural Portion of Site (A-1 zoned, ±31.49 acres)**

The first two foregoing Sales Summaries represent rural parcels of varying sizes, with the first summary comprising Pitt Meadows sales. Sale Nos. 1 and 2 were also owned by Purewal's, but the sales appear to be arm's length although it is clear that some duress was involved.

The second summary is used to estimate the contributory value of the blueberry plantings.

Land values per acre in the first Sale Summary Outline are wide-ranging, falling between approximately \$48,000. and \$68,000. The range is wide owing mainly to the variation in site sizes, with some increment for location. The need for extensive adjustments is therefore apparent. Once again, as in the earlier appraisals, the following categories of adjustments have been applied to these sales to account for differences between them and the Subject, as perceived by the Appraiser.

**Time lapse** is generally self explanatory, and reflects the fact that the market for rural sites increased sharply between 2004 and 2008 in all areas of the Fraser Valley, then tapered down but have stabilized over the last year or so. The strongest recoveries have been seen in smaller sites (10 acres and under); however, demand for larger sites (20+ acres) has also rebounded but not to the same extent. Capping the time lapse issue is the world-wide economic downturn which gained momentum in October of 2008 and continues to affect all aspects of the real estate market, although continued low interest rates keep the market active in the most desirable sectors.

The **locational** adjustment reflects factors such as proximity to urban areas, access to transportation corridors, and the general tone of the neighbourhood in which the property is located. For example, an exceptionally large area, custom quality residence located in an area of low quality hobby farms or intrusive, commercial scale farming operations would likely suffer somewhat in terms of market appeal. The Subject location is a very popular one for commercial scale blueberry farming activities. None of the sold sites are seen as superior

to the Subject in these respects. Adjustments in this category are therefore extensive as well.

**Site size** is, again, relatively self explanatory, with unit (per acre) values tending to diminish as site size increases. This has become an established principle in the both the rural residential and commercial farmland markets; *however, the relationship is not necessarily linear.* Adjustments here are extensive owing to the variations in site sizing between the Subject and the sold properties.

**Zoning** also includes ALR inclusion/exclusion (refer to Highest and Best use). All of the properties in the sale summary are entirely within the ALR and similarly zoned to the Subject in terms of permitted uses; therefore, minimal adjustments are required.

**Topography and soil conditions** vary little over the sold sites, as all are in floodplain farming areas. In agricultural terms, (croppability, load bearing for farm buildings, servicing, etc.) the sold properties are generally similar to the planted portion of the Subject; therefore, adjustments for these considerations are relatively minimal.

**Site development** includes clearing, cultivation, etc. Most of the sites in the Outline are predominantly or fully cleared and capable of cultivation, if they are not already planted.

The extent, age, design, and condition of **onsite buildings** also varies widely, and is of consideration when assessing the values of the structures to be deducted from the sold sites.

Following the application of adjustments to each of the sales in the outline as against the Subject A-1 zoned land base, the underlying agricultural value of the Subject site is seen to fall at \$65,000. per acre. This extends to **\$2,050,000. (rounded)** when applied to the 31.49 acre A-1 zoned area. Of this value, \$1,670,000. is apportioned to the underlying land and the remainder of \$380,000. to the blueberry plantings.

## 2) Farm Industrial Portion of Site (A-3 zoned, ±8.0 acres)

The third Sale Summary outlines sales of General Industrial (M-2 and M-3) zoned parcels in the region. All of these are located in the Maple Ridge area to the east, as no recent industrial land sales have been located in the Pitt Meadows area.

As to the Agriculture and Farm Processing (A-3 zoned) portion, it is the opinion of this Appraiser that

Because the A-3 zoning of the 8-acre northeast portion of the Subject site permits certain industrial usage, its contributory unit (per acre) value should be measurably higher than the remainder of the site; however, it will *NOT* capture a value close to mainstream general industrial lands at \$600,000-\$800,000. per acre. Its agricultural processing use, though clearly industrial (and also permitting off-site retail, an added bonus) and approved by both the District and the ALC, is still sufficiently restricted as to be of considerably lower appeal than a general industrial site. Furthermore, the 8-acre portion is a component of the overall property – in order to acquire this part of the parcel, the entire site must be purchased. That said, however, it is felt that the nature of the local berry market is such that a potential purchaser of the Subject property intending to continue its processing use will readily pay a premium to obtain fully-zoned, “legal” facilities.

All of the sales in this third summary are zoned M-2 or M-3. Site sizes for four of the five sites are much smaller than the Subject, requiring substantial downward adjustments to reflect the much larger size of the Subject. The best comparable of the five – that is, the sale requiring the least adjustment - is No. 1, the largest of the sales and a stand-alone, rural site outside of an industrial neighborhood, as is the Subject. Following the application of adjustments for time, location, servicing, site size, and the more limited, specialized zoning of the Subject, the current *contributory* market value of the A-3 zoned portion of the Subject is estimated at \$4.00 per sq. ft., or **\$1,390,000. (rounded)**.

The Subject site value is therefore estimated as follows: (all figures rounded)

8.0 ac. Agri-Industrial Use:	\$	1,390,000.
31.49 ac. Agricultural Use, @\$53,000. per acre:	\$	<u>1,670,000.</u>

Total Land Value:	\$ 3,060,000.
ADD: Blueberry Plantings:	\$ <u>380,000.</u>
<b>TOTAL LAND &amp; PLANTING VALUE:</b>	<b>\$ <u>3,445,000.</u></b>

***B) Estimate of Building Values:***

Detailed costing breakdowns have been compiled using the Marshall & Swift Valuation Service computer-based costing database, a standard in the valuation industry. These have been reproduced in detail and appended to this report as Appendix 3. All of this information has, however, been summarized on the following page in table form.



**VALUATION – PART 2:****DIRECT COMPARISON APPROACH**

Extensive research has only uncovered three records of sales of rural processing facilities over the last several years. These are summarized following:

**1) 90 Winson Road, Abbotsford:**

This was a 25.34 acre parcel of high, rolling land, zoned A-1, which contained a large-area, modern (but run-down) home and a basic processing plant with an old, non-functional IQF line and a freezer area. This was purchased under distress circumstances by an established fruit packing business in 2008 at a declared value of \$3,544,000. The main processing area was 15 years old, 7,740 sq. ft. in size, with an old attached freezer (4,200 sq. ft.) and 3,780 sq. ft. of storage and mechanical room additions. A roofed loading dock totaled 1,800 sq. ft. The plant was non-operational and the IQF line was removed and replaced. The residence was completely remodelled to an office complex and the plant is now operational and undergoing re-zoning to A-4. The re-zoning is supported by the ALC but a complaint has been lodged by a neighbor so the City is delaying the process. Underlying land value is similar to higher than the Subject, but the processing facility is much inferior, even to the older Townline Road Subject facility. Selling price is equivalent to approximately \$225 per sq. ft. of plant area.

**2) 29020 Fraser Highway, Abbotsford:**

This was a 13.70 acre parcel which sold in January, 2007 for \$2,300,000. and was then leased back by the Vendors (Champ's Mushrooms) until their new plant was ready. 5.64 acres of this site was zoned A-4 (Agri-Industrial) by Champ's when they purchased the site in 1999; the balance is under a power line and largely inaccessible. The building is 12,000 sq. ft., tilt-up construction, 24 ft. wall height. Approximately 2,000 sq. ft. was offices, the balance refrigerated processing. No freezer space. Access is somewhat restricted (right-in, right-out) but exposure and location are good. The zoned portion of the site shows over \$200,000. per acre value, little value to the balance, the building shows ±20% depreciation. This sale is difficult to compare as the building offers no freezer space which would be required for berries but was not necessary for mushrooms. Selling price is equivalent to approximately \$191.00 per sq. ft. of plant area.

**3) 512 Townline Road, Abbotsford:**

This is a 5.0 acre parcel which sold in April, 2007, for \$1,725,000. L.T.O. PID No. was 002-196-875. The property contained an 1,188 sq. ft. older home set up as an office facility and a mobile home for a caretaker. The processing/cold storage facility totaled had 11,250 sq. ft. of freezer space and attached older processing area. The property was purchased by Fraser Valley Packers Inc., primarily to expand their freezer capacity. As with the Winson Road property, this site is **zoned A-1 only** and still within the ALR, making it technically non-conforming as a freezer plant but it is an older facility which pre-dates the Agricultural Land Reserve. Selling price is equivalent to ±\$99.00 per sq. ft. of plant area.

Another rural processing facility, located at **4586-176<sup>th</sup> Street, Surrey**, is understood to be currently available to the market at an asking price in the \$13,000,000. range. This facility is on a larger (110 acre) site, is newer, and offers less potential capacity than the Subject, but does include an IQF line and a 30,000 sq. ft. freezer building, which is a shell only and has no equipment installed. The Appraiser has been unable to ascertain the level of interest in this property, but it is understood that it is being offered to the market under duress.

The three sales above are difficult to analyze in comparison to the Subject as such substantial adjustments are required. These adjustments include allowances for the homes on each property as well as the size, age and condition, completeness of each of the plants and the fact that the Subject plant site is Agri-Industrial (A3) zoned. Of particular consideration is the *size* of the Subject plant, which, at 108,693 sq. ft., is much larger than any of the above facilities. Following adjustments, the overall value attributable to the *fixed assets* of the Subject property would fall in a range between approximately \$100. and \$125. per sq. ft. of plant area. This extends to between **±\$10,870,000. and \$13,580,000.** based on the total square footage of the Subject plant. However, given the lack of further evidence, this value range is useful mainly only for general corroboration of the Cost Approach estimate. This evidence will be used for general correlation at the conclusion of this report.

**VALUATION – PART 3:****CORROBORATION OF GENERAL VALUE – REVIEW OF REVENUE/EXPENSE HISTORY:**

This section does not represent a valuation “approach”, but is rather used to corroborate (or deny) the general value magnitude estimated under the Cost Approach. The following revenue and expense figures have been provided for the last four years (unaudited), and based on these, the Appraiser has structured a “normalized” breakdown on an EBITDA basis; that is, excluding long-term debt service, income tax, and amortization.

**Note that any value which may be attributed to the Subject “business” as a going concern under this review is not to be taken as a “business valuation” and should not be used for share valuation purposes, as the Appraiser is not qualified to carry out such work and, in any event, such a valuation is beyond the scope of this appraisal report. *Rather, the use of an overview of this type is intended to corroborate the contributory values of the specialized fixed assets necessary to the business, as estimated under the Market Comparison and Cost Approaches.***

PUREWAL BLUEBERRY FARMS PROCESSING PLANT

	2011	2010	2009	2008	NORMALIZED
<u>PROCESSING REVENUE:</u>					
BLUEBERRIES:	\$20,716,141	\$21,257,054	\$22,246,014	\$29,830,518	
ORANGES, REPACKING, MISC.:	\$2,458,942	\$3,192,534	\$2,231,439	\$3,057,594	
TOTAL REVENUE:	\$23,175,083	\$24,449,588	\$24,477,453	\$32,888,112	100% \$23,000,000 100%
<u>COST OF GOODS SOLD:</u>					
PURCHASES:	\$14,329,312	\$12,646,381	\$15,841,029	\$25,751,322	
DIRECT LABOUR:	\$2,945,344	\$2,954,834	\$2,866,799	\$2,760,466	
FREIGHT, DUTY, BROKERAGE	\$478,552	\$552,565	\$341,698	\$269,950	
COLD STORAGE	\$183,829	\$231,343	\$166,416	\$333,080	
TOTAL C.O.G.S.:	\$17,937,037	\$16,385,123	\$19,215,942	\$29,114,818	89% \$18,400,000 80%
REVENUE NET OF C.O.G.S.	\$5,238,046	\$8,064,465	\$5,261,511	\$3,773,294	11% \$4,600,000 20%
<u>PLANT PROCESSING COSTS:</u>					
EQUIPMENT RENTAL	\$289,848	\$267,482	\$136,467	\$215,028	
FUEL COSTS	\$10,949	\$31,400	\$52,744	\$41,987	
GARBAGE COLLECTION	\$71,132	\$68,699	\$113,747	\$175,154	
PALLET RENTALS	\$180,402	\$160,672	\$182,687	\$179,604	
PEST CONTROL	\$12,415	\$10,084	\$4,314	\$7,275	
QUALITY CONTROL	\$774	\$0	\$32,493	\$7,003	
REPAIRS & MAINTENANCE	\$364,932	\$406,062	\$298,847	\$536,956	
SUPPLIES - PKGING & OTHER	\$1,578,187	\$1,469,209	\$1,708,172	\$1,769,165	
UTILITIES & HYDRO	\$258,476	\$307,100	\$264,224	\$264,002	
TOTAL PLANT PROCESSING:	\$2,767,115	\$2,720,708	\$2,793,695	\$3,196,174	10% \$2,300,000 10%
GROSS PROFIT:	\$2,470,931	\$5,343,757	\$2,467,816	\$577,120	2% \$2,300,000 10%

**GENERAL & ADMINISTRATIVE:**

ADVERTISING	\$33,441	\$99,602	\$29,573	\$67,950	\$60,000
AMORTIZATION	\$928,829	\$986,264	\$1,123,649	\$1,407,985	\$0
AUTOMOTIVE	\$219,650	\$238,624	\$208,519	\$416,089	\$200,000
BAD DEBTS	\$31,898	\$0	\$29,024	\$39,578	\$0
FINANCING FEES	\$75,974	\$0	\$0	\$0	\$0
INSURANCE	\$207,525	\$231,349	\$274,429	\$284,226	\$205,000
INTEREST & BANK CHARGES	\$1,235,327	\$924,623	\$1,142,686	\$1,033,152	\$200,000
LICENCES & DUES	\$13,492	\$13,952	\$6,575	\$9,360	\$13,000
MISCELLANEOUS	\$11,915	\$63,872	\$46,257	\$38,158	\$10,000
OFFICE SUPPLIES	\$105,748	\$75,150	\$57,194	\$67,289	\$75,000
PROFESSIONAL FEES	\$211,885	\$316,577	\$165,194	\$241,414	\$175,000
PROMOTION	\$35,697	\$19,045	\$195,141	\$253,452	\$50,000
RENT & PROPERTY TAXES	\$339,889	\$211,162	\$182,958	\$243,855	\$210,000
SALARIES & WAGES	\$1,066,174	\$927,440	\$881,794	\$916,418	\$850,000
TELEPHONE, FAX & INTERNET	\$84,432	\$72,357	\$75,759	\$93,199	\$80,000
TRAVEL & ACCOMMODATION	\$16,965	\$8,817	\$16,542	\$70,133	\$10,000
UTILITIES & HYDRO*	\$0	\$0	\$42,513	\$50,381	\$0
WORKER'S COMPENSATION	\$13,754	\$19,524	\$10,155	\$17,880	\$12,000
TOTAL - GEN. & ADMIN:	\$4,632,595	\$4,208,358	\$4,487,962	\$5,250,519	\$2,150,000

**NET OPERATING INCOME:**

**(\$2,161,664)**      **\$1,135,399**      **(\$2,020,146)**      **(\$4,673,399)**      **\$150,000**



However, in the case of the Subject, the market evidence is sketchy, involving much smaller facilities. A conventional income approach using rental income is of questionable value as the zoning and ALC regulations permit only agricultural processing use of the Subject property and, as all similar facilities are owner-occupied, rental income is simply not available.

Given the lack of available corroborative evidence, the Cost Approach is seen as being the only credible means of assessing value to the Subject property as developed.

**MARKET EXPOSURE PERIOD:**

To attain this value level, a market exposure period of four to six months would be expected to be required, owing to the degree of specialization of the facilities.

**MACHINERY AND EQUIPMENT:**

Mr. Malcolm Brumpton of *Total Appraisals Inc.* has prepared a schedule of values, dated October 10, 2011, covering the processing equipment and rolling stock in the Subject facility with the exception of the refrigeration equipment, which is included in this appraisal. A copy of this schedule has been provided to this Appraiser, and shows a "Total Fair Market Value" of **\$3,593,850.** We have included this here for convenience purposes, and, of course, offer no comment as to the veracity of this aggregate value.

**FINAL ESTIMATE OF VALUE:**

I HEREBY CERTIFY, to the best of my knowledge and belief, that the market value of the **fixed** assets of the Subject Properties, as at October 26, 2011, and **subject to the General and Extraordinary Assumptions and Limiting Conditions** as set out within this report, would be as follows:

**NINE MILLION SEVEN HUNDRED AND TEN THOUSAND DOLLARS**  
**(\$9,710,000.)**

apportioned as follows:

Land Base (39.49 acres):	\$ 3,060,000.
Blueberry Plantings:	\$ 380,000.
Processing Plant & Fixed Equipment:	<u>\$ 6,270,000.</u>
<b>TOTAL:</b>	<b>\$ 9,710,000.</b>

**VALUE OF EQUIPMENT INVENTORY PROVIDED BY TOTAL APPRAISALS LTD.**

**THREE MILLION FIVE HUNDRED AND NINETY THREE THOUSAND, EIGHT**  
**HUNDRED AND FIFTY DOLLARS**  
**(\$3,593,850.)**

**(Please refer to detailed report under separate cover for Equipment Valuation)**

I HEREBY CERTIFY that to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported Assumptions and Limiting Conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the Subject of this report, and I have no personal interest or bias with respect to the parties involved.
- my compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- my analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have made a personal inspection of the property that is the Subject of this report.
- no one provided significant professional assistance to the person signing this report.

DATE: December 9, 2011  
/cm  
345074-3



G.E. LATHROP, AACI, P.App, RI

## **APPENDIX "1"**

### **GENERAL ASSUMPTIONS AND LIMITING CONDITIONS**

- a) This report has been prepared at the request of PUREWAL BERRY FARMS LTD. (the "Clients") as an appraisal of market value to assist in assessing mortgage security. Owing to the specific terms and conditions under which this report was prepared, and which were agreed to between the Client and ARC Appraisals Ltd. prior to the commencement of the appraisal, it is not reasonable for any other party than the Client to rely upon this appraisal *for any other purpose*. The appraisal has been carried out and the report has been prepared on the assumption that no person will rely on it for any other purpose and that all liability to all such persons is denied.
- b) Although no responsibility is accepted for the accuracy of information supplied by others, factual information contained within this report is from sources considered reliable and believed to be correct.
- c) It is assumed that the title to the Subject Property is good and marketable and capable of providing security for typical market financing.
- d) It is assumed that all legally due taxes on the Subject Property are paid.
- e) No legal survey has been made on the Subject Property pursuant to the preparation of this report, and it is assumed that all legally described boundaries and registered plans are correct.
- f) No responsibility is assumed for the legal locations of any improvements as described within this report, but it would appear that all improvements, if any, are located within the legal boundaries of the Subject site, except as may otherwise be specified herein.
- g) Any sketches contained within this report are intended to assist the reader to visualize the Subject Property and are not based on legal survey.
- h) For buildings which were inspected, such inspection was carried out as a brief walk-through to provide a building description and to ascertain their general condition. We have not inspected woodwork or other parts of the structure(s) which are covered, unexposed or inaccessible and we are therefore unable to report that such parts of the property are free of rot, beetle or other defects. No detailed structural survey was undertaken and we take no responsibility for hidden defects of any kind. Unless otherwise stipulated herein, the buildings are assumed to be in sound structural condition.
- i) This report must be presented in its full context. No responsibility is accepted for any partial presentation of any portion of the report.

- j) This appraisal does not carry with it the right to Court testimony. If this service is required, specific arrangements must be agreed upon in advance.
- k) It is cautioned that the opinion of value provided herein relates to a specific date and purpose of valuation. It reflects the personal opinion of the Appraiser and is not necessarily the opinion of any other person, persons, or corporations, and does not necessarily reflect the value attached to the property by a specific vendor or purchaser.
- l) No opinion is offered by us with respect to any actual or potential contamination of the soils of the Subject property, as the appraiser is not qualified to detect contaminants or hazardous substances which may negatively affect the value of the property, but only to comment on likely value influence(s) once such substances are detected. Accordingly, unless otherwise stated, the value estimate is predicated on the assumption that there is no material on, in, or near the property that would cause a value loss. No hazardous material or soil contaminant studies have been provided to us, nor have we been authorized to commission any such studies; therefore, no responsibility is assumed for any actual or potential contaminant conditions, or for any specialized expertise or engineering knowledge required to discover them or to remove or eliminate them. The Client is urged to retain expertise in this field if there is any doubt regarding the quality of the lands or soils in question.
- m) Unless otherwise stated, the facilities on the Subject property have not been assessed as to their compliance (or lack thereof) to the Code of Agricultural Practice for Waste Management, April 1, 1992 (Provincial).
- n) The Writer reserves the right to make such adjustments to the value conclusions as may be required upon consideration of additional or more reliable data which may become available.
- o) No investigation has been taken with the local fire marshal's office, the building inspector, the Health Department or any other government regulatory department or agency unless such investigations are expressly represented to have been made in this valuation. Non-compliance with government regulations may or may not have an impact on market value. To be certain of compliance, further investigations may be necessary.
- p) Market data utilized in the limited appraisal analysis, and retained on file by the Appraiser, has been obtained from one, or a combination of, the following sources: (1) from information contained in ARC Appraisals Ltd., files; (2) data as reported by the local Real Estate Board(s); and (3) from the Land Registry Office. As well as using such documented and generally reliable evidence or market transactions, it may have also been necessary to rely upon hearsay evidence. Except as noted herein, a reasonable attempt has been made to verify all such information.

## APPENDIX "2"

### EXPERIENCE AND QUALIFICATIONS

**G.E. LATHROP, AACI, P.App, RI  
AGRICULTURAL SUPERVISOR  
DIRECTOR, ARC APPRAISALS LTD.**

**1976 – Current** Fee Appraiser, ARC Appraisals Ltd.

**1975 – 1976** Appraisal Supervisor, Dewdney-Alouette Assessment Area of B.C. Assessment Authority.

**1973 – 1975** Municipal Assessor, District of Mission

**1970 – 1973** Municipal Appraiser, District of Mission

**Education** Completion of a four-year specialized course in Property Appraisal through the University of British Columbia, resulting in the awarding of a diploma in Property Appraisal.

#### **Professional Affiliations**

#### **& Designations-**

Accepted as a Member of the Professional Division of the Real Estate Institute of British Columbia (R.I.(B.C.)) (Certificate No. 1221).

- Accredited Appraiser of the Appraisal Institute of Canada (AACI, P.App) (Certificate No. 2662).

- Accepted as an expert witness by the B.C. Assessment Appeal Board.

- Accepted as an expert witness in the Supreme Court of British Columbia, in matters of general real estate as well as agricultural valuation.

- Appointed to the Panel of Appraisers for farm mortgage purposes by the Royal Bank of Canada.

- Past Lecturer, Caravan Seminar series, British Columbia Real Estate Association, 1981 through 1984, "Farm Evaluation".

#### **Client Profile**

Has completed appraisal reports relative to specialized agricultural operations and agri-businesses for major lending institutions (Canadian and International) as well as both Canadian and International legal and accounting firms. Reports have been completed for lending security, litigation, and tax accounting purposes.

## Marshall & Swift - SwiftEstimator Commercial Estimator - Summary Report

### General Information

<b>Estimate ID:</b>	Purewal Blueberry Farms Processing Plant	<b>Date Created:</b>	12-08-2011
<b>Property Owner:</b>	Purewal Blueberry Farms Ltd.	<b>Date Updated:</b>	12-09-2011
<b>Property Address:</b>	13753 Hale Road Pitt Meadows, BC V3Y1Z1	<b>Date Calculated:</b>	12-09-2011
<b>Local Multiplier:</b>		<b>Cost Data As Of:</b>	using report date
<b>Architects Fee:</b>		<b>Report Date:</b>	12-2011

### Original Processing

<b>Area</b>	31462	<b>Overall Depreciation %</b>
<b>Stories in Section</b>	1	<b>Physical Depreciation %</b>
<b>Stories in Building</b>	1	<b>Functional Depreciation %</b>
<b>Shape</b>	rectangular	<b>External Depreciation %</b>
<b>Perimeter</b>	(auto-calc)	
<b>Effective Age</b>	25	

### Occupancy Detail

Occupancy	%	Class	Height	Quality
454 Shell, Industrial	100	S	22	2.0
<b>Occupancy Total Percentage</b>	<b>100</b>			

#### System : HVAC (Heating)

	%/Units	Quality	Depr %	Other
606 HVAC (Heating) : Space Heater	100	Occ.		2
<b>Total Percent for HVAC (Heating):</b>	<b>100</b>			

#### System : Miscellaneous

	%/Units	Quality	Depr %	Other
764 Miscellaneous : Fire Alarm System	31462	Occ.		

#### System : Sprinklers

	%/Units	Quality	Depr %	Other
681 Sprinklers : Sprinklers	100	Occ.		
<b>Total Percent for Sprinklers:</b>	<b>100</b>			

### Addition Details

Addition	Units	Cost	Depr %	LM	Base Date
Extra Drainage for Processing Use	108693	2.5		N	
Extra IQF Line/Blast Freezer	3000	295		N	

**APPENDIX "3" – MARSHALL & SWIFT COSTING (4 Pages)**

**Original Freezer**

Area 22000  
 Stories in Section 1  
 Stories in Building 1  
 Shape rectangular  
 Perimeter (auto-calc)  
 Effective Age 25

Overall Depreciation %  
 Physical Depreciation %  
 Functional Depreciation %  
 External Depreciation %

**Occupancy Detail**

Occupancy	%	Class	Height	Quality
447 Cold Storage Facility	100	A	22	2.5
<b>Occupancy Total Percentage</b>	<b>100</b>			

**System : Exterior Walls**

	%/Units	Quality	Depr %	Other
861 Exterior Walls : PE.-Cold Storage Metal Sandwich Panels	100	Occ.		
<b>Total Percent for Exterior Walls:</b>	<b>100</b>			

**System : HVAC (Heating)**

	%/Units	Quality	Depr %	Other
617 HVAC (Heating) : Complete HVAC	100	Occ.		2
<b>Total Percent for HVAC (Heating):</b>	<b>100</b>			

**System : Miscellaneous**

	%/Units	Quality	Depr %	Other
764 Miscellaneous : Fire Alarm System	22000	Occ.		

**Newer Processing**

Area 38672  
 Stories in Section 1  
 Stories in Building 1  
 Shape rectangular  
 Perimeter (auto-calc)  
 Effective Age 20

Overall Depreciation %  
 Physical Depreciation %  
 Functional Depreciation %  
 External Depreciation %

**Occupancy Detail**

Occupancy	%	Class	Height	Quality
454 Shell, Industrial	100	S	22	2.0
<b>Occupancy Total Percentage</b>	<b>100</b>			

**System : HVAC (Heating)**

	%/Units	Quality	Depr %	Other
606 HVAC (Heating) : Space Heater	100	Occ.		2
<b>Total Percent for HVAC (Heating):</b>	<b>100</b>			

**System : Miscellaneous**

**APPENDIX "3" – MARSHALL & SWIFT COSTING (4 Pages)**

764 Miscellaneous : Fire Alarm System	%/Units 38762	Quality Occ.	Depr %	Other
<b>System : Sprinklers</b>				
681 Sprinklers : Sprinklers	%/Units 100	Quality Occ.	Depr %	Other
<b>Total Percent for Sprinklers:</b>	<b>100</b>			

---

**Newer Freezer**

<b>Area</b>	16559	<b>Overall Depreciation %</b>
<b>Stories in Section</b>	1	<b>Physical Depreciation %</b>
<b>Stories in Building</b>	1	<b>Functional Depreciation %</b>
<b>Shape</b>	rectangular	<b>External Depreciation %</b>
<b>Perimeter</b>	(auto-calc)	
<b>Effective Age</b>	20	

---

**Occupancy Detail**

<b>Occupancy</b>	%	<b>Class</b>	<b>Height</b>	<b>Quality</b>
447 Cold Storage Facility	100	A	22	2.5
<b>Occupancy Total Percentage</b>	<b>100</b>			

---

**System : Exterior Walls**

861 Exterior Walls : PE.-Cold Storage Metal Sandwich Panels	%/Units 100	Quality Occ.	Depr %	Other
<b>Total Percent for Exterior Walls:</b>	<b>100</b>			

**System : HVAC (Heating)**

617 HVAC (Heating) : Complete HVAC	%/Units 100	Quality Occ.	Depr %	Other 2
<b>Total Percent for HVAC (Heating):</b>	<b>100</b>			

**System : Miscellaneous**

764 Miscellaneous : Fire Alarm System	%/Units 16559	Quality Occ.	Depr %	Other
---------------------------------------	------------------	-----------------	--------	-------

---

**Calculation Information (All Sections)**

	Units	Unit Cost	Total Cost New	Less Depreciation	Total Cost Depreciated
<b>Basic Structure</b>					
Base Cost	108,693	52.61	5,717,811	1,768,059	3,949,752
Exterior Walls	108,693	12.20	1,325,743	416,277	909,466
Heating & Cooling	108,693	7.41	805,376	217,992	587,384
Sprinklers	70,13	3.01	211,104	97,483	113,621

**APPENDIX "3" – MARSHALL & SWIFT COSTING (4 Pages)**

	4				
Fire Alarm System	108,783	1.88	204,609	75,395	129,214
<b>Basic Structure Cost</b>	<b>108,693</b>	<b>76.04</b>	<b>8,264,643</b>	<b>2,575,206</b>	<b>5,689,437</b>
<b>Extras</b>					
Drainage for Processing Use	108,693	2.50	271,733	149,453	122,280
IQF Line/Blast Freezer	3,000	295.00	885,000	486,750	398,250
<b>Replacement Cost New</b>	<b>108,693</b>	<b>86.68</b>	<b>9,421,376</b>		
<b>Less Depreciation</b>					
Physical & Functional	34.1%			3,211,409	6,209,967
<b>Depreciated Cost</b>	<b>108,693</b>	<b>57.13</b>		<b>3,211,409</b>	<b>6,209,967</b>

\*\*\*This SwiftEstimator report has been produced utilizing current cost data and is in compliance with the Marshall & Swift Licensed User Certificate. This report authenticates the user as a current Marshall & Swift user.\*\*\*



**APPENDIX "4" - COPY OF TITLE SEARCH PRINT**

Date: 01-Dec-2011      TITLE SEARCH PRINT      Time: 10:49:13  
Requestor: (PA70451)    ARC APPRAISALS LTD.      Page 001 of 002  
Folio:                    TITLE - BX473432

NEW WESTMINSTER LAND TITLE OFFICE      TITLE NO: BX473432  
FROM TITLE NO: AC108936

APPLICATION FOR REGISTRATION RECEIVED ON: 17 AUGUST, 2005  
ENTERED: 23 AUGUST, 2005

REGISTERED OWNER IN FEE SIMPLE:  
PUREWAL BLUEBERRY FARMS LTD., INC.NO. 726034  
13753 HALE ROAD  
PITT MEADOWS, BC  
V3Y 1Z1

TAXATION AUTHORITY:  
CITY OF PITT MEADOWS

DESCRIPTION OF LAND:  
PARCEL IDENTIFIER: 011-105-526  
LOT "A" SECTION 34 TOWNSHIP 9 NEW WESTMINSTER DISTRICT PLAN 7231

LEGAL NOTATIONS:

HERETO IS ANNEXED EASEMENT BM73664 OVER PART PLAN LMP37297 OF  
LOT 6 PLAN 3710

THIS CERTIFICATE OF TITLE MAY BE AFFECTED BY THE AGRICULTURAL LAND  
COMMISSION ACT, SEE AGRICULTURAL LAND RESERVE PLAN NO. 14 30/07/1974

CHARGES, LIENS AND INTERESTS:  
NATURE OF CHARGE  
CHARGE NUMBER    DATE    TIME

COVENANT  
BH218550    1994-06-09 11:35  
REGISTERED OWNER OF CHARGE:  
THE CORPORATION OF THE DISTRICT OF PITT MEADOWS  
BH218550

COVENANT  
BJ135402    1995-05-05 14:47  
REGISTERED OWNER OF CHARGE:  
THE CORPORATION OF THE DISTRICT OF PITT MEADOWS  
BJ135402  
REMARKS: L.T.A. SECTION 215

MORTGAGE  
CA449916    2007-05-22 14:39  
REGISTERED OWNER OF CHARGE:  
FARM CREDIT CANADA  
CA449916  
REMARKS: INTER ALIA

MORTGAGE  
CA1776741    2010-10-22 12:32  
REGISTERED OWNER OF CHARGE:  
RANJIT SINGH SIDHU

Date: 01-Dec-2011      TITLE SEARCH PRINT      Time: 10:49:13  
Requestor: (PA70451)    ARC APPRAISALS LTD.      Page 002 of 002  
Folio:                    TITLE - BX473432

**APPENDIX "4" - COPY OF TITLE SEARCH PRINT**

AS TO AN UNDIVIDED 750/2000 INTEREST  
CA1776741

RAVINDER KAUR GHAG

AS TO AN UNDIVIDED 500/2000 INTEREST  
CA1776741

TARA SINGH GHAG

SURJEET KAUR GHAG

AS TO AN UNDIVIDED 250/2000 INTEREST AS JOINT TENANTS  
CA1776741

BALBIR KAUR GHAG

AS TO AN UNDIVIDED 500/2000 INTEREST  
CA2131426

REMARKS: INTER ALIA

MORTGAGE

BB1731011 2010-12-23 15:13

REGISTERED OWNER OF CHARGE:

TERRALINK HORTICULTURE INC.

INCORPORATION NO. 841773

BB1731011

REMARKS: INTER ALIA

"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 28, L.T.A."

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING

TRANSFERS: NONE

PENDING APPLICATIONS: NONE

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

**APPENDIX "5" – SUBJECT PROPERTY PHOTOGRAPHS**



**EAST SIDE OF PLANT – NORTH END – COOLERS**



**EAST SIDE OF PLANT – SOUTH END – FREEZER ACCESS**

**APPENDIX "5" – SUBJECT PROPERTY PHOTOGRAPHS**



**NORTH END OF PLANT COMPLEX**



**NORTHWEST CORNER OF PLANT**

**APPENDIX "5" - SUBJECT PROPERTY PHOTOGRAPHS**



**WEST SIDE OF PLANT, FROM NORTH**



**CONTROLLED ATMOSPHERE UNITS**

**APPENDIX "5" – SUBJECT PROPERTY PHOTOGRAPHS**



**WEST SIDE – LEANTO - ENCLOSED**



**WEST SIDE – LEANTO - OPEN**

**APPENDIX "5" – SUBJECT PROPERTY PHOTOGRAPHS**



**SMALL PLANT OFFICE FOR BLAST FREEZER**



**SOUTH WALL OF PLANT**

**APPENDIX "5" – SUBJECT PROPERTY PHOTOGRAPHS**



**RESIDENCE & OFFICE/STAFF BUILDINGS**



**BLUEBERRY PLANTINGS SOUTH OF PLANT**

**APPENDIX "5" – SUBJECT PROPERTY PHOTOGRAPHS**



**BLUEBERRY PLANTINGS SOUTH OF PLANT**

# APPENDIX E

157.66 acres – (Less) 4.0 acres buildings and unplanted area estimate = 153.66 acres planted at 1000 plants per acre = 153,660 plants @ \$12.00 per plant = **\$1,843,920.00** (\$12,000.00 per acre.)

In addition to the actual plants there is an irrigation improvement to the plants. This irrigation improvement involves a portion of the value of the pumping station, established main line water, valves and other systems and individual drip lines to each row and each plant for the entire site. There is a large pond on the eastern portion of the property with pumping station and water holding facilities. My estimate of value for irrigation each plant is \$3.00 per plant calculated as follows:

153,660 plants X \$3.00/plant = **\$460,980.00**. (\$3,000.00/acre).

### **PROPERTY NUMBER 7**

#### **13549 Hale Road, Pitt Meadows B. C. - 18.77 acres**

This property is located immediately south of the industrial warehouse and packing plant and main offices of the company. It is improved with two residences and other improvements as follows:

#### **RESIDENCE NUMBER 1:**

1 storey (over basement) single family residence with 3 bedrooms, living and dining rooms, kitchen, 3 bathrooms and utility and entrance rooms. Constructed in 1979. Main floor has 1,592 square feet and basement 1,565 square feet. Exterior is brick veneer and basement is mostly finished. There is a balcony and patio.

1,592 square feet @ \$160.00/square foot = \$254,720.00

1,565 square feet @ \$160.00/square foot = \$250,240.00

Add for balcony and additions @ Lump Sum = **\$ 30,000.00**

Total estimated cost new = \$534,960.00

Depreciation estimated @ 20% = \$106,992.00

Equals estimated depreciated cost of residence building - \$427,968.00

Rounded to say: **\$428,000.00**

#### **RESIDENCE NUMBER 2:**

1 storey over basement single family residence with 6 bedrooms, living room dining room and kitchen areas, two family room areas, 8 bathrooms and several other utility and other rooms. Constructed in 1994. Main/ground floor has 4,260 square feet and upper level has 3,053 square feet. The balcony is 126

square feet. There are four fireplaces and 320 square feet of covered porch and deck area. This is an excellent modern home with plenty of space for an extended family living situation.

4,260 square feet @ \$175.00/square foot =	\$745,500.00
3,053 square feet @ \$175.00/square foot =	\$534,275.00
Add for balcony, porch, deck, etcetera -	<u>\$ 50,000.00</u>
Total estimated cost new =	\$1,329,775.00

Depreciation estimated @ 10% = \$132,977.50.00

Equals estimated depreciated cost of residence building - \$1,196,797.50.00

Rounded to say: \$1,197,000.00

### OTHER BUILDINGS AND RESIDENTIAL SITE AREA IMPROVEMENTS

A small storage shed about 203 square feet is estimated to have a nominal value of about \$2,000.00

A two vehicle residential carport / garage type building is estimated to have value of about \$10,000.00

Finished parking and driveway, services installation improvements and landscaping about \$25,000.00

Total of other improvements is estimated to be \$37,000.00

The area of land planted in blueberries on the remainder of the total land site (18.77 acres) is estimated to be about 15 acres.

### ESTIMATE OF NUMBER AND VALUE OF PLANTS AND IMPROVEMENTS.

An estimate of plant value is obtained on the basis of 3 to 4 foot plantings spaced approximately 10 to 12 feet in rows with some wider roadways for tractor and equipment laneway uses. About 1,000 plants per acre are estimated at an average value based on reasonable cost of about \$12.00 per plant.

Calculated value is as follows:

15.0 acres – planted at 1000 plants per acre = 15,000 plants @ \$12.00 per plant = \$180,000.00  
(\$12,000.00 per acre.)

In addition to the actual plants there is an irrigation improvement to the plants. This irrigation improvement involves a portion of the value of the pumping station, established main line water, valves

# APPENDIX F

**TITLE SEARCH PRINT**

File Reference: 34388-0001

2017-10-24, 09:27:03  
Requestor: Dianne Bishop

**\*\*CURRENT AND CANCELLED INFORMATION SHOWN\*\***

**Land Title District** NEW WESTMINSTER  
Land Title Office NEW WESTMINSTER

**Title Number** BX473431  
From Title Number Z48986E

**Application Received** 2005-08-17

**Application Entered** 2005-08-23

**Registered Owner in Fee Simple**  
Registered Owner/Mailing Address: PUREWAL BLUEBERRY FARMS LTD., INC.NO. 726034  
13753 HALE ROAD  
PITT MEADOWS, BC  
V3Y 1Z1

**Taxation Authority** Pitt Meadows, City of

**Description of Land**  
Parcel Identifier: 004-654-161  
Legal Description:  
LOT 6 SECTION 27 TOWNSHIP 9 NEW WESTMINSTER DISTRICT  
PLAN 3710

**Legal Notations**  
THIS CERTIFICATE OF TITLE MAY BE AFFECTED BY THE  
AGRICULTURAL LAND COMMISSION ACT; SEE AGRICULTURAL  
LAND RESERVE PLAN NO. 14, DEPOSITED JULY 30, 1974

**Charges, Liens and Interests**  
Nature: MORTGAGE  
Registration Number: AE7263  
Registration Date and Time: 1991-01-17 10:32  
Registered Owner: BANK OF MONTREAL  
Remarks: INTER ALIA  
**Cancelled By: BB409690**  
**Cancelled Date: 2007-06-07**

**TITLE SEARCH PRINT**

2017-10-24, 09:27:03

File Reference: 34388-0001

Requestor: Dianne Bishop

Nature: COVENANT  
 Registration Number: BH311090  
 Registration Date and Time: 1994-08-23 12:15  
 Registered Owner: DISTRICT OF PITT MEADOWS  
 Remarks: L.T.A. SECTION 215

Nature: COVENANT  
 Registration Number: BH316982  
 Registration Date and Time: 1994-08-29 10:16  
 Registered Owner: DISTRICT OF PITT MEADOWS  
 Remarks: L.T.A. SECTION 215

Nature: MORTGAGE  
 Registration Number: BH436737  
 Registration Date and Time: 1994-12-08 09:44  
 Registered Owner: BANK OF MONTREAL  
**Cancelled By: BB409698**  
**Cancelled Date: 2007-06-07**

Nature: PRIORITY AGREEMENT  
 Registration Number: BJ18100  
 Registration Date and Time: 1995-01-20 10:24  
 Remarks: GRANTING BH436737 PRIORITY OVER AE7263  
**Cancelled By: BB409690**  
**Cancelled Date: 2007-06-07**

Nature: MORTGAGE  
 Registration Number: BK208208  
 Registration Date and Time: 1996-07-03 10:28  
 Registered Owner: BANK OF MONTREAL  
 Remarks: INTER ALIA  
**Cancelled By: BB409691**  
**Cancelled Date: 2007-06-07**

Nature: MORTGAGE  
 Registration Number: BL204007  
 Registration Date and Time: 1997-06-10 13:37  
 Registered Owner: BANK OF MONTREAL  
 Remarks: INTER ALIA  
**Cancelled By: BB409692**  
**Cancelled Date: 2007-06-07**

Nature: EASEMENT  
 Registration Number: BM73664  
 Registration Date and Time: 1998-03-10 14:47  
 Remarks: PART PLAN LMP37297  
 APPURTENANT TO LOT A PLAN 7231

**TITLE SEARCH PRINT**

2017-10-24, 09:27:03

File Reference: 34388-0001

Requestor: Dianne Bishop

Nature: PRIORITY AGREEMENT  
Registration Number: BM73665  
Registration Date and Time: 1998-03-10 14:47  
Remarks: GRANTING BM73664 PRIORITY OVER BH436737,  
BK208208, BL204007 AND AE7263

**Cancelled By: BB409698**  
**Cancelled Date: 2007-06-07**

Nature: MORTGAGE  
Registration Number: BX511432  
Registration Date and Time: 2005-02-21 14:01  
Registered Owner: BANK OF MONTREAL  
Remarks: INTER ALIA  
MODIFIED BY BA360605

**Cancelled By: BB409693**  
**Cancelled Date: 2007-06-07**

Nature: MORTGAGE  
Registration Number: BX473441  
Registration Date and Time: 2005-08-17 14:28  
Registered Owner: HARDEEP SIDHU  
HARDEV SINGH SIDHU  
AS TO AN UNDIVIDED 500/2000 INTEREST AS JOINT TENANTS  
Registered Owner: MANJIT KAUR SAMRA  
AS TO AN UNDIVIDED 250/2000 INTEREST  
Registered Owner: RAVINDER KAUR GHAG  
AS TO AN UNDIVIDED 250/2000 INTEREST  
Registered Owner: PARDEEP SINGH GILL  
AS TO AN UNDIVIDED 250/2000 INTEREST  
Registered Owner: KULDIP SINGH GHAG  
RAVINDER KAUR GHAG  
AS TO AN UNDIVIDED 250/2000 INTEREST AS JOINT TENANTS  
Registered Owner: ARGUS AUTO INC.  
INCORPORATION NO. 677510  
AS TO AN UNDIVIDED 250/2000 INTEREST  
Registered Owner: BESTWAY MORTGAGE CORPORATION  
INCORPORATION NO. 557589  
AS TO AN UNDIVIDED 125/2000 INTEREST  
Registered Owner: FERENGI TRADING CORPORATION  
INCORPORATION NO. 497506  
AS TO AN UNDIVIDED 125/2000 INTEREST  
Remarks: INTER ALIA

**Cancelled By: BB558139**  
**Cancelled Date: 2007-10-03**

**TITLE SEARCH PRINT**

2017-10-24, 09:27:03

File Reference: 34388-0001

Requestor: Dianne Bishop

Nature: MORTGAGE  
 Registration Number: BA71172  
 Registration Date and Time: 2006-03-03 13:47  
 Registered Owner: JAGVIR KAUR SIDHU  
 PARAMJIT KAUR SIDHU  
 AS TO AN UNDIVIDED 1/4 INTEREST AS JOINT TENANTS  
 Registered Owner: RAVINDER KAUR GHAG  
 AS TO AN UNDIVIDED 1/4 INTEREST  
 Registered Owner: GURPAL SINGH BRAR  
 AS TO AN UNDIVIDED 1/4 INTEREST  
 Registered Owner: HARJIT SINGH BATH  
 AS TO AN UNDIVIDED 1/8 INTEREST  
 Registered Owner: PIARA SINGH JHAUJ  
 AS TO AN UNDIVIDED 1/8 INTEREST  
 Remarks: INTER ALIA  
**Cancelled By: BB558140**  
**Cancelled Date: 2007-10-03**

Nature: MODIFICATION  
 Registration Number: BA360605  
 Registration Date and Time: 2006-03-16 12:19  
 Remarks: INTER ALIA  
 MODIFICATION OF BX511432  
**Cancelled By: BB409693**  
**Cancelled Date: 2007-06-07**

Nature: MORTGAGE  
 Registration Number: CA449916  
 Registration Date and Time: 2007-05-22 14:39  
 Registered Owner: FARM CREDIT CANADA  
 Remarks: INTER ALIA  
**Cancelled By: CA3455661**  
**Cancelled Date: 2013-11-14**

Nature: MORTGAGE  
 Registration Number: BB1269174  
 Registration Date and Time: 2010-05-12 11:45  
 Registered Owner: TERRALINK HORTICULTURE INC.  
 INCORPORATION NO. 0841773  
 Remarks: INTER ALIA  
**Cancelled By: BB1192925**  
**Cancelled Date: 2010-11-17**

**TITLE SEARCH PRINT**

File Reference: 34388-0001

2017-10-24, 09:27:03  
Requestor: Dianne Bishop

Nature: MORTGAGE  
 Registration Number: CA1664608  
 Registration Date and Time: 2010-07-21 16:26  
 Registered Owner: 602491 B.C. LTD.  
 INCORPORATION NO. BC0602491  
 Remarks: INTER ALIA  
**Cancelled By: BB1192926**  
**Cancelled Date: 2010-11-17**

Nature: MORTGAGE  
 Registration Number: CA1776741  
 Registration Date and Time: 2010-10-22 12:32  
 Registered Owner: RANJIT SINGH SIDHU  
 AS TO AN UNDIVIDED 750/2000 INTEREST  
 Registered Owner: RAVINDER KAUR GHAG  
 AS TO AN UNDIVIDED 500/2000 INTEREST  
 Registered Owner: NIRMAL SINGH GHAG  
 BALBIR KAUR GHAG  
 AS TO AN UNDIVIDED 500/2000 INTEREST AS JOINT TENANTS  
 Transfer Number: CA1776741 TRANSMITTED TO CA2131426  
 Registered Owner: TARA SINGH GHAG  
 SURJEET KAUR GHAG  
 AS TO AN UNDIVIDED 250/2000 INTEREST AS JOINT TENANTS  
 Registered Owner: BALBIR KAUR GHAG  
 AS TO AN UNDIVIDED 500/2000 INTEREST  
 Transfer Number: CA2131426  
 Remarks: INTER ALIA  
**Cancelled By: CA2832383**  
**Cancelled Date: 2012-10-23**

Nature: MORTGAGE  
 Registration Number: BB1731011  
 Registration Date and Time: 2010-12-23 15:13  
 Registered Owner: TERRALINK HORTICULTURE INC.  
 INCORPORATION NO. 841773  
 Remarks: INTER ALIA  
**Cancelled By: CA5887628**  
**Cancelled Date: 2017-03-23**

Nature: MORTGAGE  
 Registration Number: CA2636509  
 Registration Date and Time: 2012-07-03 14:01  
 Registered Owner: LLOYD INVESTMENTS LTD.  
 INCORPORATION NO. 46942  
 Remarks: INTER ALIA  
**Cancelled By: CA3427556**  
**Cancelled Date: 2013-10-29**

**TITLE SEARCH PRINT**

File Reference: 34388-0001

2017-10-24, 09:27:03  
Requestor: Dianne Bishop

Nature: ASSIGNMENT OF RENTS  
Registration Number: CA2636510  
Registration Date and Time: 2012-07-03 14:01  
Registered Owner: LLOYD INVESTMENTS LTD.  
INCORPORATION NO. 46942  
Remarks: INTER ALIA  
**Cancelled By: CA3427557**  
**Cancelled Date: 2013-10-29**

Nature: PRIORITY AGREEMENT  
Registration Number: CA2636511  
Registration Date and Time: 2012-07-03 14:01  
Remarks: INTER ALIA  
GRANTING CA2636509 PRIORITY OVER BB1731011  
**Cancelled By: CA3427556**  
**Cancelled Date: 2013-10-29**

Nature: MORTGAGE  
Registration Number: CA3019222  
Registration Date and Time: 2013-03-05 12:16  
Registered Owner: LLOYD INVESTMENTS LTD.  
INCORPORATION NO. 0046942  
Transfer Number: CA3019222 TRANSFERRED TO CA5085982  
Registered Owner: BLUEBERRY HOLDINGS (GP) LTD.  
INCORPORATION NO. BC1067532  
Transfer Number: CA5085982  
Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS  
Registration Number: CA3019223  
Registration Date and Time: 2013-03-05 12:16  
Registered Owner: LLOYD INVESTMENTS LTD.  
INCORPORATION NO. 46942  
Transfer Number: CA3019223 TRANSFERRED TO CA5085983  
Registered Owner: BLUEBERRY HOLDINGS (GP) LTD.  
INCORPORATION NO. BC1067532  
Transfer Number: CA5085983  
Remarks: INTER ALIA

Nature: PRIORITY AGREEMENT  
Registration Number: CA3021611  
Registration Date and Time: 2013-03-06 13:32  
Remarks: INTER ALIA  
GRANTING CA3019222 PRIORITY OVER BB1731011  
**Cancelled By: CA5887628**  
**Cancelled Date: 2017-03-23**

**TITLE SEARCH PRINT**

2017-10-24, 09:27:03

File Reference: 34388-0001

Requestor: Dianne Bishop

Nature: MORTGAGE  
 Registration Number: CA3427562  
 Registration Date and Time: 2013-10-29 12:18  
 Registered Owner: HARJINDER SINGH BERAR  
 KARMJIT KAUR BERAR  
 AS TO AN UNDIVIDED 1/10 INTEREST AS JOINT TENANTS  
 Registered Owner: BERAR FARMS LTD.  
 INCORPORATION NO. 0979883  
 AS TO AN UNDIVIDED 9/10 INTEREST  
 Remarks: INTER ALIA

Nature: PRIORITY AGREEMENT  
 Registration Number: CA3427563  
 Registration Date and Time: 2013-10-29 12:18  
 Remarks: INTER ALIA  
 GRANTING CA3427562 PRIORITY OVER BB1731011  
**Cancelled By: CA5887628**  
**Cancelled Date: 2017-03-23**

Nature: JUDGMENT  
 Registration Number: CA4091946  
 Registration Date and Time: 2014-11-20 16:17  
 Registered Owner: BUNZL CANADA INC.  
 INCORPORATION NO. A92249  
 Remarks: INTER ALIA  
 RENEWED BY CA5644097

Nature: CERTIFICATE OF PENDING LITIGATION  
 Registration Number: BB4084898  
 Registration Date and Time: 2015-09-17 13:22  
 Registered Owner: TERRALINK HORTICULTURE INC.  
 Remarks: INTER ALIA  
**Cancelled By: CA5887627**  
**Cancelled Date: 2017-03-23**

Nature: MORTGAGE  
 Registration Number: CA5236148  
 Registration Date and Time: 2016-06-03 11:41  
 Registered Owner: 1076737 B.C. LTD.  
 INCORPORATION NO. BC1076737  
 Remarks: INTER ALIA  
**Cancelled By: CA5516179**  
**Cancelled Date: 2016-09-20**

Nature: JUDGMENT  
 Registration Number: CA5405402  
 Registration Date and Time: 2016-08-05 16:28  
 Registered Owner: B.C. BLUEBERRY COUNCIL

**TITLE SEARCH PRINT**

2017-10-24, 09:27:03

File Reference: 34388-0001

Requestor: Dianne Bishop

Nature:	JUDGMENT
Registration Number:	CA5412733
Registration Date and Time:	2016-08-10 10:57
Registered Owner:	B.C. BLUEBERRY COUNCIL

Nature:	JUDGMENT
Registration Number:	CA5644097
Registration Date and Time:	2016-11-14 09:52
Registered Owner:	BUNZL CANADA INC. INCORPORATION NO. A0092249
Remarks:	INTER ALIA RENEWAL OF CA4091946

Nature:	JUDGMENT
Registration Number:	CA5987656
Registration Date and Time:	2017-05-11 10:31
Registered Owner:	HER MAJESTY THE QUEEN IN RIGHT OF CANADA
Remarks:	INTER ALIA

Nature:	JUDGMENT
Registration Number:	CA6279313
Registration Date and Time:	2017-09-06 13:19
Registered Owner:	NU-GRO LTD.

Nature:	JUDGMENT
Registration Number:	CA6307689
Registration Date and Time:	2017-09-19 10:24
Registered Owner:	4REFUEL GP CORPORATION INCORPORATION NO. A80600
Remarks:	INTER ALIA

Nature:	CERTIFICATE OF PENDING LITIGATION
Registration Number:	CA6326407
Registration Date and Time:	2017-09-27 11:10
Registered Owner:	BLUEBERRY HOLDINGS (GP) LTD.
Remarks:	INTER ALIA

**Duplicate Indefeasible Title** NONE OUTSTANDING

**Transfers** NONE

**Pending Applications** NONE

**Corrections**

BB1975617 2011-08-15 15:52:33 CHARGE OWNERSHIP TRANSFER CORRECTED CA1776741

**TITLE SEARCH PRINT**

File Reference: 34388-0001

2017-10-24, 09:27:03

Requestor: Dianne Bishop

BB1975617 CHARGE OWNERSHIP TRANSFER CORRECTED CA1776741 2011-08-15 15:46:00

# APPENDIX G

**TITLE SEARCH PRINT**

File Reference: 34388-0001

2017-10-24, 09:27:04  
Requestor: Dianne Bishop

**\*\*CURRENT AND CANCELLED INFORMATION SHOWN\*\***

**Land Title District** NEW WESTMINSTER  
Land Title Office NEW WESTMINSTER

**Title Number** BX473432  
From Title Number AC108936

**Application Received** 2005-08-17

**Application Entered** 2005-08-23

**Registered Owner in Fee Simple**  
Registered Owner/Mailing Address: PUREWAL BLUEBERRY FARMS LTD., INC.NO. 726034  
13753 HALE ROAD  
PITT MEADOWS, BC  
V3Y 1Z1

**Taxation Authority** Pitt Meadows, City of

**Description of Land**  
Parcel Identifier: 011-105-526  
Legal Description:  
LOT "A" SECTION 34 TOWNSHIP 9 NEW WESTMINSTER DISTRICT PLAN 7231

**Legal Notations**  
PERSONAL PROPERTY SECURITY ACT NOTICE, SEE BR16453  
EXPIRES 2006 01 22  
CANCELLED BY BB56197 2007-01-19

HERETO IS ANNEXED EASEMENT BM73664 OVER PART PLAN LMP37297 OF  
LOT 6 PLAN 3710

PERSONAL PROPERTY SECURITY ACT NOTICE SEE --CA6124114-- EXPIRES  
2019/07/10

THIS CERTIFICATE OF TITLE MAY BE AFFECTED BY THE AGRICULTURAL LAND  
COMMISSION ACT, SEE AGRICULTURAL LAND RESERVE PLAN NO. 14 30/07/1974

**TITLE SEARCH PRINT**

File Reference: 34388-0001

2017-10-24, 09:27:04  
Requestor: Dianne Bishop

**Charges, Liens and Interests**

Nature: MORTGAGE  
Registration Number: AE7263  
Registration Date and Time: 1991-01-17 10:32  
Registered Owner: BANK OF MONTREAL  
Remarks: INTER ALIA  
**Cancelled By: BB409690**  
**Cancelled Date: 2007-06-07**

Nature: COVENANT  
Registration Number: BH218550  
Registration Date and Time: 1994-06-09 11:35  
Registered Owner: THE CORPORATION OF THE DISTRICT OF PITT MEADOWS

Nature: COVENANT  
Registration Number: BJ135402  
Registration Date and Time: 1995-05-05 14:47  
Registered Owner: THE CORPORATION OF THE DISTRICT OF PITT MEADOWS  
Remarks: L.T.A. SECTION 215

Nature: MORTGAGE  
Registration Number: BK208208  
Registration Date and Time: 1996-07-03 10:28  
Registered Owner: BANK OF MONTREAL  
Remarks: INTER ALIA  
**Cancelled By: BB409691**  
**Cancelled Date: 2007-06-07**

Nature: MORTGAGE  
Registration Number: BL204007  
Registration Date and Time: 1997-06-10 13:37  
Registered Owner: BANK OF MONTREAL  
Remarks: INTER ALIA  
**Cancelled By: BB409692**  
**Cancelled Date: 2007-06-07**

Nature: MORTGAGE  
Registration Number: BN78326  
Registration Date and Time: 1999-03-30 14:36  
Registered Owner: BANK OF MONTREAL  
**Cancelled By: BB409697**  
**Cancelled Date: 2007-06-07**

**TITLE SEARCH PRINT**

2017-10-24, 09:27:04

File Reference: 34388-0001

Requestor: Dianne Bishop

Nature: MORTGAGE  
 Registration Number: BX511432  
 Registration Date and Time: 2005-02-21 14:01  
 Registered Owner: BANK OF MONTREAL  
 Remarks: INTER ALIA  
 MODIFIED BY BA360605  
**Cancelled By: BB409693**  
**Cancelled Date: 2007-06-07**

Nature: MORTGAGE  
 Registration Number: BX473441  
 Registration Date and Time: 2005-08-17 14:28  
 Registered Owner: HARDEEP SIDHU  
 HARDEV SINGH SIDHU  
 AS TO AN UNDIVIDED 500/2000 INTEREST AS JOINT TENANTS  
 Registered Owner: MANJIT KAUR SAMRA  
 AS TO AN UNDIVIDED 250/2000 INTEREST  
 Registered Owner: RAVINDER KAUR GHAG  
 AS TO AN UNDIVIDED 250/2000 INTEREST  
 Registered Owner: PARDEEP SINGH GILL  
 AS TO AN UNDIVIDED 250/2000 INTEREST  
 Registered Owner: KULDIP SINGH GHAG  
 RAVINDER KAUR GHAG  
 AS TO AN UNDIVIDED 250/2000 INTEREST AS JOINT TENANTS  
 Registered Owner: ARGUS AUTO INC.  
 INCORPORATION NO. 677510  
 AS TO AN UNDIVIDED 250/2000 INTEREST  
 Registered Owner: BESTWAY MORTGAGE CORPORATION  
 INCORPORATION NO. 557589  
 AS TO AN UNDIVIDED 125/2000 INTEREST  
 Registered Owner: FERENGI TRADING CORPORATION  
 INCORPORATION NO. 497506  
 AS TO AN UNDIVIDED 125/2000 INTEREST  
 Remarks: INTER ALIA  
**Cancelled By: BB558139**  
**Cancelled Date: 2007-10-03**

**TITLE SEARCH PRINT**

2017-10-24, 09:27:04

File Reference: 34388-0001

Requestor: Dianne Bishop

Nature: MORTGAGE  
 Registration Number: BA71172  
 Registration Date and Time: 2006-03-03 13:47  
 Registered Owner: JAGVIR KAUR SIDHU  
 PARAMJIT KAUR SIDHU  
 AS TO AN UNDIVIDED 1/4 INTEREST AS JOINT TENANTS  
 Registered Owner: RAVINDER KAUR GHAG  
 AS TO AN UNDIVIDED 1/4 INTEREST  
 Registered Owner: GURPAL SINGH BRAR  
 AS TO AN UNDIVIDED 1/4 INTEREST  
 Registered Owner: HARJIT SINGH BATH  
 AS TO AN UNDIVIDED 1/8 INTEREST  
 Registered Owner: PIARA SINGH JHAUJ  
 AS TO AN UNDIVIDED 1/8 INTEREST  
 Remarks: INTER ALIA  
**Cancelled By: BB558140**  
**Cancelled Date: 2007-10-03**

Nature: MODIFICATION  
 Registration Number: BA360605  
 Registration Date and Time: 2006-03-16 12:19  
 Remarks: INTER ALIA  
 MODIFICATION OF BX511432  
**Cancelled By: BB409693**  
**Cancelled Date: 2007-06-07**

Nature: MORTGAGE  
 Registration Number: CA449916  
 Registration Date and Time: 2007-05-22 14:39  
 Registered Owner: FARM CREDIT CANADA  
 Remarks: INTER ALIA  
**Cancelled By: CA3455661**  
**Cancelled Date: 2013-11-14**

Nature: MORTGAGE  
 Registration Number: BB1269174  
 Registration Date and Time: 2010-05-12 11:45  
 Registered Owner: TERRALINK HORTICULTURE INC.  
 INCORPORATION NO. 0841773  
 Remarks: INTER ALIA  
**Cancelled By: BB1192925**  
**Cancelled Date: 2010-11-17**

**TITLE SEARCH PRINT**

2017-10-24, 09:27:04

File Reference: 34388-0001

Requestor: Dianne Bishop

Nature: MORTGAGE  
 Registration Number: CA1664608  
 Registration Date and Time: 2010-07-21 16:26  
 Registered Owner: 602491 B.C. LTD.  
 INCORPORATION NO. BC0602491

Remarks: INTER ALIA  
**Cancelled By: BB1192926**  
**Cancelled Date: 2010-11-17**

Nature: MORTGAGE  
 Registration Number: CA1776741  
 Registration Date and Time: 2010-10-22 12:32  
 Registered Owner: RANJIT SINGH SIDHU  
 AS TO AN UNDIVIDED 750/2000 INTEREST  
 Registered Owner: RAVINDER KAUR GHAG  
 AS TO AN UNDIVIDED 500/2000 INTEREST  
 Registered Owner: NIRMAL SINGH GHAG  
 BALBIR KAUR GHAG  
 AS TO AN UNDIVIDED 500/2000 INTEREST AS JOINT TENANTS  
 Transfer Number: CA1776741 TRANSMITTED TO CA2131426  
 Registered Owner: TARA SINGH GHAG  
 SURJEET KAUR GHAG  
 AS TO AN UNDIVIDED 250/2000 INTEREST AS JOINT TENANTS  
 Registered Owner: BALBIR KAUR GHAG  
 AS TO AN UNDIVIDED 500/2000 INTEREST  
 Transfer Number: CA2131426  
 Remarks: INTER ALIA  
**Cancelled By: CA2832383**  
**Cancelled Date: 2012-10-23**

Nature: MORTGAGE  
 Registration Number: BB1731011  
 Registration Date and Time: 2010-12-23 15:13  
 Registered Owner: TERRALINK HORTICULTURE INC.  
 INCORPORATION NO. 841773

Remarks: INTER ALIA  
**Cancelled By: CA5887628**  
**Cancelled Date: 2017-03-23**

Nature: CLAIM OF BUILDERS LIEN  
 Registration Number: CA2067211  
 Registration Date and Time: 2011-06-23 09:25  
 Registered Owner: POLAR INDUSTRIES LTD.  
 Remarks: INTER ALIA  
**Cancelled By: CA2182489**  
**Cancelled Date: 2011-09-09**

**TITLE SEARCH PRINT**

2017-10-24, 09:27:04

File Reference: 34388-0001

Requestor: Dianne Bishop

Nature: MORTGAGE  
 Registration Number: CA2636509  
 Registration Date and Time: 2012-07-03 14:01  
 Registered Owner: LLOYD INVESTMENTS LTD.  
 INCORPORATION NO. 46942  
 Remarks: INTER ALIA  
**Cancelled By: CA3427556**  
**Cancelled Date: 2013-10-29**

Nature: ASSIGNMENT OF RENTS  
 Registration Number: CA2636510  
 Registration Date and Time: 2012-07-03 14:01  
 Registered Owner: LLOYD INVESTMENTS LTD.  
 INCORPORATION NO. 46942  
 Remarks: INTER ALIA  
**Cancelled By: CA3427557**  
**Cancelled Date: 2013-10-29**

Nature: PRIORITY AGREEMENT  
 Registration Number: CA2636511  
 Registration Date and Time: 2012-07-03 14:01  
 Remarks: INTER ALIA  
 GRANTING CA2636509 PRIORITY OVER BB1731011  
**Cancelled By: CA3427556**  
**Cancelled Date: 2013-10-29**

Nature: MORTGAGE  
 Registration Number: CA3019222  
 Registration Date and Time: 2013-03-05 12:16  
 Registered Owner: LLOYD INVESTMENTS LTD.  
 INCORPORATION NO. 0046942  
 Transfer Number: CA3019222 TRANSFERRED TO CA5085982  
 Registered Owner: BLUEBERRY HOLDINGS (GP) LTD.  
 INCORPORATION NO. BC1067532  
 Transfer Number: CA5085982  
 Remarks: INTER ALIA

Nature: ASSIGNMENT OF RENTS  
 Registration Number: CA3019223  
 Registration Date and Time: 2013-03-05 12:16  
 Registered Owner: LLOYD INVESTMENTS LTD.  
 INCORPORATION NO. 46942  
 Transfer Number: CA3019223 TRANSFERRED TO CA5085983  
 Registered Owner: BLUEBERRY HOLDINGS (GP) LTD.  
 INCORPORATION NO. BC1067532  
 Transfer Number: CA5085983  
 Remarks: INTER ALIA

**TITLE SEARCH PRINT**

2017-10-24, 09:27:04

File Reference: 34388-0001

Requestor: Dianne Bishop

Nature: PRIORITY AGREEMENT  
 Registration Number: CA3021611  
 Registration Date and Time: 2013-03-06 13:32  
 Remarks: INTER ALIA  
 GRANTING CA3019222 PRIORITY OVER BB1731011  
**Cancelled By: CA5887628**  
**Cancelled Date: 2017-03-23**

Nature: MORTGAGE  
 Registration Number: CA3273706  
 Registration Date and Time: 2013-08-02 10:54  
 Registered Owner: HER MAJESTY THE QUEEN IN RIGHT OF CANADA

Nature: MORTGAGE  
 Registration Number: CA3427562  
 Registration Date and Time: 2013-10-29 12:18  
 Registered Owner: HARJINDER SINGH BERAR  
 KARMJIT KAUR BERAR  
 AS TO AN UNDIVIDED 1/10 INTEREST AS JOINT TENANTS  
 Registered Owner: BERAR FARMS LTD.  
 INCORPORATION NO. 0979883  
 AS TO AN UNDIVIDED 9/10 INTEREST  
 Remarks: INTER ALIA

Nature: PRIORITY AGREEMENT  
 Registration Number: CA3427563  
 Registration Date and Time: 2013-10-29 12:18  
 Remarks: INTER ALIA  
 GRANTING CA3427562 PRIORITY OVER BB1731011  
**Cancelled By: CA5887628**  
**Cancelled Date: 2017-03-23**

Nature: JUDGMENT  
 Registration Number: CA4091946  
 Registration Date and Time: 2014-11-20 16:17  
 Registered Owner: BUNZL CANADA INC.  
 INCORPORATION NO. A92249  
 Remarks: INTER ALIA  
 RENEWED BY CA5644097

Nature: CERTIFICATE OF PENDING LITIGATION  
 Registration Number: BB4084898  
 Registration Date and Time: 2015-09-17 13:22  
 Registered Owner: TERRALINK HORTICULTURE INC.  
 Remarks: INTER ALIA  
**Cancelled By: CA5887627**  
**Cancelled Date: 2017-03-23**

**TITLE SEARCH PRINT**

2017-10-24, 09:27:04

File Reference: 34388-0001

Requestor: Dianne Bishop

Nature: MORTGAGE  
Registration Number: CA5236148  
Registration Date and Time: 2016-06-03 11:41  
Registered Owner: 1076737 B.C. LTD.  
INCORPORATION NO. BC1076737  
Remarks: INTER ALIA  
**Cancelled By: CA5516179**  
**Cancelled Date: 2016-09-20**

Nature: JUDGMENT  
Registration Number: CA5405401  
Registration Date and Time: 2016-08-05 16:28  
Registered Owner: B.C. BLUEBERRY COUNCIL

Nature: JUDGMENT  
Registration Number: CA5412734  
Registration Date and Time: 2016-08-10 10:57  
Registered Owner: B.C. BLUEBERRY COUNCIL

Nature: JUDGMENT  
Registration Number: CA5644097  
Registration Date and Time: 2016-11-14 09:52  
Registered Owner: BUNZL CANADA INC.  
INCORPORATION NO. A0092249  
Remarks: INTER ALIA  
RENEWAL OF CA4091946

Nature: JUDGMENT  
Registration Number: CA5987656  
Registration Date and Time: 2017-05-11 10:31  
Registered Owner: HER MAJESTY THE QUEEN IN RIGHT OF CANADA  
Remarks: INTER ALIA

Nature: JUDGMENT  
Registration Number: CA6303931  
Registration Date and Time: 2017-09-18 06:58  
Registered Owner: NU-GRO LTD.

Nature: JUDGMENT  
Registration Number: CA6307689  
Registration Date and Time: 2017-09-19 10:24  
Registered Owner: 4REFUEL GP CORPORATION  
INCORPORATION NO. A80600  
Remarks: INTER ALIA

**TITLE SEARCH PRINT**

2017-10-24, 09:27:04

File Reference: 34388-0001

Requestor: Dianne Bishop

Nature:	CERTIFICATE OF PENDING LITIGATION
Registration Number:	CA6326407
Registration Date and Time:	2017-09-27 11:10
Registered Owner:	BLUEBERRY HOLDINGS (GP) LTD.
Remarks:	INTER ALIA

**Duplicate Indefeasible Title** NONE OUTSTANDING

**Transfers** NONE

**Pending Applications** NONE

**Corrections**

BB1975617 2011-08-15 15:52:33 CHARGE OWNERSHIP TRANSFER CORRECTED CA1776741

BB1975617 CHARGE OWNERSHIP TRANSFER CORRECTED CA1776741 2011-08-15 15:46:00

BN304531 LEGAL NOTATION CORRECTED 1999-11-25 14:18:00

# APPENDIX H

Purewal Blueberry Farms Ltd.

Cash flow statement for the period from May 28, 2018 to July 13, 2018

	Week beginning							TOTAL	Notes
	28-May-18	4-Jun-18	11-Jun-18	18-Jun-18	25-Jun-18	2-Jul-18	9-Jul-18		
Opening Cash	-	20,000	33,500	32,250	32,250	15,750	750	-	1
<b>Cash Receipts</b>									
DIP financing	150,000	50,000		100,000				300,000	2
Collection of A/R				15,000				15,000	3
<b>Total - Operating Receipts</b>	<b>150,000</b>	<b>50,000</b>	<b>-</b>	<b>115,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>315,000</b>	
<b>Cash Disbursements</b>									
Finance Charges/Secured Debt Payments		10,000						10,000	4
Utilities	20,000			20,000				40,000	5
Accounting fees		15,000				15,000		30,000	6
Insurance	10,000			10,000				20,000	7
Plant labour		4,000		4,000				8,000	8
Equipment rentals		7,500		7,500				15,000	9
Professional Fees	100,000			75,000				175,000	10
Office supplies/packaging supplies			1,250					1,250	11
Appraisal fees				15,000				15,000	12
<b>Total - Operating Disbursements</b>	<b>130,000</b>	<b>36,500</b>	<b>1,250</b>	<b>131,500</b>	<b>15,000</b>	<b>15,000</b>	<b>-</b>	<b>314,250</b>	
<b>Net Change in Cash from Operations</b>	<b>20,000</b>	<b>13,500</b>	<b>(1,250)</b>	<b>(16,500)</b>	<b>(15,000)</b>	<b>(15,000)</b>	<b>-</b>	<b>750</b>	
Ending cash	20,000	33,500	32,250	32,250	15,750	750	750	750	

Notes:

Purewal Blueberry Farms Ltd. ("Purewal" or the "Company") has prepared this Projected Cash Flow Statement solely for the purposes of determining the liquidity requirements of Purewal for the period from May 28, 2018 to July 13, 2018.

The Projected Cash Flow Statement is based on the probable and hypothetical assumptions detailed in Notes 1 - 8.

Consequently, actual results will likely vary from performance projected and such variations may be material.

- 1 - Purewal has depleted its cash resources and has Nil for an opening cash balance.
- 2- The Company has received a term sheet from a DIP lender for an amount which would fund the operations and professional fees.
- 3- The Company has frozen blueberry inventory on hand which it sells into the open market based on demand. The Company generally receives payment of thirty day terms from its customers.

- 4- This relates to a commitment fee on a term sheet from an alternative lender.
- 5- The Company's processing plant is currently in a shut down until the harvesting season commences. Accordingly the utility costs assumes no commercial activity during this cash flow period.
- 6- This represents the fee of the contractor to be retained to perform Purewal's accounting function.
- 7- The Company's insurance premium is currently due for renewal. This assumes that the premium can be made on a monthly basis to assist with the cash flow.
- 8- This represents the cost of labour required to prepare the frozen blueberries for shipment and sale and for routine maintenance.
- 9- The Company leases some equipment necessary to its operations. This relates to the monthly lease cost.
- 10- This represents retainers for the Company's legal counsel and the Proposal Trustee.
- 11- This represents the costs of packaging materials relating to the sale of frozen blueberry inventory.
- 12- Fees related to the commissioning of appraisals on the assets.