File No. 26 Plains Rd

APPRAISAL OF

LOCATED AT:

26 Plains Road
Pilot Butte, SK S0G 0A0

FOR:

Merix Financial

BORROWER:

Kenton McDougall

AS OF:

October 16, 2014

BY:

Robert Yee

RESIDENTIAL APPRAISAL REPORT

REFERENCE: FILE NO.: 26 Plains Rd

CLIENT

CLIENT:	Merix Financial
ATTENTION:	
ADDRESS:	
E-MAIL:	
PHONE:	FAX:

APPRAISER

APPRAISER:	Robert Yee
COMPANY:	Robert Yee Appraisals Inc.
ADDRESS:	8202 Sherwood Drive Regina, SK
E-MAIL:	robyee@sasktel.net
PHONE:	306-535-7534 FAX: 306-543-4341

Appraisal Institute of Canada

SUBJECT

PROPERTY ADDRESS: 26 Plains Road CITY: Pilot Butte PROVINCE: SK POSTAL CODE: S0G 0A0

LEGAL DESCRIPTION: Lot 4 Block 4 Plan 102089246

Source:

MUNICIPALITY AND DISTRICT: Town of Pilot Butte

ASSESSMENT: Land $ 41,000 Imps $ 227,000 Total $ 268,000 Assessment Date: 2014 Taxes $ tba Year 2014

EXISTING USE: Single family dwelling OCCUPIED BY: Owner

ASSIGNMENT

NAME: Kenton McDougall Name Type: Borrower

PURPOSE OF THE APPRAISAL: To estimate market value (see definition herein) or ☐ Other

INTENDED USE OF THE APPRAISAL: Mortgage financing

INTENDED USERS (by name or type): for exclusive use by the client noted above

REQUESTED BY: [X] Client above ☐ Other Origination Mortgage Corp. Attn: Ellissa Avila

THIS APPRAISAL REPORT REPRESENTS THE FOLLOWING VALUE: (if not current, see comments) [X] Current ☐ Retrospective ☐ Prospective

☐ Update of original report completed on ______ with an effective date of ______ File No.

PROPERTY RIGHTS APPRAISED: [X] Fee Simple ☐ Leasehold ☐ Other (see comments) OTHER OWNERSHIP: ☐ Cooperative ☐ Condominium/Strata ☐ Other

MAINTENANCE FEE (if applicable): $

IS THE SUBJECT A FRACTIONAL INTEREST, PHYSICAL SEGMENT OR PARTIAL HOLDING? [X] No ☐ Yes (if yes, see comments)

VALUE APPROACHES USED IN THE DEVELOPMENT OF THIS APPRAISAL: [X] DIRECT COMPARISON APPROACH [X] COST APPROACH ☐ INCOME APPROACH ☐

EXTRAORDINARY ASSUMPTIONS & LIMITING CONDITIONS	An extraordinary assumption or limiting condition has been invoked in this appraisal report.	☐ YES	[X] NO	If yes, see attached addendum.
HYPOTHETICAL CONDITIONS	An hypothetical condition has been invoked in this appraisal report.	☐ YES	[X] NO	If yes, see attached addendum.
JURISDICTIONAL EXCEPTION	A jurisdictional exception has been invoked in this appraisal report.	☐ YES	[X] NO	If yes, see attached addendum.

NEIGHBOURHOOD

NATURE OF DISTRICT:	[X] Residential	☐ Commercial	☐ Industrial	☐ Agricultural	☐
TYPE OF DISTRICT:	[X] Urban	☐ Suburban	☐ Rural	☐ Recreational	☐ Agricultural
TREND OF DISTRICT:	[X] Improving	☐ Stable	☐ Transition	☐ Deteriorating	☐
BUILT-UP:	[X] Over 75%	☐ 25 - 75%	☐ Under 25%	☐ Rural	
CONFORMITY Age:	☐ Newer	[X] Similar	☐ Older	☐	
Condition:	☐ Superior	[X] Similar	☐ Inferior	☐	
Size:	☐ Larger	[X] Similar	☐ Smaller	☐	

	From	To
AGE RANGE OF PROPERTIES (years):	New	60
PRICE RANGE OF PROPERTIES:	$ 70K	$ 450K+

MARKET OVERVIEW:	Supply:	☐ Good	[X] Average	☐ Poor
	Demand:	☐ Good	[X] Average	☐ Poor
PRICE TRENDS:		☐ Increasing	[X] Stable	☐ Declining

COMMENTS: Pilot Butte is a small bedroom community located 20 km east of the City of Regina and is situated on the north side of the Trans Canada Highway. Demand for homes in Pilot Butte is average with most of its residents commuting to Regina for work and shopping. The subject is located in the new development of The Plains of Pilot Butte and consists of new homes that follow an architectural guideline. Positive influences include strong community involvement, adequate recreational facilities, lower property taxes and a rural community setting. No other adverse influences were noted that would directly affect the subject property.

SITE

SITE DIMENSIONS: 55.8' x 123.7'

SITE AREA: 6902 Sq.Ft. [X] Sq. Ft. ☐ Sq. M. ☐ Acres ☐ Hectares

Source: ISC Land Titles

TOPOGRAPHY: Level with adequate drainage.

CONFIGURATION: Rectangular

ZONING: R1- Residential Detached

Source: Town Office

DOES EXISTING USE CONFORM TO ZONING? [X] YES ☐ NO (see comments)

TITLE SEARCHED: ☐ YES [X] NO ☐

UTILITIES:	[X] Telephone	[X] Sanitary Sewer	[X] Storm Sewer	[X] Natural Gas	☐ Septic
	☐ Open Ditch	☐			
WATER SUPPLY:	[X] Municipal	☐ Private Well	☐ Other		
FEATURES:	☐ Gravel Road	[X] Paved Road	☐ Lane	[X] Sidewalk	[X] Curbs
	[X] Street Lights	[X] Cablevision	☐		
ELECTRICAL:	☐ Overhead	[X] Underground	☐		
DRIVEWAY:	[X] Private	☐ Mutual	☐ None	☐ Single	☐ Double
	☐ Underground	☐ Laneway	[X] Triple		
	Surface: Concrete				
PARKING:	[X] Garage	☐ Carport	[X] Driveway	☐ Street	
LANDSCAPING:	☐ Good	[X] Average	☐ Fair	☐ Poor	
CURB APPEAL:	[X] Good	☐ Average	☐ Fair	☐ Poor	

COMMENTS: Typical utility easements that would not affect the subject's value or marketability are assumed. The site is located on an interior rectangular lot on the north side of a developing residential street and backs onto a municipal reserve. The subject conforms to other properties in the area. The value trends in the area are stable and are expected to remain so.

RESIDENTIAL APPRAISAL REPORT

REFERENCE: FILE NO.: 26 Plains Rd

IMPROVEMENTS

YEAR BUILT (estimated): 2013
EFFECTIVE AGE: 1 years
REM. ECONOMIC LIFE: 59 years
DEPRECIATION 2.0 %

NEW CONSTRUCTION ONLY
CONSTRUCTION COMPLETE: yes
PERCENTAGE COMPLETE: 100

BUILDING TYPE: Detached
DESIGN/STYLE: Bungalow
CONSTRUCTION: Wood Frame
BASEMENT: Full
ESTIMATED BASEMENT AREA: 1,238 ☐ Sq. M. [X] Sq. Ft.
BASEMENT FINISH: ☐ 0 to 25% ☐ 25 to 50% ☐ 50 to 75% [X] 75 to 100%
WINDOWS: Triple Pane PVC
FOUNDATION WALLS: Poured Concrete

ROOFING: Asphalt
Condition: [X] Good ☐ Average ☐ Fair ☐ Poor
EXTERIOR FINISH: Stucco, Stone Veneer
Condition: [X] Good ☐ Average ☐ Fair ☐ Poor

BEDROOMS(#)		BATHROOMS(#)			
	Large		2-piece	x	Good
3	Average		3-piece	x	Average
	Small	2	4-piece		Fair
			5-piece		Poor

INTERIOR FINISH	Walls	Ceilings
Drywall	X	X
Plaster	☐	☐
Panelling	☐	☐
	☐	☐
	☐	☐

CLOSETS: [X] Good ☐ Average ☐ Fair ☐ Poor
INSULATION: [X] Ceiling [X] Walls [X] Basement ☐ Crawl Space
Info Source: as per specs
PLUMBING LINES: copper, abs, plastic Info Source: as per specs
FLOOR PLAN: [X] Good ☐ Average ☐ Fair ☐ Poor
BUILT-INS/EXTRAS: ☐ Stove ☐ Oven [X] Dishwasher ☐ Garburator
☐ Vacuum ☐ Security System ☐ Fireplace(s) ☐ Skylights ☐ Solarium
[X] HR Ventilator [X] Central Air ☐ Air Cleaner ☐ Sauna ☐ Whirlpool
[X] Garage Opener ☐ Swimming Pool ☐

FLOORING: tile, carpet
ELECTRICAL: ☐ Fuses [X] Breakers
ESTIMATED RATED CAPACITY OF MAIN PANEL: 100 amps
HEATING SYSTEM: Forced air Fuel type: gas
WATER HEATER: Type: Gas-Owned-40 gallon
OVERALL INT. COND: [X] Good [X] Average ☐ Fair ☐ Poor

ROOM ALLOCATION

LEVEL:	ENTRANCE	LIVING	DINING	KITCHEN	FAMILY	BEDROOMS	DEN	FULL BATH	PART BATH	LAUNDRY				TOTAL	AREA
MAIN	3	1	1	1		3		2		x				6	1,238
SECOND															
THIRD															
ABOVE GRADE TOTALS	ROOMS: 6		BEDROOMS: 3			BATHROOMS: 2F								6	1,238
BASEMENT					1	2		1						1	
ORDER TOTALS	ROOMS: 7		BEDROOMS: 5			BATHROOMS: 3F 0H		UNIT OF MEASUREMENT: ☐ Sq. M. [X] Sq. Ft.						7	1,238

BASEMENT FINISHES/UTILITY: The basement is developed and consists of a large recreation room, 2 bedrooms and a 4 piece bathroom. Quality of finishing is good and consistent with that of the main floor.

GARAGES/CARPORTS: Attached 3 car garage with direct access to the dwelling.

DECKS, PATIOS, OTHER IMPROVEMENTS: Subject yet to be landscaped. There is a partially completed wooden deck off the rear entrance.

COMMENTS: The subject is a new 6 room 3 bedroom single storey dwelling. The main floorplan consists of a living room with painted walls and spantex ceilings. The kitchen has quality hardwood cabinets with a centre work island and adjacent dining room. All bedrooms are adequately sized with a 3 piece ensuite off the master bedroom. The main bathroom is finished with a 1 piece molded tub and shower of good quality and condition.

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HIGHEST AND BEST USE

LAND VALUE AS IF VACANT: $ 135,000 SOURCE OF DATA: Developer/MLS/ ISC Land Titles Comment:

EXISTING USE: residential building lot

HIGHEST AND BEST USE OF THE LAND AS IF VACANT: [X] Residential [ ] Other

HIGHEST AND BEST USE OF THE PROPERTY AS IMPROVED: [X] Existing Residential Use [ ] Other

SUMMARY AND CONCLUSION:

DIRECT COMPARISON APPROACH

	SUBJECT	COMPARABLE NO. 1 Description	$ Adjustment	COMPARABLE NO. 2 Description	$ Adjustment	COMPARABLE NO. 3 Description	$ Adjustment
	26 Plains Road Pilot Butte	13 Plains Road Pilot Butte		45 Konanz Bay Balgonie		22 Stardust Bay White City	
DATA SOURCE	MLS	493726		493300		503515	
DATE OF SALE		May 20143		June 2014		July 2014	
SALE PRICE	$	$ 425,000		$ 437,500		$ 380,000	
DAYS ON MARKET		40		70		19	
LOCATION	Pilot Butte	Pilot Butte		Balgonie		Garden of Eden	35,000
SITE SIZE	6902 Sq.Ft.	6419 Sq.Ft.		5671 Sq.Ft.	5,000	7208 Sq.Ft.	
BUILDING TYPE	Detached	Detached		Detached		Detached	
DESIGN/STYLE	Bungalow	Bungalow		Bungalow		Bungalow	
AGE/CONDITION	1 year / Avg-Gd	New / Good	-12,750	1 year / Good	-8,750	1 year / Avg-Gd	
LIVEABLE FLOOR AREA	1238 Sq.Ft.	1254 Sq.Ft.	-1,000	1560 Sq.Ft.	-23,000	1325 Sq.Ft.	-6,000
ROOM-COUNT (Total / Bdrms / Baths)	6 / 3 / 2F	6 / 3 / 2F		6 / 3 / 2F		6 / 3 / 2F	
BASEMENT	Full Conc.	Full Conc.		Full Conc.		Full Conc.	
PARKING	Att. 3 Conc. 3	Att. 2 Conc. 2	14,000	Att. 2 Conc. 2	14,000	Att. 2 Conc. 2	14,000
EXTRAS	AC, DW	Superior	-3,000	Superior	-3,500	Superior	-3,000
BASEMENT FINISH	RR, 2 BR, 4pc	Inferior	35,000	Inferior	35,000	Inferior	35,000
ADJUSTMENTS (Gross%, Net%, Dollar)		15.5 % / 7.6 %	$ 32,250	20.4 % / 4.3 %	$ 18,750	24.5 % / 19.7 %	$ 75,000
ADJUSTED VALUES			$ 457,250		$ 456,250		$ 455,000

COMMENTS: The direct comparison approach is justified on the principle of substitution, which affirms that a prudent purchaser will not normally pay more for a property than the price of an equally desirable property available under similar circumstances. This approach is capable of providing a reliable indication of market value, providing that an adequate number of sales or listings of properties bearing sufficient degrees of comparability are available for analysis.

The market offers a reasonable indication of value and suggests an adjusted range of $455,000.00 to $457,250.00. Notable adjustments have been made for land value due to location as well as for quality of basement finishing, garage size and interior condition i.e granite counters etc. Due to the close range of adjusted values, an estimated market value in the middle of the range is favoured.

Every effort has been made to secure comparable sales which occurred within the 90 day period immediately preceding the effective date of this report. Use of earlier sales indicates that more recent sales were unavailable. Comparables, therefore, will reflect the selection of those sales deemed most comparable to the subject property, regardless of the time frame. If the time frame is expanded, this has been done to recite sales which have characteristics most similar to the subject, and to provide the most accurate indicators of value; this being a common and necessary appraisal practice in the area. Lack of more current sales in the neighbourhood does not necessarily mean that adverse locational or market conditions exist.

ESTIMATED VALUE BY THE DIRECT COMPARISON APPROACH (rounded): $ 456,000

RESIDENTIAL APPRAISAL REPORT

REFERENCE: FILE NO.: **26 Plains Rd**

SALES HISTORY

ANALYSIS OF KNOWN CURRENT AGREEMENTS FOR SALE, OPTIONS, LISTINGS OR MARKETING OF THE SUBJECT: (minimum of one year) **According to the MLS, the subject has not been exposed to the market in the past 3 years.**

ANALYSIS OF SALE TRANSFER HISTORY: (minimum of three years) **According to the Information Services Corporation (Land Titles), title to the subject has remained unchanged since March 2014.**

EXPOSURE TIME

ANALYSIS OF REASONABLE EXPOSURE TIME: **The estimate of market value assumes a reasonable exposure to the market. The typical exposure time for properties in this market in this price range is 14-70 days.**

RECONCILIATION AND FINAL ESTIMATE OF VALUE

RECONCILIATION AND FINAL ESTIMATE OF VALUE: **After reviewing the sales of homes from the recent past, it is our opinion that the estimated value of the subject by the direct comparison approach is $456,000.**

UPON REVIEWING AND RECONCILING THE DATA, ANALYSES AND CONCLUSIONS OF EACH VALUATION APPROACH, THE MARKET VALUE OF THE INTEREST IN THE SUBJECT PROPERTY

AS AT **October 16, 2014** (Effective Date of the Appraisal) **IS ESTIMATED TO BE $** **456,000**

THIS REPORT WAS COMPLETED ON: **October 20, 2014**

DEFINITIONS

DEFINITION OF MARKET VALUE: 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 specified date and the passing of title from seller to buyer under conditions whereby: buyer and seller are typically motivated; both parties are well informed or well advised, and acting in what they consider their own best interests; a reasonable time is allowed for exposure in the open market; payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Canadian Uniform Standards of Professional Appraisal Practice) *Note: If other than market value is being appraised, see additional comments.*

DEFINITION OF HIGHEST AND BEST USE: The reasonably probable and legal use of the property, that is physically possible, appropriately supported, and financially feasible, and that results in the highest value.

SCOPE

The scope of the appraisal encompasses the due diligence undertaken by the appraiser (consistent with the terms of reference from the client, the purpose and intended use of the report) and the necessary research and analysis to prepare a report in accordance with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP) of the Appraisal Institute of Canada. The following comments describe the extent of the process of collecting, confirming and reporting data and its analysis, describe relevant procedures and reasoning details supporting the analysis, and provide the reason for the exclusion of any usual valuation procedures.

The appraisal issue that is the focus of this engagement has been discussed and defined with the client, the work required to solve the issue planned, and the necessary market data acquired, analyzed and reconciled into an estimate of market value in a manner typically expected in a "form" report.

The specific tasks and items necessary to complete this assignment include a summary of the following:

1. assembly and analysis of relevant information pertaining to the property being appraised, including listing and acquisition particulars if acquired within three years prior to the effective date of the appraisal;
2. an inspection of the subject property and the surrounding area;
3. assembly and analysis of pertinent economic and market data;
4. an analysis of land use controls pertaining to the subject property;
5. a summary discussion and statement of "Highest and Best Use", or most probable use;
6. a discussion of the appraisal methodologies and procedures employed in arriving at the indications of value;
7. inclusion of photographs, maps, graphics and addendum/exhibits when deemed appropriate; and
8. reconciliation of the collected data into an estimate of market value or market value range as at the effective date of the appraisal.

All data considered appropriate for inclusion in the appraisal is, to the best of our knowledge, factual. Due to the type of property being appraised and the nature of the appraisal issue, the findings have been conveyed in this "form" format.

Other: **The subject market area has been researched and a minimum of three recent sales of properties have been selected that are the most similar and proximate to the subject property for consideration in sales comparison analysis and a dollar adjustment has been made where appropriate to reflect the market reaction to those items of significant variation and if, a significant item in a comparable property is superior to, or more favourable than, the subject property, a negative adjustment is made to reduce the adjusted sale price of the comparable and, if a significant item in a comparable property is inferior to, or less favourable than the subject property, a positive adjustment is made to increase the adjusted sale price of the comparable.**

RESIDENTIAL APPRAISAL REPORT

REFERENCE: FILE NO.: **26 Plains Rd**

ASSUMPTIONS AND LIMITING CONDITIONS AND EXTRAORDINARY ITEMS

ORDINARY ASSUMPTIONS & LIMITING CONDITIONS

The certification that appears in this appraisal report is subject to compliance with the Personal Information and Electronics Documents Act (PIPEDA) and the following conditions:

1. This report is prepared at the request of the client and for the specific use referred to herein. It is not reasonable for any other party to rely on this appraisal without first obtaining written authorization from the client, the author and any supervisory appraiser, subject to the qualification in paragraph 11 below. Liability is expressly denied to any person other than the client and those who obtain written consent and, accordingly, no responsibility is accepted for any damage suffered by any such person as a result of decisions made or actions based on this report. Diligence by all intended users is assumed.
2. Because market conditions, including economic, social and political factors change rapidly and, on occasion, without warning, the market value estimate expressed as of the date of this appraisal cannot be relied upon as of any other date except with further advice from the appraiser and confirmed in writing.
3. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. No registry office search has been performed and the appraiser assumes that the title is good and marketable and free and clear of all encumbrances including leases, unless otherwise noted in this report. The property is appraised on the basis of it being under responsible ownership.
4. The subject property is presumed to comply with government regulations including zoning, building codes and health regulations and, if it doesn't comply, its non-compliance may affect market value.
5. No survey of the property has been made. Any sketch in the appraisal report shows approximate dimensions and is included only to assist the reader of the report in visualizing the property.
6. This report is completed on the basis that testimony or appearance in court concerning this appraisal is not required unless specific arrangements to do so have been made beforehand. Such arrangements will include, but not necessarily be limited to, adequate time to review the appraisal report and data related thereto and the provision of appropriate compensation.
7. Unless otherwise stated in this report, the appraiser has no knowledge of any hidden or unapparent conditions of the property (including, but not limited to, its soils, physical structure, mechanical or other operating systems, its foundation, etc.) or adverse environmental conditions (on it or a neighbouring property, including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable. It has been assumed that there are no such conditions unless they were observed at the time of inspection or became apparent during the normal research involved in completing the appraisal. This report should not be construed as an environmental audit or detailed property condition report, as such reporting is beyond the scope of this report and/or the qualifications of the appraiser. The author makes no guarantees or warranties, express or implied, regarding the condition of the property, and will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. The bearing capacity of the soil is assumed to be adequate.
8. The appraiser is not qualified to comment on environmental issues that may affect the market value of the property appraised, including but not limited to pollution or contamination of land, buildings, water, groundwater or air. Unless expressly stated, the property is assumed to be free and clear of pollutants and contaminants, including but not limited to moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, government or otherwise, and free of any environmental condition, past, present or future, that might affect the market value of the property appraised. If the party relying on this report requires information about environmental issues then that party is cautioned to retain an expert qualified in such issues. We expressly deny any legal liability relating to the effect of environmental issues on the market value of the subject property.
9. The analysis set out in this report relied on written and verbal information obtained from a variety of sources we considered reliable. Unless otherwise stated herein, we did not verify client-supplied information, which we believed to be correct.
10. The opinions of value and other conclusions contained herein assume satisfactory completion of any work remaining to be completed in a good and workmanlike manner. Further inspection may be required to confirm completion of such work.
11. The contents of this report are confidential and will not be disclosed by the author to any party except as provided for by the provisions of the Canadian Uniform Standards of Professional Appraisal Practice ("The Standards") and/or when properly entered into evidence of a duly qualified judicial or quasi-judicial body. The appraiser acknowledges that the information collected herein is personal and confidential and shall not use or disclose the contents of this report except as provided for in the provisions of the Canadian Uniform Standards of Professional Appraisal Practice (the "Standards") and in accordance with the appraiser's privacy policy. The client agrees that in accepting this report, it shall maintain the confidentiality and privacy of any personal information contained herein and shall comply in all material respects with the contents of the appraiser's privacy policy and in accordance with the Personal Information Protection and Electronic Documents Act (PIPEDA).
12. The appraiser has agreed to enter into the assignment as requested by the client named in the report for the use specified by the client, which is stated in the report. The client has agreed that the performance of this appraisal and the report format are appropriate for the intended use.
13. Written consent from the author and supervisory appraiser, if applicable, must be obtained before any part of the appraisal report can be used for any purpose by anyone except the client and other intended users identified in the report. Where the client is the mortgagee and the loan is insured, liability is extended to the mortgage insurer. Liability to any other party or for any other use is expressly denied regardless of who pays the appraisal fee. Written consent and approval must also be obtained before the appraisal (or any part of it) can be altered or conveyed to other parties, including mortgagees (other than the client) and the public through prospectus, offering memoranda, advertising, public relations, news, sales or other media.
14. This report form is the property of the Appraisal Institute of Canada (AIC) and for use only by AIC members in good standing. Use by any other person is a violation of AIC copyright. This appraisal report, its content and all attachments/addendums and their content are the property of the author who has signed this report (the author). The client, intended users and any appraisal facilitator are strictly forbidden and no permission is expressly or implicitly granted or deemed to be granted, to modify, alter, merge, publish (in whole or in part) screen scrape, database scrape, exploit, reproduce, decompile, reassemble or participate in any other activity intended to separate, collect, store, reorganize, scan, copy, manipulate electronically, digitally, manually or by any other means whatsoever this appraisal report, addendum, all attachments and the data contained within for any commercial, or other, use.
15. If transmitted electronically, this report will have been digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and those reports sent directly by the appraiser, can be relied upon without fault.
16. Where the intended use of this report is for financing or mortgage lending, and in accordance with the Office of the Superintendent of Financial Institutions Canada (OSFI) Residential Mortgage Underwriting Practices and Procedures B-20 (June 2012), it is the intended user's responsibility to grant mortgage loans on the basis of the borrower's demonstrated willingness and capacity to services his/her debt obligations.

CERTIFICATION

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

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 are my impartial and unbiased professional analyses, opinions and conclusions;
3. I have no past, present or prospective interest in the property that is the subject of this report and no personal and/or professional interest or conflict of with respect to the parties involved with this assignment;
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
5. My engagement in and compensation for this assignment were not contingent upon developing or reporting predetermined results, the amount of value estimate, or a conclusion favouring the client;
6. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice (CUSPAP);
7. I have the knowledge and experience to complete this assignment competently, and where applicable this report is co-signed in compliance with the Canadian Uniform Standards of Professional Appraisal Practice;
8. Except as herein disclosed, no one has provided significant professional assistance to the person(s) signing this report;
9. As of the date of this report the undersigned has fulfilled the requirements of the Appraisal Institute of Canada Continuing Professional Development Program for members;
10. The undersigned is (are all) members in good standing of the Appraisal Institute of Canada.

CO-SIGNING AIC APPRAISER'S CERTIFICATION If an AIC appraiser has co-signed this appraisal report, he or she certifies and agrees that "I directly supervised the appraiser who prepared this appraisal report and, having reviewed the report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certification and am taking full responsibility for the appraisal and the appraisal report."

PROPERTY IDENTIFICATION

ADDRESS: **26 Plains Road** CITY: **Pilot Butte** PROVINCE: **SK** POSTAL CODE: **S0G 0A0**

LEGAL DESCRIPTION: **Lot 4 Block 4 Plan 102089246**

BASED UPON THE DATA, ANALYSES AND CONCLUSIONS CONTAINED HEREIN, THE MARKET VALUE OF THE INTEREST IN THE PROPERTY DESCRIBED,

AS AT **October 16, 2014** (Effective date of the appraisal) IS ESTIMATED TO BE $ **456,000**

APPRAISER		**CO-SIGNING AIC APPRAISER (if applicable)**	
SIGNATURE:	Robert Yee	SIGNATURE:	
NAME:	**Robert Yee**	NAME:	
AIC DESIGNATION (or Member Status):	**CRA**	AIC DESIGNATION:	
DATE SIGNED:	**October 20, 2014**	DATE SIGNED:	
PERSONALLY INSPECTED THE SUBJECT PROPERTY:	[X] YES [ ] NO	PERSONALLY INSPECTED THE SUBJECT PROPERTY:	[ ] YES [ ] NO
DATE OF INSPECTION:	**October 16, 2014**	DATE OF INSPECTION:	
LICENSE INFO: (where applicable)		LICENSE INFO: (where applicable)	

NOTE: For this appraisal to be valid, an original or a password protected digital signature is required.

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SOURCE OF DIGITAL SIGNATURE SECURITY:

ATTACHMENTS AND ADDENDA: [ ] ADDITIONAL SALES [ ] EXTRAORDINARY ITEMS [X] NARRATIVE [X] PHOTOGRAPHS [X] BUILDING SKETCH [X] MAPS [X] COST APPROACH [ ] INCOME APPROACH

RESIDENTIAL APPRAISAL REPORT - COST APPROACH ADDENDUM

REFERENCE: FILE NO.: 26 Plains Rd

CLIENT

CLIENT: Merix Financial
ATTENTION:
ADDRESS:
E-MAIL:
PHONE: FAX:

APPRAISER

APPRAISER: Robert Yee
COMPANY: Robert Yee Appraisals Inc.
ADDRESS: 8202 Sherwood Drive
Regina, SK
E-MAIL: robyee@sasktel.net
PHONE: 306-535-7534 FAX: 306-543-4341

Appraisal Institute of Canada

COST APPROACH

LAND VALUE SOURCE OF DATA MLS $ 135,000

ESTIMATED COST NEW:

SOURCE OF COST DATA: [ ] MANUAL [X] CONTRACTOR [ ] OTHER

BUILDING COST: [ ] Sq. M. [X] Sq. Ft.

				COST NEW	DEPRECIATED COST
Gross living area (finished liveable floor area above grade)	1,238	@ $ 215.00	$	266,170	$
Basement	990+/-	@ $ 35.00	$	34,650	$
Garages/Carports Att. 3	698	@ $ 35.00	$	24,430	$
		@ $	$		$
		@ $	$	0	$
		@ $	$		$
OTHER EXTRAS AC, DW			$	4,000	$
			$		$
			$		$
			$		$
			$		$
			$		$
TOTAL REPLACEMENT COST			$	329,250	

ACCRUED DEPRECIATION:

2.0 %	$ 6,585	$	322,665

DEPRECIATED VALUE OF THE IMPROVEMENTS $ 322,665

CONTRIBUTORY VALUE OF THE SITE IMPROVEMENTS $ 8,000

INDICATED VALUE $ 465,665

VALUE BY THE COST APPROACH(rounded) $ 466,000

NOTE: Unless otherwise noted the construction cost estimates contained herein were not prepared for insurance purposes and are invalid for that use. The Cost Approach is not applicable when appraising individual strata/condominium type dwelling units.

COMMENTS:

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: **Kenton McDougall**	File No.: **26 Plains Rd**
Property Address: **26 Plains Road**	Case No.:
City: **Pilot Butte** Prov.: **SK**	P.C.: **S0G 0A0**
Lender: **Merix Financial**	

FRONT VIEW OF SUBJECT PROPERTY

Appraised Date: **October 16, 2014**
Appraised Value: $ **456,000**

REAR VIEW OF SUBJECT PROPERTY

STREET SCENE

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: **Kenton McDougall**		File No.: **26 Plains Rd**
Property Address: **26 Plains Road**		Case No.:
City: **Pilot Butte**	Prov.: **SK**	P.C.: **S0G 0A0**
Lender: **Merix Financial**		

COMPARABLE SALE #1

13 Plains Road
Pilot Butte
Sale Date: **May 20143**
Sale Price: $ **425,000**

COMPARABLE SALE #2

45 Konanz Bay
Balgonie
Sale Date: **June 2014**
Sale Price: $ **437,500**

COMPARABLE SALE #3

22 Stardust Bay
White City
Sale Date: **July 2014**
Sale Price: $ **380,000**

Borrower: **Kenton McDougall**		File No.: **26 Plains Rd**
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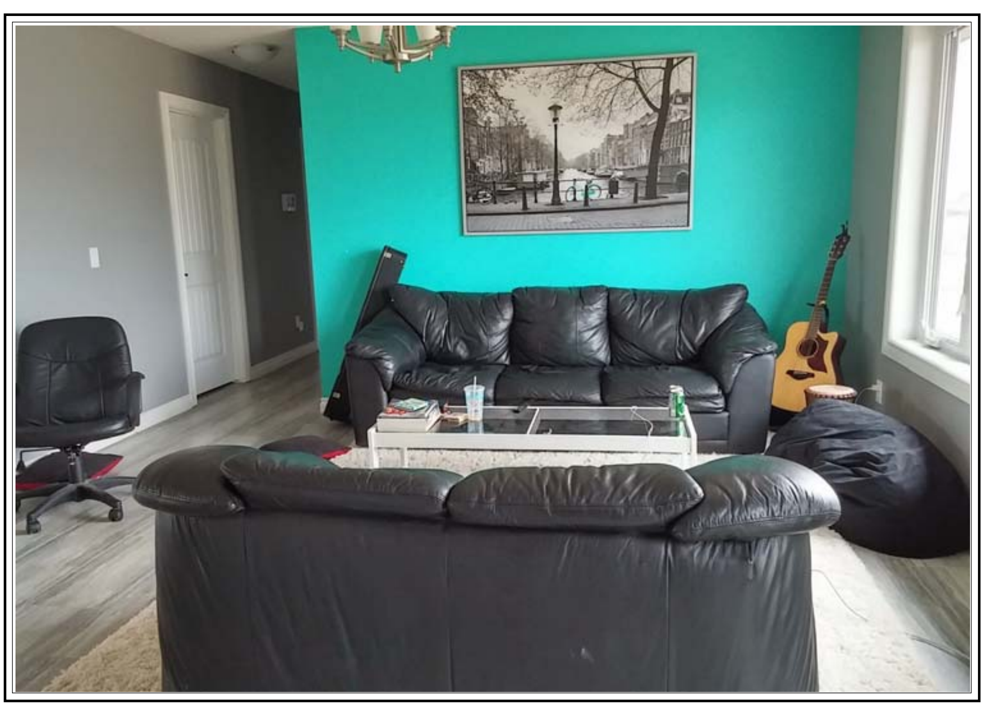
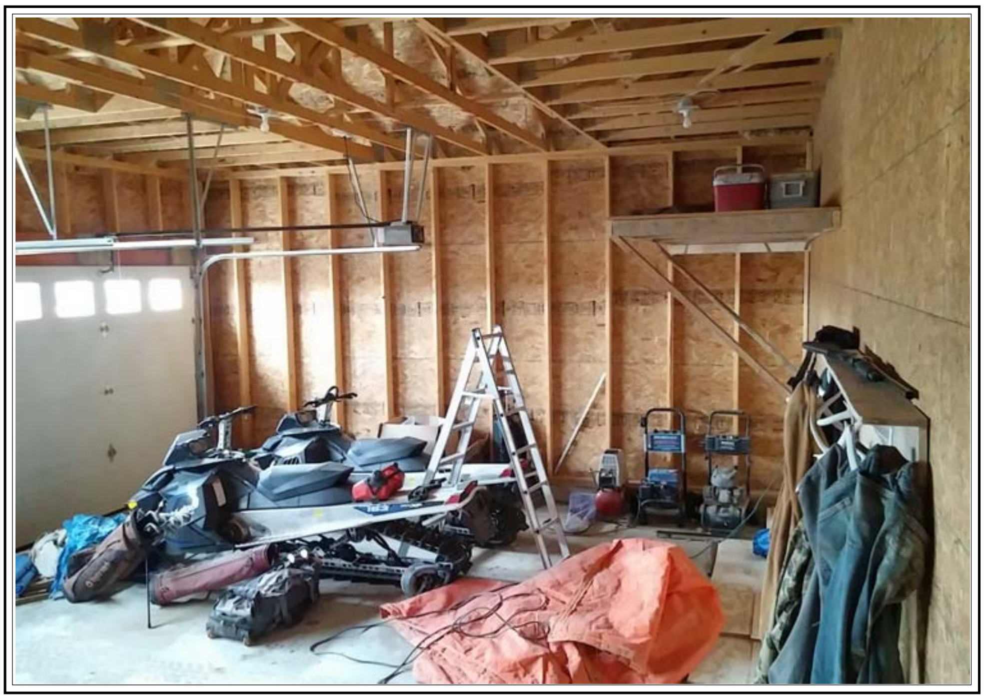
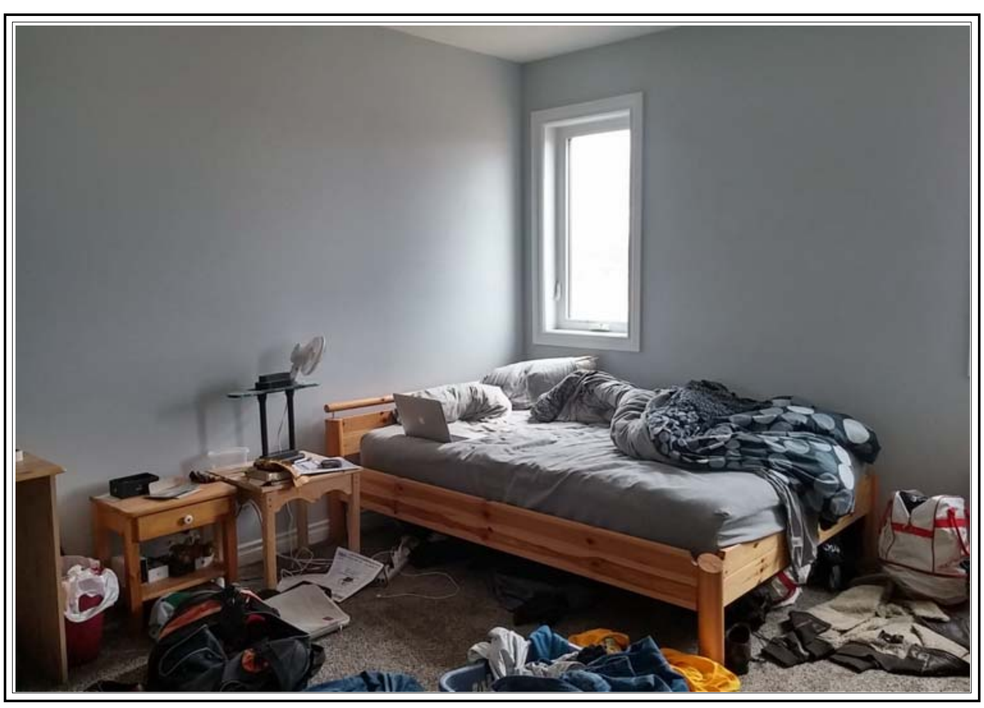
City: **Pilot Butte**	Prov.: **SK**	P.C.: **S0G 0A0**
Lender: **Merix Financial**		



Borrower: **Kenton McDougall**		File No.: **26 Plains Rd**	
Property Address: **26 Plains Road**		Case No.:	
City: **Pilot Butte**	Prov.: **SK**		P.C.: **S0G 0A0**
Lender: **Merix Financial**			





Borrower: Kenton McDougall		File No.: 26 Plains Rd	
Property Address: 26 Plains Road		Case No.:	
City: Pilot Butte	Prov.: SK		P.C.: S0G 0A0
Lender: Merix Financial			

Borrower: **Kenton McDougall**		File No.: **26 Plains Rd**
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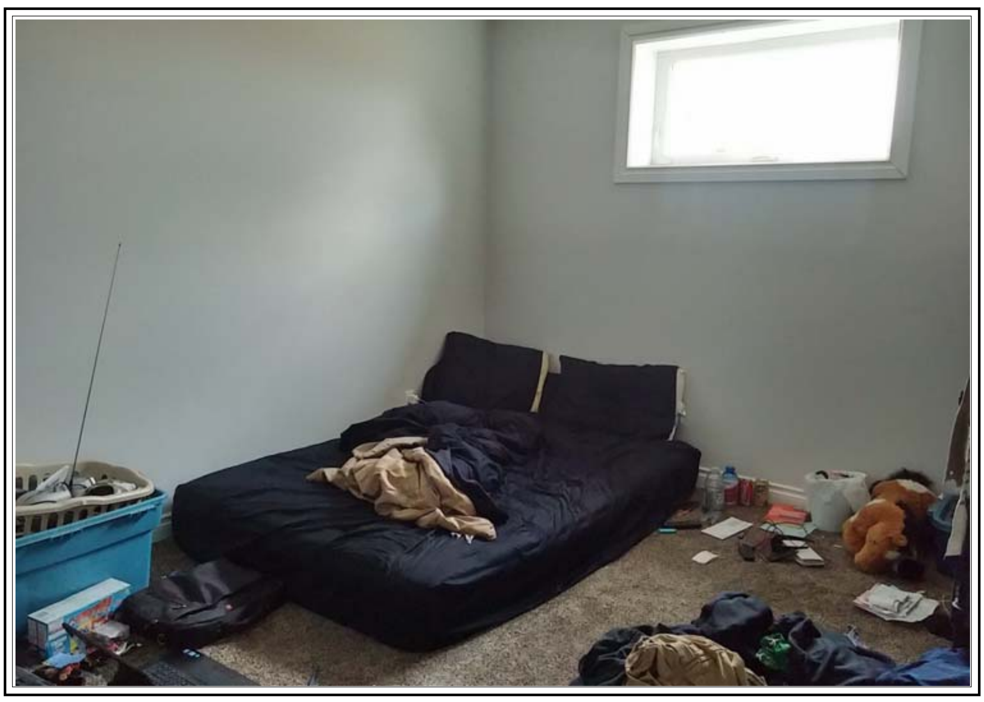
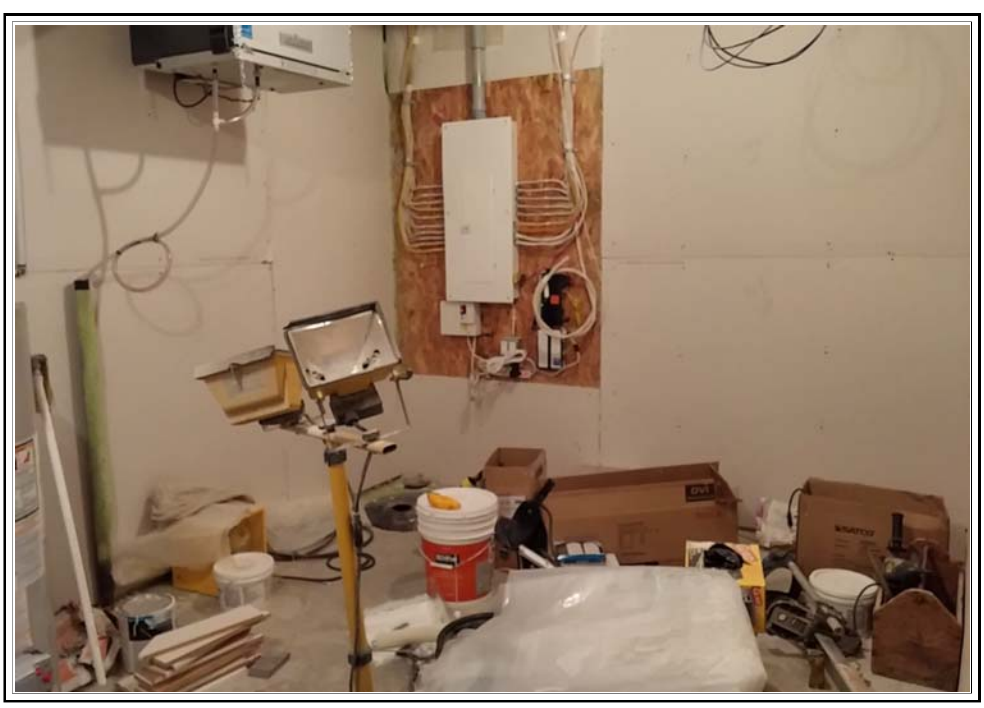
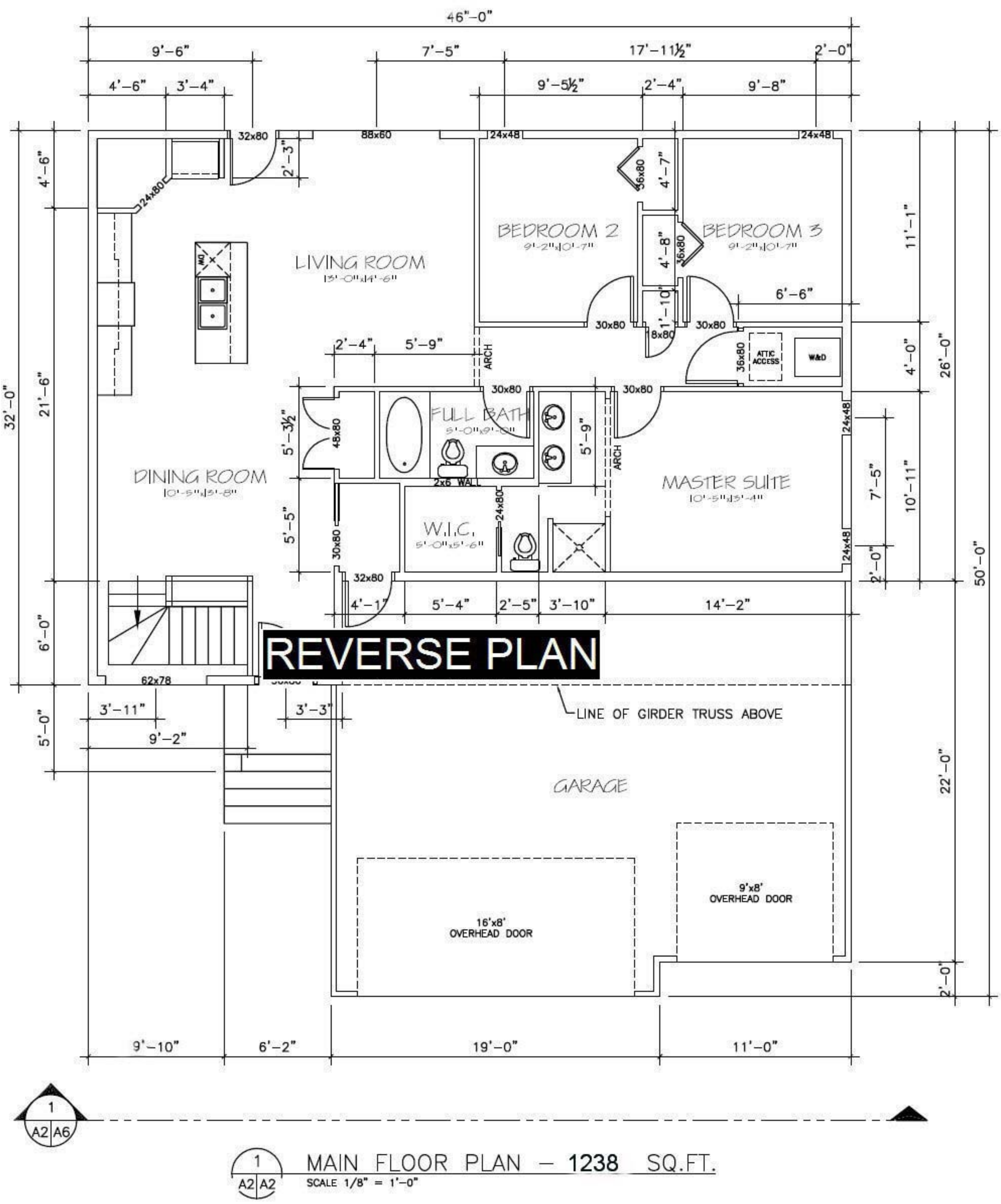
Lender: **Merix Financial**		





FLOORPLAN

Borrower: **Kenton McDougall**		File No.: **26 Plains Rd**	
Property Address: **26 Plains Road**		Case No.:	
City: **Pilot Butte**	Prov.: **SK**		P.C.: **S0G 0A0**
Lender: **Merix Financial**			

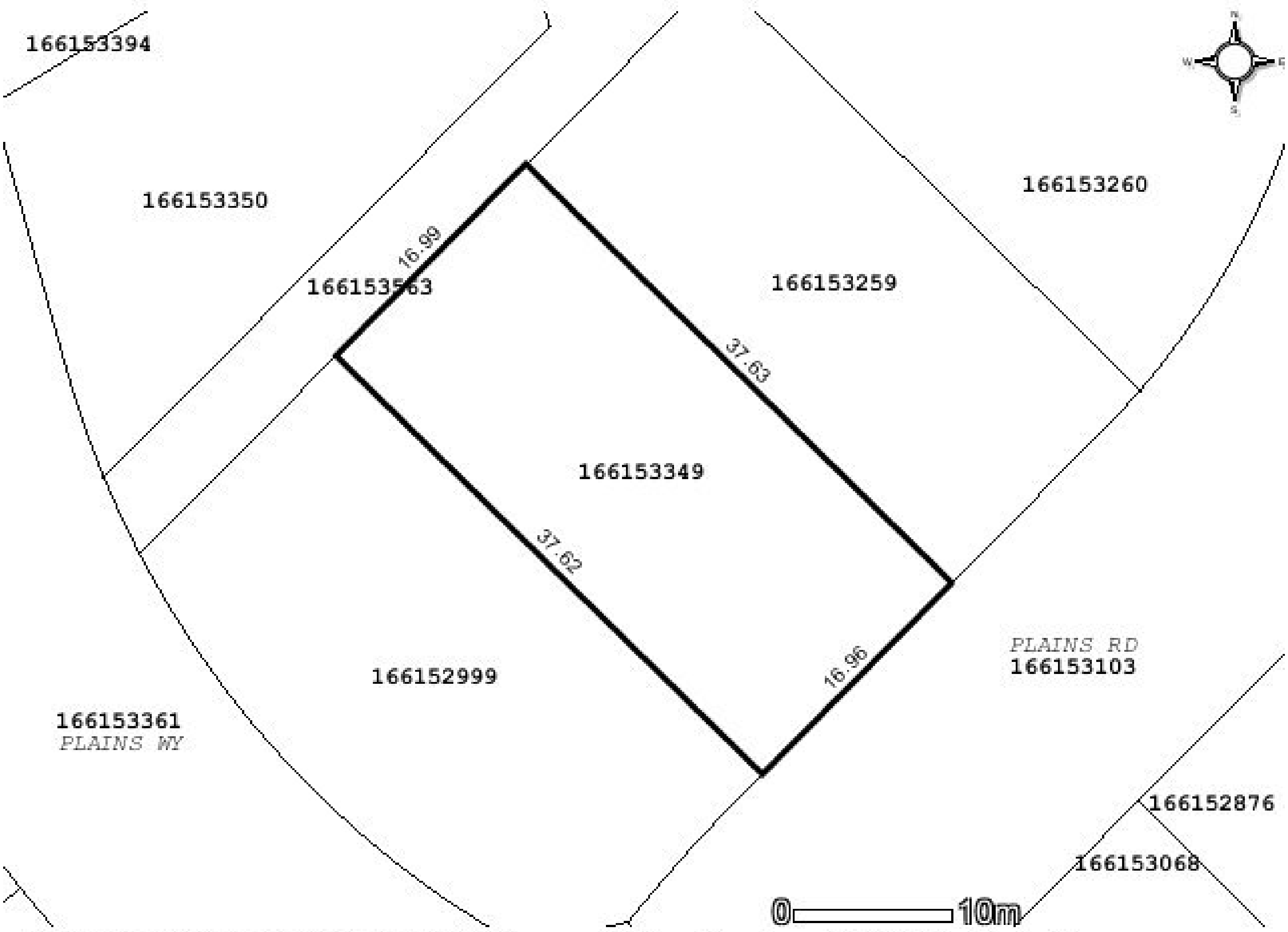


PLOT MAP

Borrower: **Kenton McDougall**		File No.: **26 Plains Rd**
Property Address: **26 Plains Road**		Case No.:
City: **Pilot Butte**	Prov.: **SK**	P.C.: **S0G 0A0**
Lender: **Merix Financial**		

Information Services Corporation

Surface Parcel Number: 166153349
LLD: Lot 4-Blk/Par 4 Plan 102089246 Ext 0
Parcel Class Code: Parcel (Generic)
Area: 0.064 hectares (0.16 acres)
Request Date: 20-Oct-2014 3:57:14 o'clock PM CST



DISCLAIMER: THIS IS NOT A PLAN OF SURVEY. It is a consolidation of plans to assist in identifying the location, size and shape of a parcel in relation to other parcels. Parcel boundaries and area may have been adjusted to fit with adjacent parcels. To determine actual boundaries, dimensions, or area of any parcel, refer to the plan, or consult a surveyor.

LOCATION MAP

Borrower: **Kenton McDougall**		File No.: **26 Plains Rd**
Property Address: **26 Plains Road**		Case No.:
City: **Pilot Butte**	Prov.: **SK**	P.C.: **S0G 0A0**
Lender: **Merix Financial**