

May 24, 2019

Private and Confidential

Ms. Wanda Hogg, General Manager
Property: CCN 0614475 - The Gateway South Centre
c/o
11811 Lake Fraser Drive SE
Calgary, AB, T2J 7J4

Dear Wanda :

Subject: CCN 0614475 - The Gateway South Centre - Insurance Appraisal Update, Year 2 of 3

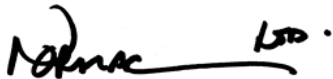
Referring to your original appraisal effective July 30, 2018, we are pleased to present your updated Total Insurable Value*, Year 2 of 3 effective July 30, 2019. This update should be read in conjunction with the last full appraisal and the restrictions as set out in the last appraisal report apply to this update.

Your updated Total Insurable Value has been sent to your Insurance Broker, if one has been provided to us.

Year 1	Year 2	Year 3
\$155,000,000	\$157,077,000	Next year at same time

We appreciate the opportunity to be of service to you. Please do not hesitate to call if you have any questions.

Sincerely,



NORMAC

**Note: Hard copies will not be sent*

* Total Insurable Value definition can be found on subsequent pages of this report.

Valuation Breakdown:

Building	Condo Lots	Approx. Size (SF)	Approx. Size (M2)	Footprint (SF)	Structure	Landscaping	Bylaws and Demolition	Total Insurable Value
1	1-500	655,500	60,900	86,300	\$ 149,548,000	\$ 2,215,000	\$ 5,314,000	\$ 157,077,000
TOTAL		655,500	60,900	86,300	\$ 149,548,000	\$ 2,215,000	\$ 5,314,000	\$ 157,077,000

Valuation Parameter

With reference to the purpose and intended use of the appraisal, the appropriate value parameter to estimate is Total Insurable Value which is defined as: With reference to the purpose and intended use of the appraisal, the appropriate value parameter to estimate is Total Insurable Value which is defined as:

“The total cost of construction required to replace the subject property (buildings and site improvements) with a substitute of like or equal utility using current standards of material and design. Any additional costs due to Building Code and Municipal Bylaw changes for fire protection, required number of parking spaces, handicapped access, and costs for demolition and removal are included. All applicable costs include labour, materials, supervision, contractor’s profit and overhead, architect’s plans and specifications, applicable taxes and insurance.”

Valuation Process

In order to determine an estimate of cost of replacement new, we have relied upon various information sources including: published valuation services (Altus, BDC, BTY Group, Marshall & Swift, RS Means), Statistics Canada, local developers, architects, and construction associations.

We direct your attention to the limiting conditions as they are a fundamental part of this report.

Certification Statement

We certify that, to the best of my knowledge and belief:

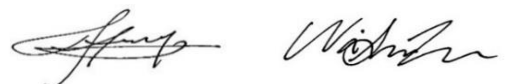
1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
4. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. The content of this report has been prepared in conformity with the Canadian Uniform Standards of Professional Appraisal Practice.
6. We have the knowledge and experience to complete this assignment competently. Except as disclosed herein, no other person provided significant professional assistance in the completion of this appraisal assignment.
7. We are members in good standing of the professional association(s) that we belong to.
8. No inspection was completed for this update. We relied upon information from our previous appraisal report. We assumed no major changes have been made to the subject property since.

The report was prepared and reviewed by Cameron Carter, BCom (ULE), RI (bri), CRP.

On behalf of,
Normac



Cameron Carter, BCom (ULE), RI(BC), CRP
President



Jerry Feng, BCom/ Wai Sum Lam, B.A.
Appraisal Inspector

Also providing assistance in this assignment:

Dated May 24, 2019 in Vancouver, British Columbia

Standard Assumptions and Limiting Conditions

We have assumed that the subject property is structurally sound, complies with all environmental standards, and is void of any condition that may affect this appraisal. We have assumed that the property is free of all liens and is not encumbered. No research of reporting of the title, legal description, and benefits inherent in the ownership of real estate has been performed, since this type of research is not warranted for the purpose and intended use of this report.

Information used in the creation of this report furnished by others such as explanations, surveys, building plans, and condo plans are assumed to be correct. However, Normac assumes no liability for the accuracy of such information. Therefore, reference to a sketch, blueprint, or condo plan appearing in the report is only for the purpose of assisting the reader to visualize the property.

This report is considered a Restricted Use Appraisal Report. The use of this document is restricted to the intended users as identified in Section 1.0, for the intended use of placement of property insurance. The Client agrees that Normac Appraisals Ltd. ("Normac") will not assume any responsibility or liability for any losses suffered by you or any other parties as a result of any use of this report contrary to the provisions of this paragraph.

Possession of this report, or a copy thereof, does not carry with it the right of publication.

This report estimates the Total Insurable Value as of the effective date of the appraisal, which is the date at which our conclusions should be considered valid. This appraisal applies only to a total loss of property, it can in no way be assumed to be applicable to partial losses of the property. Should a complete loss occur subsequent to this date we reserve the right, but will be under no obligation, to review our calculations referred to in this report, and if we consider it necessary, to revise our conclusions in the light of potential changes to construction costs and changes to local bylaws or building codes.

We reserve the right, but will be under no obligation, to review our calculations referred to in this report and, if we consider it necessary, to revise our conclusions in the light of any information existing at the date of this report which becomes known to us after the date of this report.

Unless prior arrangements have been made, the appraiser, by reason of this report, is not required to give further consultation or testimony, or be attendance in court with reference to the property that is the subject of this report. Should attendance at any legal proceedings be necessary, prior arrangements including fees must be made.

We have not considered the market value of the land because it is not applicable to the purpose and intended use of the report. Since a portion of the overall "value" is omitted, the numbers presented represent a Fractional Interest in the property.

The Client agrees that any and all claims, whether such claims sound in contract or tort, which the Client has or hereafter may have against Normac (including all staff), in any way arising out of or related to Normac's duties and responsibilities pursuant to this Contract, shall be limited to three times the fee charged under this Contract.

The Client agrees to pay in full, on or before the due date, the fees listed on the invoice that will accompany the report. The Client further agrees to pay late fees calculated at a rate of 2% per month of the total fee. The late fee charges will be applied solely at the discretion of Normac.

Extraordinary Limiting Conditions

The Canadian Uniform Standards of Professional Appraisal Practices (CUSPAP) requires that writers clearly state when standard inclusions are omitted from appraisal reports. This is an insurance appraisal, and certain market value appraisal practices are not relevant:

An analysis for highest and best use (HBU) has not been included in this report as it is not relevant for insurance appraisals. HBU is a concept utilized for market value appraisals. According to the CUSPAP, HBU is defined as the reasonably probable and legal use of property, that is physically possible, appropriately supported, and financially feasible, and that results in the highest value. For an insurance appraisal, the assumed replacement of the assets is the actual current use of the property, regardless of what could be built. For this reason, HBU is not relevant and has not been included.

Related to the Highest and Best Use opinion, a full analysis of Land Use Controls has not been provided in this report. With reference to the purpose and intended use of this appraisal, we have assumed that a property having equal utility would be rebuilt. This appraisal estimates the Total Insurable Value for the property as it stands, and is not to be considered a redevelopment study. In calculating our estimate of the replacement cost for the Building Code & Bylaws ("Bylaws") section of the report, we have considered the current standards for parking spaces, fire protection, & handicapped access, and applied them to the current building. It is possible that the building cannot be re-built due to changes in zoning or other municipal regulations. Any zoning bylaws restricting rebuilding as-is is considered a redevelopment study and is a policy coverage issue. Furthermore, we have not considered official community plans, environmental statutes, flood plains, set-backs or whether the property is a legally permissible use.

The Income and Direct Comparison approaches to value have been excluded from this report because these approaches are not relevant or appropriate methods of valuation for insurance appraisals.

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