Survey Report

Of

JB McCarron
(Seaspan 156)

Accommodation & Helicopter Service Barge

Report Prepared For:	**Report Prepared By:**
1008949 BC Ltd. PO Box 191 Duncan, BC V9L 3X3	Accurate Appraisals & Marine Surveys Ltd. 735 Cherry Point Road Cobble Hill, BC V0R 1L3

Member in Good Standing with the International Institute of Marine Surveying - Canada

Table of Contents

Letter of Transmittal

April 12, 2019

PO Box 191
Duncan, BC
V9L 3X3

Attention: Mr. Closson

Dear Gord:

Re: Survey of Accommodation & Helicopter Service Barge

In accordance with your request and authorization, I have prepared this Survey Report in accordance with the Uniform Standards of Professional Appraisal Practice to express an opinion of condition and Fair Market Value for insurance purposes on the accommodation and helicopter service barge belonging to 1008949 BC Ltd. It is my opinion that the total of the specified asset is reasonably stated in the amount of **$655,000.00 CAD Fair Market Value** (FMV) as of April 10, 2019.

I confirm that I inspected the barge while in the water at Elk Falls near Campbell River, BC on April 3, 2019. Following the inspection, I investigated into the market conditions for this type of barge in order to prepare this impartial report. This inspection did not include a sea trial and represents those conditions that were externally visible above the water line. No determination of stability or structural strength has been made and no opinion is expressed.

This report must be viewed in its entirety to understand its content and context. Since conclusions reached by the surveyor are based upon opinions, isolation of any single element as the sole basis of comparison to the whole report may be inaccurate.

If you have any questions regarding this report, or if I may be of further assistance, please do not hesitate to call me for any clarification you may require.

Thank you for the opportunity to earn your business.

Many thanks,

Accurate Appraisals & Marine Surveys Ltd.
Allen E. Waugh, IIMS

Nomenclature

Damage and wear is described by the following:

Light	Refers to nonstructural, minor wear and tear and deterioration.
Moderate	Refers to damage, wear or deterioration that affects structure but not as to require repair.
Moderate to Heavy	Refers to damage, wear or deterioration that should be closely examined at the next drydocking, refit or overhaul.
Heavy	Refers to damage, wear or deterioration that has affected the structural integrity or is in the process of failure such that it will affect structural integrity. Repairs are recommended at the next regular maintenance, drydocking, refit or overhaul.
Severe	Refers to damage, wear or deterioration that jeopardized the safety, structural integrity or watertight integrity of the vessel and should be repaired before the next voyage.
Set in/down/up	Refers to deflection of a structure member away from its constructed position with the web of the member remaining in its original plane.
Set over	Refers to deflection of a structural member that has taken the web of the member out of its original plane.

Abbreviations

Vertical side shell frame	SSF
Side shell longitudinal stiffener	SSL
Side shell plate	SSP
Transverse bottom frame	BF
Longitudinal bottom girder	LBG
Bottom longitudinal stiffener	BL
Bottom plate	BP
Transverse deck frame	DF
Longitudinal deck girder	LDG
Deck bracket	DB
Deck longitudinal stiffener	DL
Deck plating	DP
Head log bracket	HB
Transom bracket	TB
Bilge bracket	BB
Bulkhead	BH
Bulkhead stiffener	BHS
Rake plate	RP
Sheer rake	S

Surveyor's Notes

- It is the responsibility of the owner and / or operator of the vessel to ensure that they comply with Transport Canada, Coast Guard, WorkSafe BC and all other applicable rules and safety regulations at all times.
- Transport Canada vessel query shows that barge registration has not been transferred to current owner.
- It was reported to surveyor that all recommendations in 2017 report were completed.
- In my opinion, the camp and helicopter facilities are in good condition. The hull was in fair condition at the time of the inspection.
- Water levels appeared consistent throughout Voids with sea level – it is assumed there is a leak in the hull.
- 3GA Marine Ltd. conducted a stability review of the barge in November 2018 at the request of Mr. Gord Closson and supervised the installation of the open cell foam blocks.
- Mr. Closson's crews installed the open cell block foam in Voids B, C, G and H.
- *JB McCarron (Seaspan 156)* was a chip barge that was converted into an accommodation barge. It is non-propelled and has a carvel / flush hull with welded steel framing and welded steel plate.

Deficiencies & Recommendations

Safety (requiring immediate attention)	➢ Emergency light at stern exit is not working and needs to be repaired immediately. ➢ Grease on range hood fan needs to be cleaned. ➢ CO2 detectors need to be installed on every floor.
Maintenance	➢ Hull should be inspected by a commercial diver within 1 year and thereafter every two years by a commercial diver and marine surveyor. ➢ Voids B, C, G and H will need to be pumped out for surveyor inspections. ➢ Ultra-sound readings of hull should be performed a minimum every four years. ➢ Trim of barge should be monitored on a continuous basis. ➢ Zincs should be monitored and replaced as necessary. ➢ Leak in cookhouse skylight needs to be repaired.

Valuation

Effective Date: April 10, 2019

Opinion of FMV CAD:

Hull	$ 70,000
Deck Equipment	$ 25,000
Dock/Ramp	$ 10,000
Accommodation	$ 500,000
Machinery	$ 50,000
Total	$ 655,000

Barge Description

Transport Canada Vessel Registry as of April 10, 2019

- Vessel
  - Official No.: 312789
  - Vessel Name: *Seaspan 156*
  - Former Vessel Name: G. Of G. No. 206
  - Year Built: 1959
  - Port of Registry: Vancouver
  - Registry Date: 1959-08-25
  - Certificate Expires: 2021-01-31

- General Statistics
  - Vessel Type: Barge
  - Gross Tonnage: 782.64
  - Net Tonnage: 782.64
  - Construction Type: Carvel / Flush
  - Construction Material: Steel
  - Vessel Length: 50.29 m
  - Vessel Breadth: 13.41 m
  - Vessel Depth: 3.66 m

- Engine
  - Engine Description: None
  - Propulsion Type: Non-propelled
  - Propulsion Method: None

- Builder
  - Name: Yarrows Limited
  - City: Esquimalt
  - Country: Canada

- Owners / Authorized Representative
  - City Transfer Inc.

Barge Description (cont.)				
Barge Construction	**Material**	**Size**		**Notes**
Side Shell - Vertical Frames	Mild steel	15” x 5” x 5/16”		Formed
Side Shell – Longitudinal Frames	Mild steel	15” x 5” x 5/16”		Formed
Side Shell - Longitudinal Stiffener	Mild steel	4” x 4” x 5/16”		
Side Shell - Plate	Mild steel	5/16”		
Bottom - Transvers Frames	Mild steel	15” x 5” x 5/16”		Formed
Bottom - Longitudinal Frames	Mild steel	36” x 8” x ½”		Formed
Bottom - Longitudinal Stiffener	Mild steel	4” x 4” x 5/16”		Angle
Bottom - Longitudinal Girders	Mild steel	36” x 8” x ½”		Formed
Bottom - Plate	Mild steel	5/16”		Plate
Deck – Transvers Frames	Mild steel	15” x 5” x 5/16”		Formed
Deck – Longitudinal Frames	Mild steel	36” x 8” x ½”		Formed
Deck – Longitudinal Stiffeners	Mild steel	4” x 4” x 5/16”		Angle
Deck – Longitudinal Girders	Mild steel	36” x 8” x ½”		Formed
Deck – Bracket	Mild steel	5/16”		Plate
Deck - Plate	Mild steel	5/16”		Plate
Bracket – Head Log	Mild steel	24” x 3” x 5/16”		
Bracket – Transom	Mild steel	Unknown		
Bracket – Bilge	Mild steel	24” x 3” x 5/16”		Plate
Bulkheads	Mild steel	¼”		Plate
Bulkheads – Stiffeners	Mild steel	4” x 4” x ¼”		Angle
Rake – Plate	Mild steel	3/8”		Plate
Rake – Sheer	Mild steel	5/16”		
Stern Frames - Vertical	Unable to view			
External Corners - Vertical	Mild steel	½”		Plate

Bulkheads	**Qty**	**Notes**	**Size**	**Material**
Longitudinal	1	Centre-line bulkhead	¼”	Plate
		Stiffeners	4” x 4” x ¼”	Angle
		Bilge brackets	¼” and 5/16”	Plate / flat
Transverse	4	Splits barge into 8 water-tight compartments	¼”	Plate

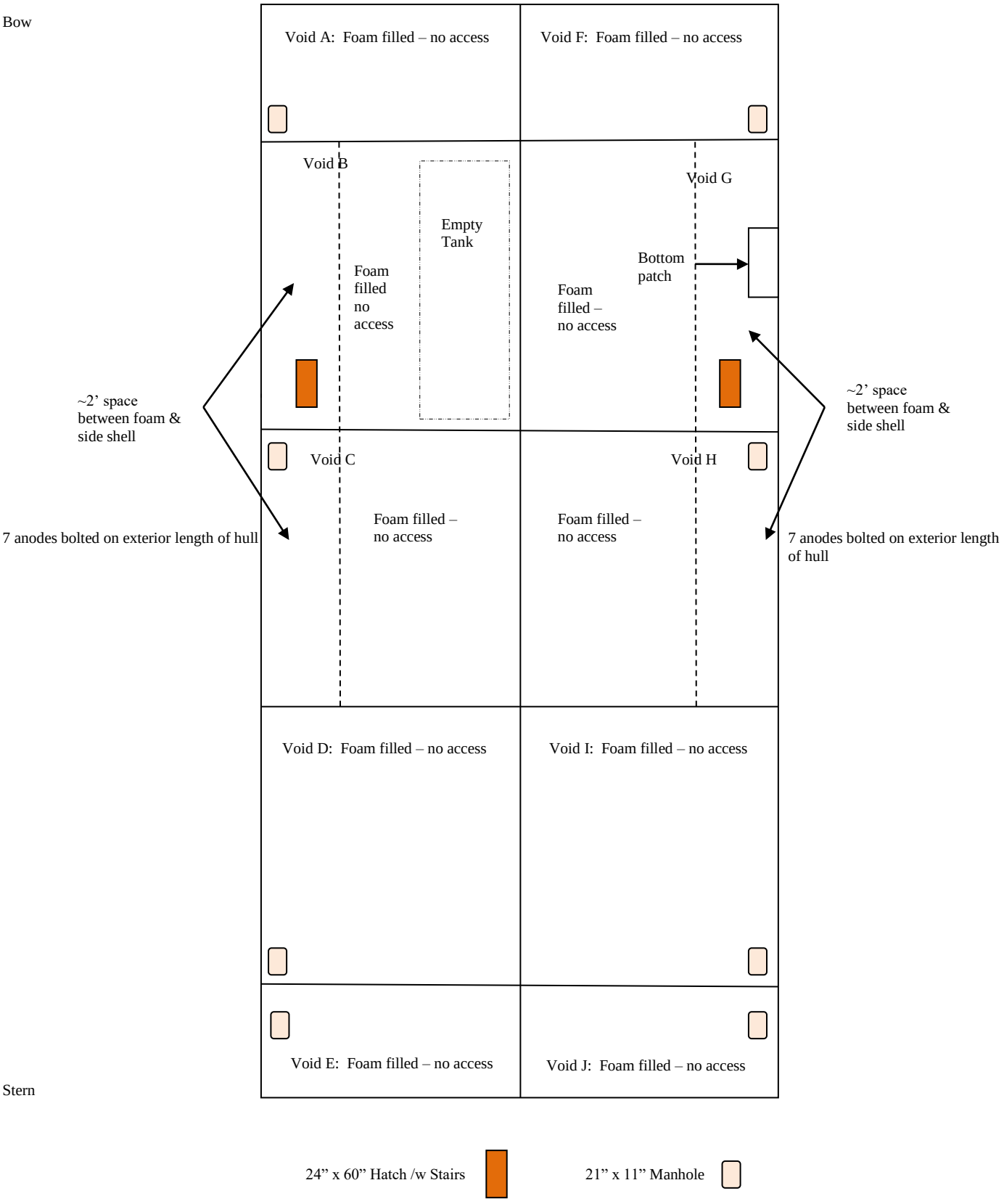
Deck	**Notes**
Construction	Steel /w 3” concrete; ¼” x 3” angle for edging on concrete – 24” back from side walls of barge
Access	(8) 21” x 11” manholes with covers, gaskets & 3” coaming
	(2) 24” x 60” hatches /w stairs and 1” steel covers

Deck Equipment	**Qty**	**Notes**
Tow Cleats	4	Double bollards
Tie-up Cleats	4	2 port / 2 starboard
Vent Pipes	4	8” vent pipes in voids B & G
Deck Houses		20’ sea can / 10’ x 8’ wood building – raised heli pad
Crane Deck		Forward on port side; small hand crane 1500-lb capacity

Barge Description (cont.)

Hull Voids

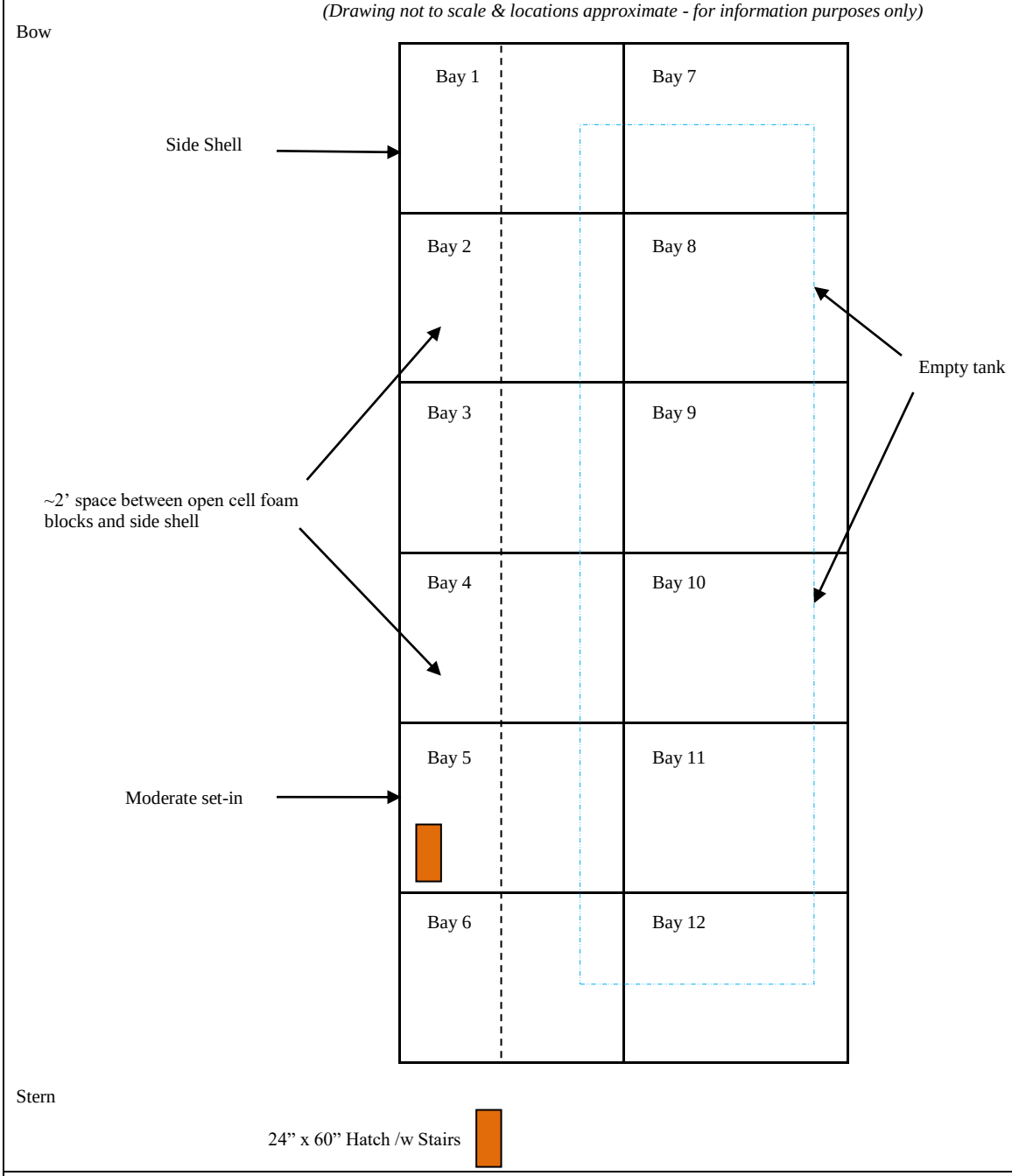
(Drawing is not to scale & locations approximate – for information purposes only)



Barge Description (cont.)

Void B

(Drawing not to scale & locations approximate - for information purposes only)



Notes:

- Void entered down hatch to water level
- Open cell foam blocks installed in all Bays with ~2' space between side shell and foam blocks. Reported to surveyor that 38,000 L tank was empty and left in place when foam blocks installed
- Visible paint coating @ ~30%
- Reported four Z13 zincs installed on interior of hull

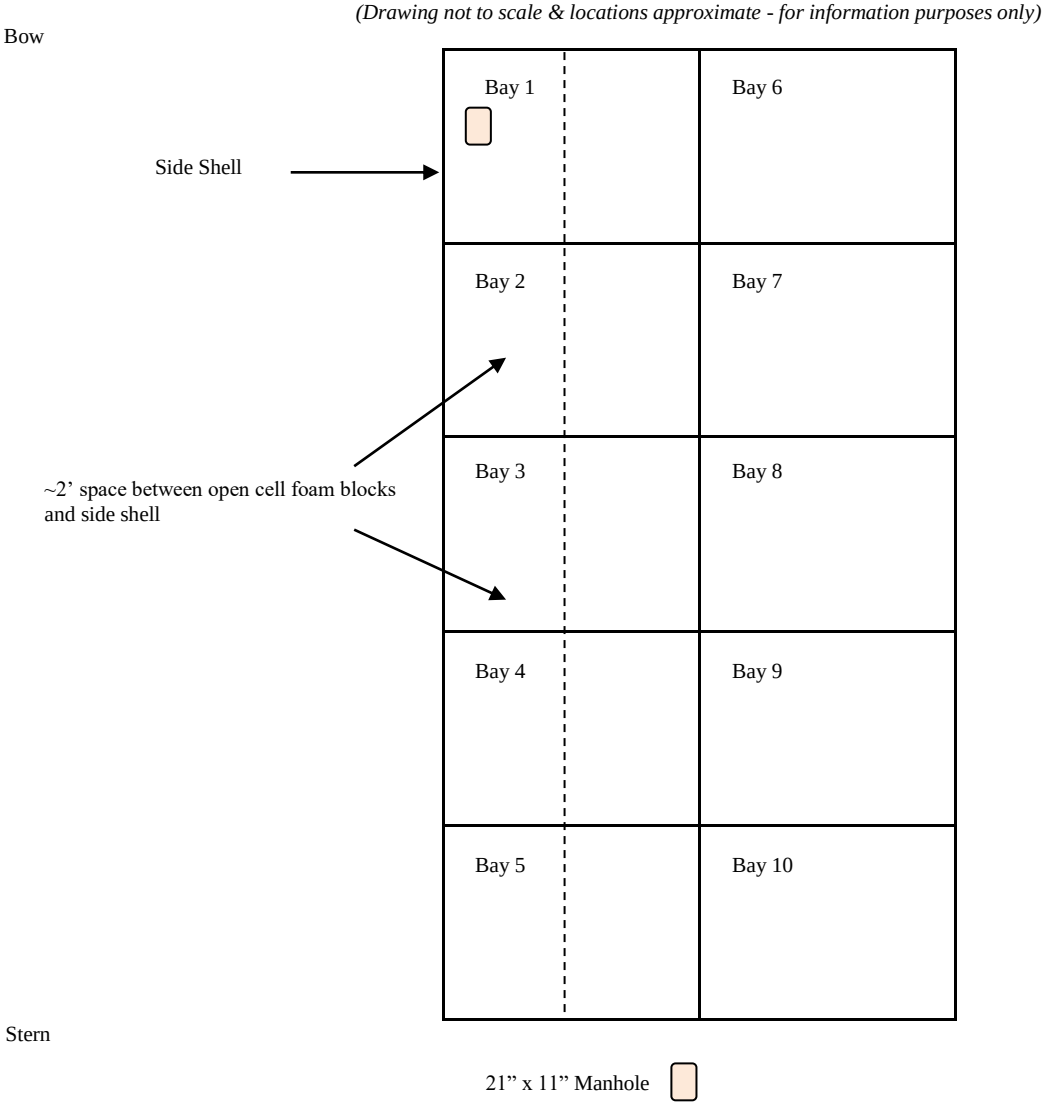
Comments:

- Reported that recommendations in 2017 report have been completed

Barge Description (cont.)

Void C

(Drawing not to scale & locations approximate - for information purposes only)



Notes:

- Void not entered
- Open cell foam blocks installed in all Bays with ~2' space between side shell and foam blocks
- Reported four Z13 zincs installed on interior of hull

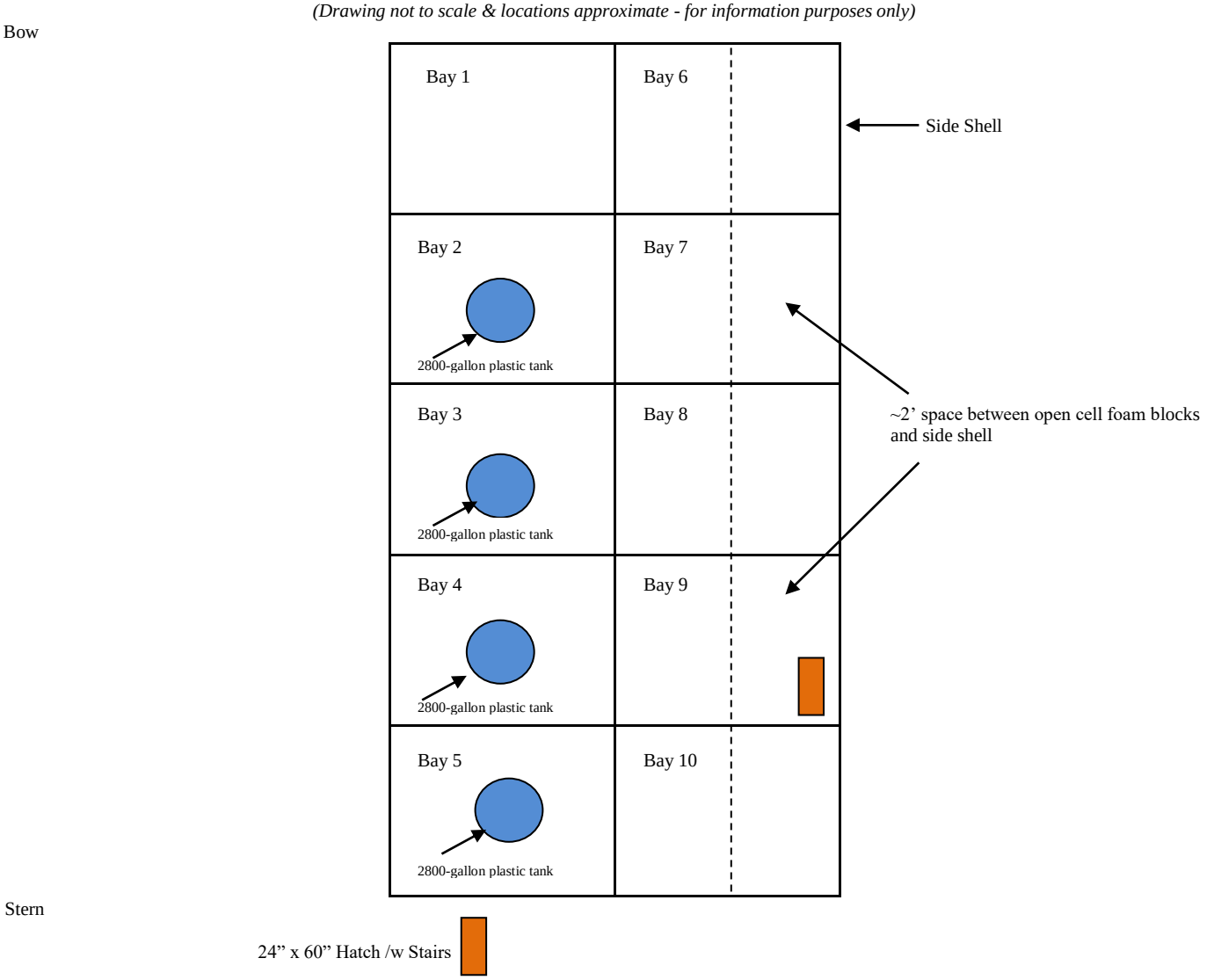
Comments:

- Reported that recommendations in 2017 report have been completed

Barge Description (cont.)

Void G

(Drawing not to scale & locations approximate - for information purposes only)



Notes:

- Void entered down hatch to water level
- Open cell foam blocks installed in all Bays with ~2' space between side shell and foam blocks. Reported to surveyor that plastic tanks were empty and left in place when foam blocks installed
- Visible paint coating @ ~40%
- Reported four Z13 zincs installed on interior of hull

Comments:

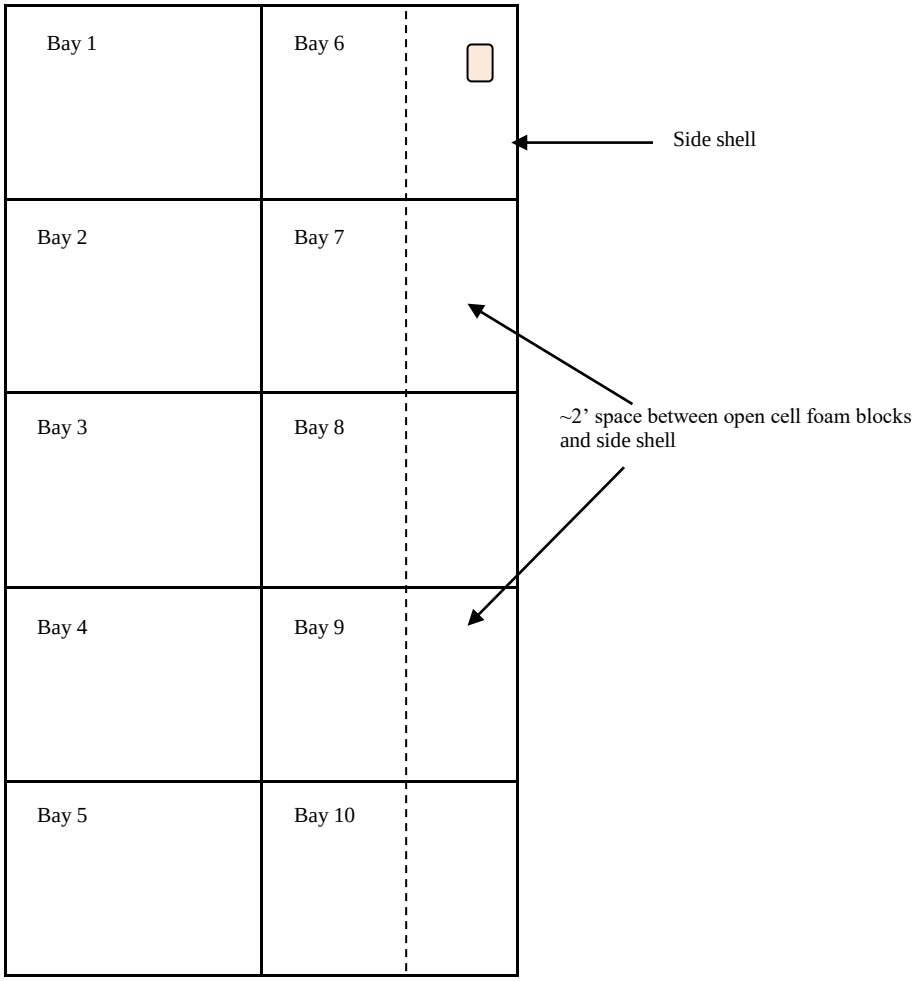
- Reported that recommendations in 2017 report have been completed

Barge Description (cont.)

Void H

(Drawing not to scale & locations approximate - for information purposes only)

Bow



Stern

21" x 11" Manhole

Notes:

- Void not entered
- Open cell foam blocks installed in all Bays with ~2' space between side shell and foam
- Reported four Z13 zincs installed on interior of hull

Comments:

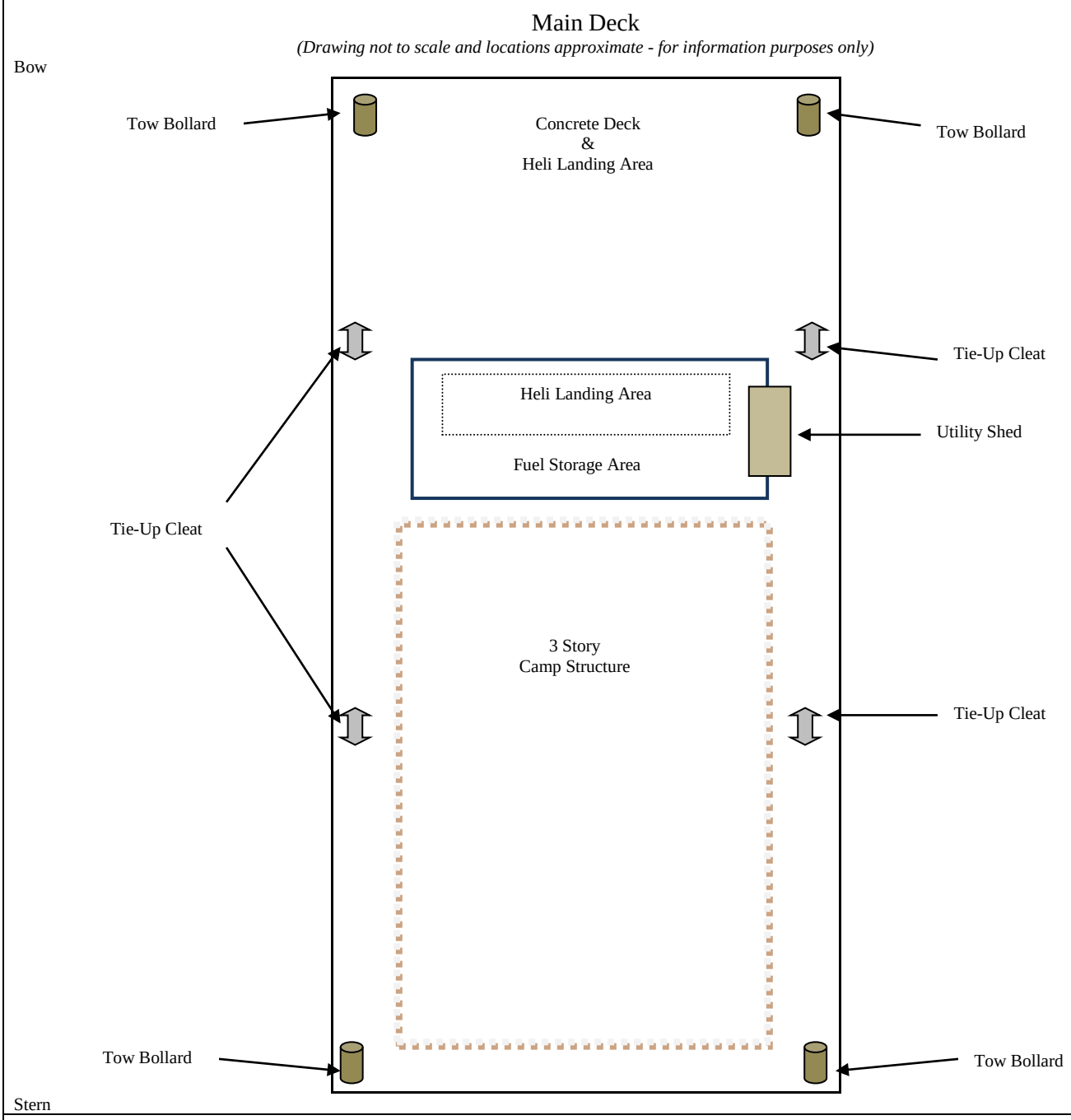
- Reported that recommendations in 2017 report have been completed

Barge Description (cont.)	
Hull - Exterior	
Freeboard: 52" @ bow & 42" @ stern	
Coating: black paint on sides of barge	
Side shell plating has moderate deflections	
Four visible Z2 zincs welded on hull	
Hull - Interior	
Hull – Port Forward	
Bow Rake	21" x 11" manhole
	Void A being used as ballast tank ½ full of foam Water in voids
Hull – Port Stern	
Aft Rake	21" x 11" manhole
	No access - 100% full of foam
	Manual measurement from manhole shows 42" of water in Void E
	External view of side shows slight deflection
Hull – Starboard Forward	
Bow Rake	21" x 11" manhole
	Void F being used as ballast tank ½ full of foam Water in void
	External view of side shows slight deflection
Hull – Starboard Stern	
Aft Rake	21" x 11" manhole
	No access – 100% filled with foam
	Sonotube measurement 42" of water in Void J
	External view of side shows 6' x 4' – ½" plate patch
Voids	
Void A	
Void Access	21" x 11" manhole in good condition 3" coaming, gasket, stainless bolts, cover – in good condition
Coating	Unable to view
Deck	Unable to view
Bulkhead	Unable to view
Floor	Unable to view
Notes	Unable to enter Void
Void B	
Void Access	24" x 60" hatch /w stairs in good condition Steel cover, no coaming, bolted down with 4 wing nuts
Coating	~30%; visible section of side shell showing signs of heavy corrosion
Deck	Unable to view
Bulkhead	Unable to view
Floor	Unable to view
Notes	Void entered down hatch to water level Open cell foam blocks installed in all Bays with ~2' space between side shell and foam 38,000 L tank reported empty and left in Void at time of foam installation

Barge Description (cont.)	
Voids (cont.)	
Void C	
Void Access	21” x 11” manhole in good condition 3” coaming, gasket, stainless bolts, cover – in good condition
Coating	Unable to view
Deck	Unable to view
Bulkhead	Unable to view
Floor	Unable to view
Notes	Unable to enter Void Open cell foam blocks installed in all Bays with ~2’ space between side shell and foam
Void D	
Void Access	21” x 11” manhole in good condition 3” coaming, gasket, stainless bolts, cover – in good condition
Coating	Unknown
Deck	Unable to view
Bulkhead	Unable to view
Floor	Unable to view
Notes	Unable to enter Void
Void E	
Void Access	21” x 11” manhole in good condition 3” coaming, gasket, stainless bolts, cover – in good condition
Coating	Unable to view
Deck	Unable to view
Bulkhead	Unable to view
Floor	Unable to view
Notes	Unable to enter Void
Void F	
Void Access	21” x 11” manhole in good condition 3” coaming, gasket, stainless bolts, cover – in good condition
Coating	Unable to view
Deck	Unable to view
Bulkhead	Unable to view
Floor	Unable to view
Notes	Unable to enter Void
Void G	
Void Access	24” x 60” hatch /w stairs in good condition Steel cover, no coaming, bolted down with 4 wing nuts – in good condition
Coating	~40% on visible section
Deck	Unable to view
Bulkheads	Unable to view
Floor	Unable to view
Notes	Void entered down hatch to water level Open cell foam blocks installed in all Bays with ~2’ space between side shell and foam Plastic tanks reported empty and left in Void at time of foam installation

Barge Description (cont.)	
Voids (cont.)	
Void H	
Void Access	21” x 11” manhole in good condition 3” coaming, gasket, stainless bolts, cover – in good condition
Coating	Unable to view
Deck	Unable to view
Floor	Unable to view
Notes	Unable to enter Void Open cell foam blocks installed in all Bays with ~2’ space between side shell and foam
Void I	
Void Access	21” x 11” manhole in good condition 3” coaming, gasket, stainless bolts, cover – in good condition
Coating	Unable to view
Deck	Unable to view
Bulkhead	Unable to view
Floor	Unable to view
Notes	Unable to enter Void
Void J	
Void Access	21” x 11” manhole in good condition 3” coaming, gasket, stainless bolts, cover - in good condition
Coating	Unable to view
Deck	Unable to view
Bulkhead	Unable to view
Floor	Unable to view
Notes	Unable to enter Void

Barge Description (cont.)



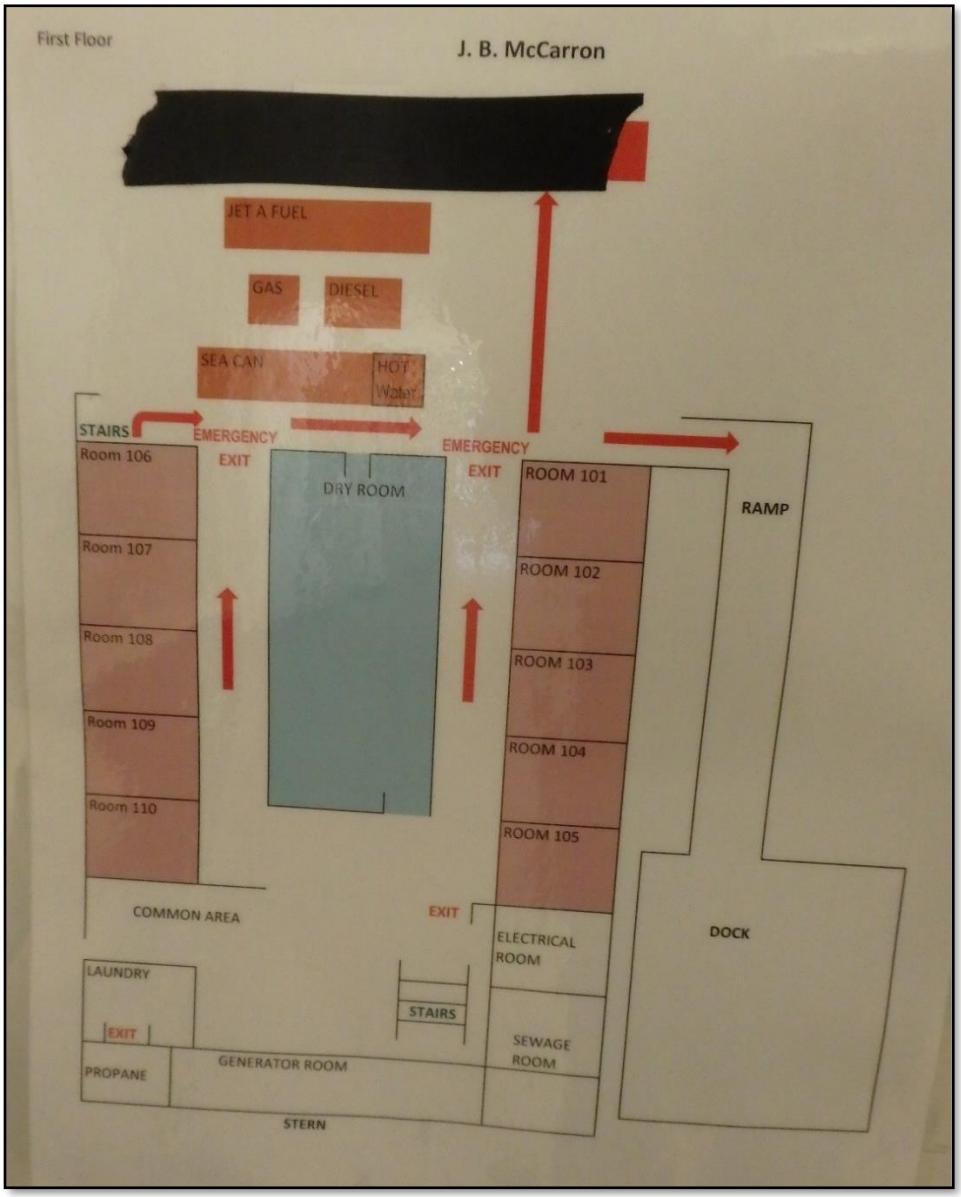
3 Story Accommodation Structure:
- Steel construction with 2 x 6 wood walls; gyproc /w cedar trim throughout, tongue-in-groove ceiling on third floor with skylights
- Common area and washrooms on each floor
- Overhead fire-monitoring system – new in 2014
- Concrete floors between 2 & 3 floors for fire protection and noise reduction
- Electric heat

Fuel Tanks (not certified):
- 63,000 L aluminum Jet A in mobile trailer
- 1,500 L gas Enviro tank
- 4,500 L diesel tank
- 3" concrete deck with steel curb
- 2 tow bollards – forward / 2 tow bollards - aft
- 4 tie-up cleats: 2 port & 2 starboard
- 2 heli pads

Utility Shed:
- Tiger Water Maker
  - Model S3-3125: s/n 96237
  - Single phase – 220 volt
  - 1800 L /day
- 3-hp 125-volt jet pump with surge tank
- Power distribution panel
- 2 John Wood 100-gallon propane hot water heaters

Barge Description (cont.)

Camp - First Floor



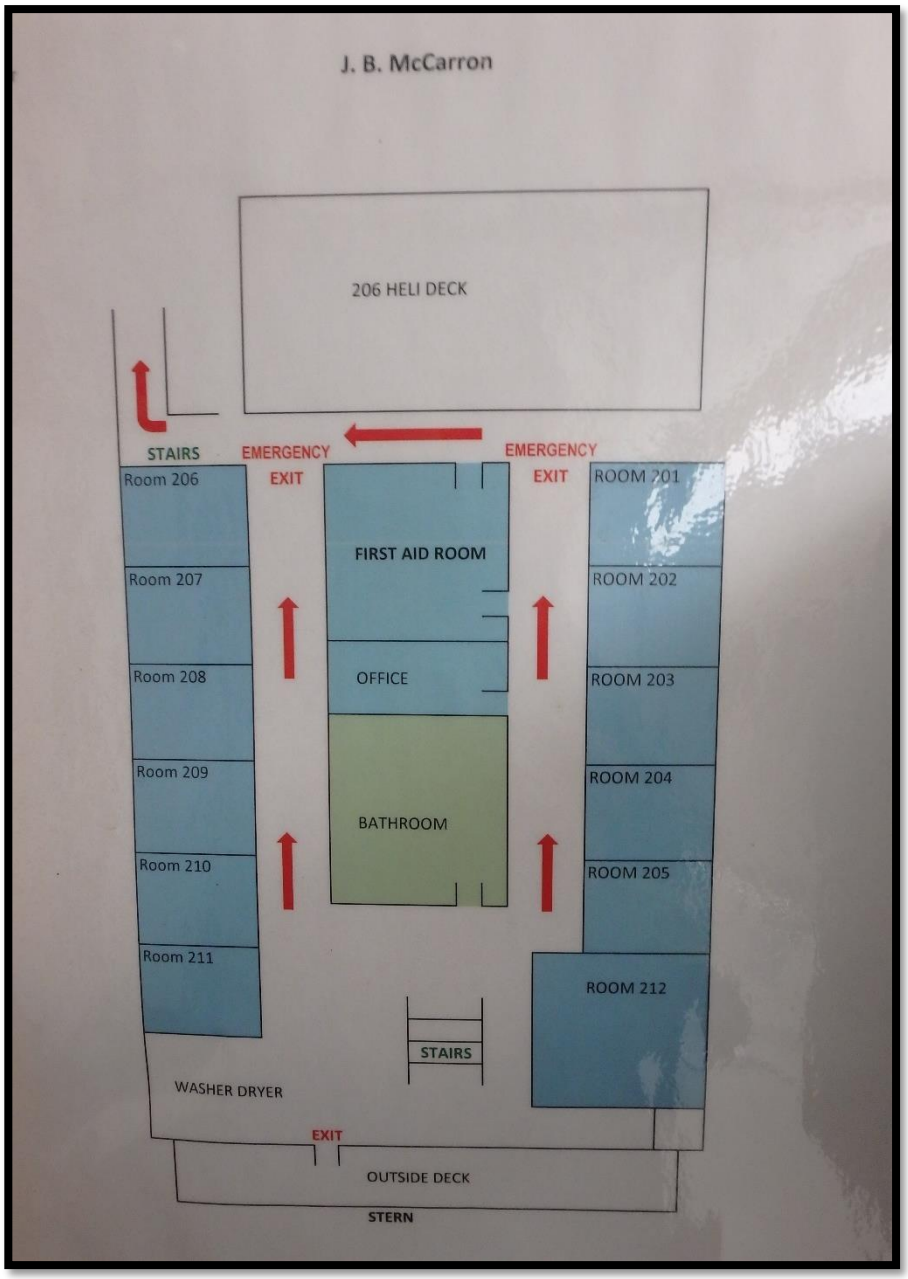
- Dry Room:
  - 3000 watt & 2000 watt heaters
  - Dehumidifiers & fan
- Electrical room & tool storage
- Sewage System:
  - 1,200 L plastic monitor-controlled septic tank
  - Three 300-gallon tanks for water retention for system with aerobic digester and grease trap
- 10 Single Rooms with double beds
- Common Area:
  - 60" TV
  - Table with benches
- Laundry Facilities:
  - 4 washers / 4 dryers
- Generator Room – steel walls
  - Generator 1:
    - 75 kw John Deere
    - 12,859 hours
    - Serial # M14D156236
  - Generator 2:
    - 35 kw Kabota
    - 12,844 hours
    - Serial # M14D156269
    - Generator unit on end replaced
- 1000 lb propane tank

Comments:

- Aluminum ramp with chain block to lift for transport
- New 9' x 31' float

Barge Description (cont.)

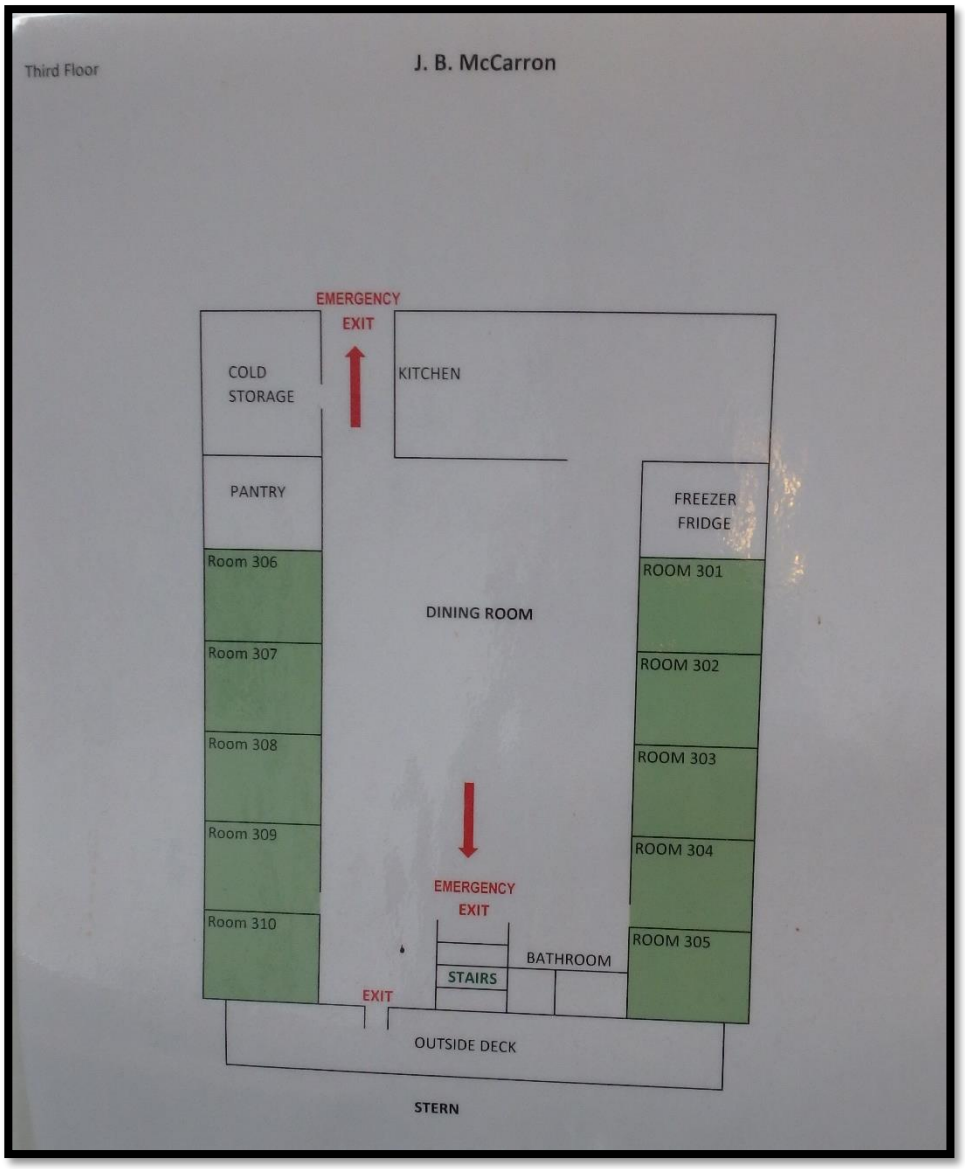
Camp - Second Floor



- First Aid Room:
  - Full treatment facilities
  - Walk-out to heli pad
- Office:
  - 3 work stations
  - Mapping on wall
- 12 single rooms with a double beds and TV
  - Individual heat control
- Washroom:
  - Private stalls
  - 5 showers
- Laundry Facilities:
  - 2 washers / 2 dryers
- Outside deck at stern:
  - Steel deck covering barge

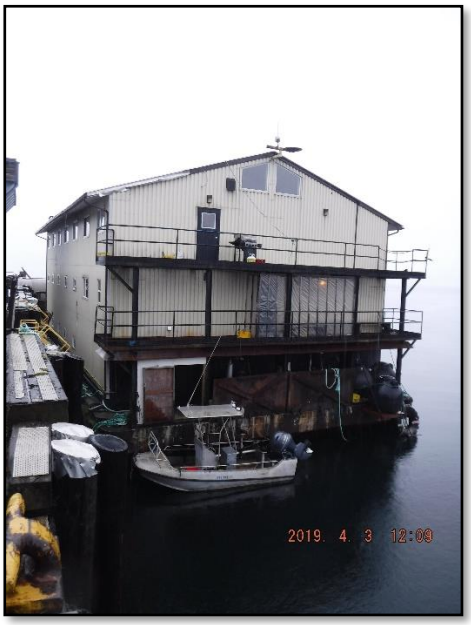
Barge Description (cont.)

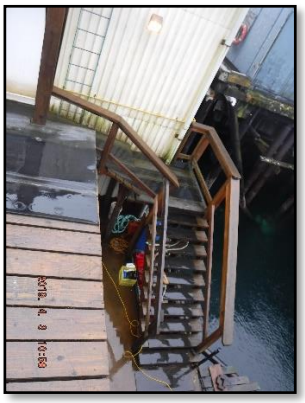
Camp - Third Floor

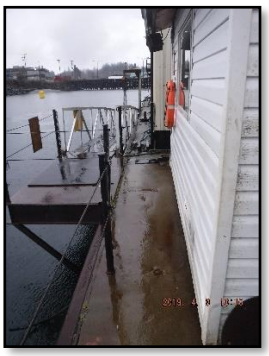


- Galley & Dining Room:
  - Double stainless Blue Air fridge & freezer
    - 2 units with double doors
  - Hobart 18-20 commercial dishwasher /w super heater
  - Triple stainless sink (91" x 30") /w stainless backsplash
  - Majestic convection oven / American range on stand (40" x 27" x 34")
  - Avantco deep fryer with double bracket
  - 4-burner flattop cook stove; 2 ovens
  - Range hood
    - Fire system recertified in 2019
  - Steam stable (72" x 32") with 5 serving option trays
  - Juice machine
- 10 single rooms with a double bed and TV
  - Individual heat control
- Washroom:
  - Private stalls
  - Large exhaust fans
- 60" TV with satellite receiver

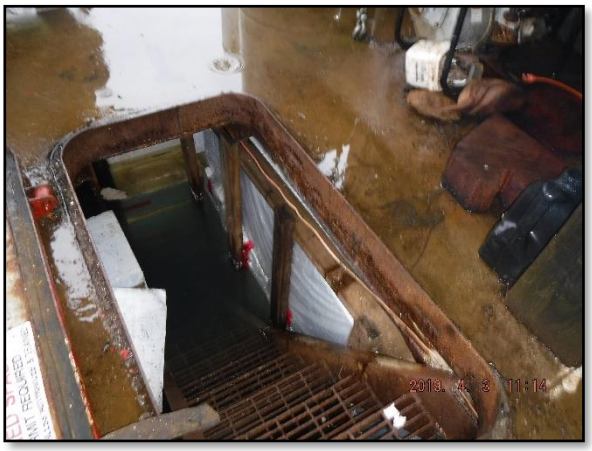
Barge Photos



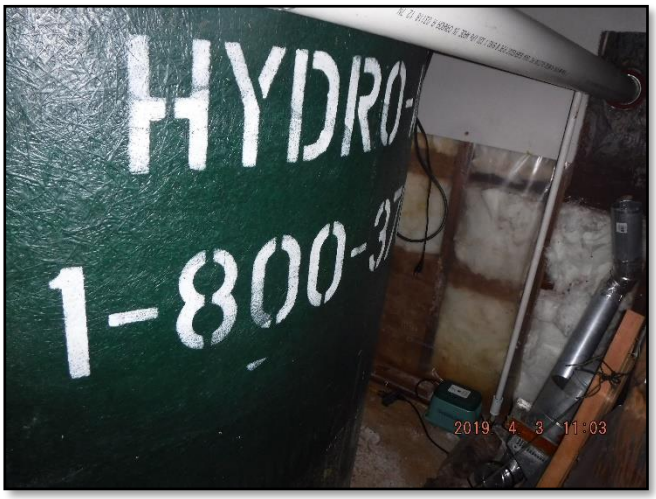




Barge Photos (cont.)



Barge Photos (cont.)



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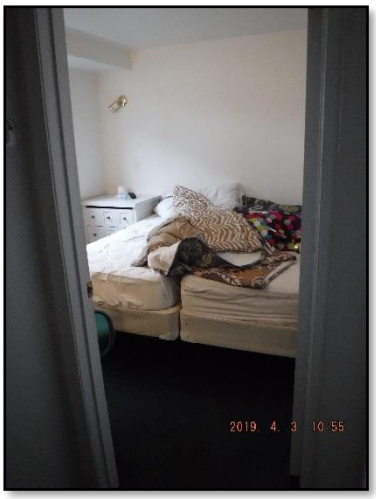

Barge Photos (cont.)

Barge Photos (cont.)

Certification

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

- The statements of facts contained in this report are true and correct. Unless otherwise noted, extraordinary assumptions and / or hypothetical conditions have not been used to develop the opinion of condition or value;
- The reported analysis, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analysis, 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 with respect to the parties involved;
- I have performed services regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- My engagement in this assignment was not contingent upon developing or reporting predetermined results;
- My compensation is not contingent upon the development or 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 directly related to the intended use of this report;
- My analysis, 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 assistance to the person signing this certification;

Accurate Appraisals & Marine Surveys Ltd.
Allen E. Waugh, IIMS

Assumptions & Limiting Conditions

- No responsibility was assumed for matters legal in nature. No investigation has been made of the title, or any possible liabilities or liens against the property that is the subject of this report. The surveyor presumed, unless otherwise noted, that the client's claim is valid, the property rights are good and marketable, and that there are no encumbrances which cannot be cleared through normal process.
- To the best of the surveyor's knowledge, all the information set forth in this report is true and accurate. Acceptance and use of this report indicates understanding by the intended users that although information may be gathered from reliable sources, no guarantee is made and no liability is assumed for the accuracy of any data, opinions or estimates identified as being furnished by others which may have been used in formulating this analysis.
- All opinions of values stated in this report are based upon the facts and data available to the surveyor at the time of this report. Should information not previously available, become available, the surveyor reserves the right to review the conclusions reached and make any adjustments should it become necessary.
- The surveyor assumes no liability or responsibilities for changes in condition, obsolescence, advancements in technology, changes in the marketplace or economy and other factors beyond the control of the surveyor.
- Substances such as asbestos, heavy metals, toxic wastes or other potentially hazardous materials could, if present, adversely affect the value and condition of the property. Unless otherwise noted, the possibility of the existence of these substances was not considered in the development of this report. The stated opinion is predicated on the assumption that there is no substance on or in the property that would cause such a loss in value.
- This report contains statements of opinion only and should not be considered as representation, warranties or guarantees.
- Acceptance and use of this report acknowledges agreement by the intended users they understand that no determination of stability or structural strength has been made and no opinion is expressed.
- This report represents those conditions that were externally visible above the water line. There was no removal, withdrawal, or disassembly of any of the following: shafts, joiner work, paneling, void spaces, tankage, decking, hull structure, engines, machinery, electrical or plumbing.
- Acceptance and use of the survey report by the intended users indicates their agreement to indemnify and hold harmless Accurate Appraisals & Marine Surveys Ltd. and its employees from any and all losses, claims, actions, damages, expenses and liabilities, including attorney's fees to which we may become subject in connection with this engagement.
- Use of this report acknowledges agreement by the intended users that Accurate Appraisals & Marine Surveys Ltd. and its employees are not responsible for consequential or indirect damages related to or out of this engagement, nor are they responsible for damage or deterioration not found during the course of an inspection, nor for consequential damage, deterioration or loss due to any error or omission.
- The delivery of this report constitutes the fulfillment of any contractual agreement and any further request for additional work, deposition, testimony and related will be subject to additional fee.

Assignment Elements

Intended Use: This survey report consists of information regarding a specific accommodation and helicopter service barge, *Seaspan 156/JB McCarron*, which is currently owned by 1008949 BC Ltd. It has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice to express an opinion of condition and Fair Market Value for insurance purposes on the specified asset.

The value presented in this report is based upon the premises outlined and is valid only for the purpose stated.

Intended Users: The surveyor has provided a report for the exclusive intended use by South Coast Standing Stem Ltd., 1008949 BC Ltd. and their affiliates and assignees.

This survey is performed for the direct benefit of the intended users and no persons other than those specified are entitled to rely on the opinions, statements or conclusions contained in this report without prior express written permission. Possession of this report, or a copy thereof, does not carry with it the right of publication.

Type & Definition of Value:

The following definition of value has been used in the valuation of the property which is the subject of this report:

Fair Market Value:

> "An opinion expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date."

Effective Date of Valuation: The effective date of valuation for this revised report is April 10, 2019. The surveyor has used his best professional judgment to accurately value the subject asset according to the above definitions, and the values reported in this document represent the opinion of the surveyor as of the effective date of the report, and for a limited period of time thereafter.

Subject of Assignment: *Seaspan 156 / JB McCarron* is an accommodation and helicopter service barge. It was converted from a chip barge and is unpowered and is usually towed or pushed by another vessel.

Scope of Work

Inspection: The surveyor personally inspected the barge while in the water on April 3, 2019 at Elk Falls near Campbell River, BC.

The surveyor was only able to access Voids B and G down the hatches to the water level. No other voids were accessed.

This inspection did not include a sea trial or mechanical inspection and represents those conditions that were externally visible above the water line. The information from the inspection was obtained without drilling, diving, ultrasonic testing, cleaning or opening to expose parts or conditions ordinarily concealed. There were no tests for tightness or soundness conducted other than the conditions noted visually.

No determination of stability or structural strength has been made and no opinion is expressed.

Research: To develop the opinion of values, the following were contacted or reviewed to help determine relationships between new and used prices and overall trends of marketability: original equipment manufacturers, used dealers and vendors, weekly and monthly trade magazines and websites.

Development & Methodology: In valuing machinery and equipment, there are three recognized approaches to value: the Sales Comparison (Market) Approach, the Cost Approach and the Income Approach. All three were considered for this report. Due to the adequate availability of market sales information, the Sales Comparison Approach has been used. The Cost Approach was not used as there was adequate market sales information available. The Income Approach was not used as it is difficult to isolate income attributable to individual assets.

In developing the opinion of values of the asset, the surveyor has taken into consideration several factors, which include the following:

- The condition of the asset as of the inspection date, including any attachments and recent repairs, modifications or upgrades which may have been performed.
- The age of the asset.
- The present demand for these types of assets.
- Recent comparable sales of similar assets.
- The location of the asset.
- No consideration has been given in this report to raw materials, work in process, finished goods, or intellectual assets.
- United States Exchange Rate: Because global markets are sometimes considered, used and compared the United States exchange rate may become a factor as it fluctuates

Approaches to Value

Sales Comparison Approach*:* "This is one of the three recognized approaches used in appraisal analysis to lead to an indication of the most probable selling price of a property (also known as the Market Approach). This approach involves the comparison of comparable recent sales (or offerings) of similar assets to the subject. If the comparable sales are not exactly like the subject, adjustments must be made to the price of the comparable sales (or offerings) to make the comparables reflect the subject property. The adjustments may be either up or down in order to estimate what the comparable would have sold for if it had the same characteristics as the subject."

Cost Approach: "One of the three recognized approaches used in appraisal analysis. The appraiser starts with the current replacement cost new of the property being appraised and then deducts for the loss in value caused by physical deterioration, functional obsolescence, and economic obsolescence. The logic behind this approach is the principle of substitution; a prudent buyer will not pay more for a property than the cost of acquiring a substitute property of equivalent utility."

Income Approach: "One of the three recognized approaches used in appraisal analysis. (this approach considers value in relation to the present worth of future benefits derived from ownership and is usually measured through the capitalization of a specific level of income.) The appraiser determines the present value of the future economic benefits of owning a property."

Factors Affecting Value

Depreciation: "…The actual loss in value or worth of a property from all causes including those resulting from physical deterioration, functional obsolescence, and economic obsolescence. Depreciation may be curable or incurable. The estimated loss in value of an asset."

Physical Deterioration: "A form of depreciation where the loss in value or usefulness of a property is due to the using up or expiration of its useful life caused by wear and tear, deterioration, exposure to various elements, physical stresses and similar factors…"

Functional Obsolescence: "A form of depreciation in which the loss in value or usefulness of a property is caused by inefficiencies or inadequacies inherent in the property itself, when compared to a more efficient or less costly replacement property that new technology and changes in design, materials, or process that result in inadequacy, overcapacity, excess construction, lack of functional utility, excess operating costs, etc. has developed."

Economic Obsolescence: "A form of depreciation or loss in value or usefulness of a property is caused by factors external to the property. These may include such things as the economics of the industry; availability of financing; loss of material and/or labour sources; passage of new legislation; changes in ordinances; increased cost of raw materials, labour or utilities; increased cost of raw materials, labour or utilities (without an offsetting increase in product price); reduced demand for the product; increased competition; inflation or high interest rates, or similar factors."

(Source of definitions: American Society of Appraisers *Valuing Machinery and Equipment: The Fundamentals of Appraising Machinery and Technical Assets – Third Edition 2011 – Pg. 502 - 567)*

Definitions of Condition

Condition: "A characteristic that can be determined only through observation."

New: "This term describes new items that have not been used before."

Excellent: This term describes those items that are in near-new condition and have had very little use.

Very Good: "This term describes an item of equipment in excellent condition capable of being used to its fully specified utilization for its designed purpose without being modified and without requiring any repairs or abnormal maintenance at the time of inspection or within the foreseeable future."

Good: "This term describes those items of equipment which are in good operating condition. They may or may not have been modified or repaired and are capable of being used at or near their full designed and specified utilization."

Fair: "This term describes those items of equipment which because of their condition are being used at some point below their full designed and specified utilization because of the effects of age and/or application and that may require general repairs and some replacement of minor elements in the foreseeable future to raise them to be capable of being utilized to or near their original specifications."

Poor: "This term is used to describe those items of equipment which because of their condition can be used only at some point well below their full designed and specified utilization, and it is not possible to realize full capacity in their current condition without extensive repairs and/or the replacement of major elements in the near future."

Salvage: "This term is used to describe those items of equipment whose value remains in the whole property or a component of the whole property that has been retired from service."

Scrap: "This term is used to describe those items of equipment which are no longer serviceable and which cannot be utilized to any practical degree regardless of the extent of the repairs or modifications to which they may be subjected. This condition applies to items of equipment which have been used for 100% of their useful life or which are 100% technologically, functionally or economically obsolete and are no longer serviceable and have no value other than for their material content."

*(Source of definitions: American Society of Appraisers *Valuing Machinery and Equipment: The Fundamentals of Appraising Machinery and Technical Assets – Third Edition 2011 – Pg 502 - 567)*

Curriculum Vitae
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Work Experience:

2009 – Present	President / Owner – Personal Property Appraisal Company and Marine Surveyor
1997 – 2009	Hayes Forest Services Limited Director, Equipment & Facilities *12 years appraising, buying & selling logging & marine equipment*
1989 – 1997	Hayes Forest Services Limited Mechanical Charge-hand
1981 – 1989	Pat Carson Bulldozing Limited Mechanical Charge-hand

Association Memberships:

International Institute of Marine Surveying Canada (IIMS Canada)
Canadian Personal Property Appraisers Group (CPPAG)
Vancouver Island University - Chair, Heavy Duty Industry Advisory Council
Equipment Appraiser Association of North America (EAANA) - Candidate Member

Education:

American Society of Appraisers – Machine & Equipment Valuation
ME204 (Bethesda, MD)
American Society of Appraisers – Machinery & Equipment Valuation
ME203 (Chicago, IL)
American Society of Appraisers – Machinery & Equipment Valuation
ME202 (Manhattan Beach, CA)
American Society of Appraisers - Machinery & Equipment Valuation
ME201 (Manhattan Beach, CA)
American Society of Appraisers - Marine Survey Course
ME208 (San Francisco, CA)
Uniform Standards Professional Appraisal Practice (USPAP) Course 2018 - 2019
SE100 (Cleveland, OH)
Canadian Personal Property Appraisal Group Course (Edmonton, AB)
Sauder School of Business - Fundamentals of Finance & Accounting
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