File No. 1411-DAR-ev

APPRAISAL OF

Appraisal Of A Single Family Residence

LOCATED AT:

13439 LAKE HILL DR
Lake Country, BC V4V2S7

FOR:

Street Capital Financial - Vancouver
900 Hastings Street
Vancouver, BC V6C 1E5

BORROWER:

Steve Darley

AS OF:

05-NOV-2014

BY:

Ed Villeneuve

RESIDENTIAL APPRAISAL REPORT

CLIENT REF #: 325940
SOLIDIFI ORDER #: OR0459092 SINGLE FAMILY RESIDENCE APPRAISER FILE #: 1411-DAR-ev

CLIENT

CLIENT: Street Capital Financial - Vancouver
ATTENTION:
ADDRESS: 900 Hastings Street,
Vancouver, BC V6C 1E5
E-MAIL:
PHONE: 1.877.416.7873 FAX: 1.877.905.7873

APPRAISER

APPRAISER: Ed Villeneuve
COMPANY: Appraisal West Real Estate Corp.
ADDRESS: Box 30001 RPO Glenpark
Kelowna, BC
E-MAIL: ed@appraisalwest.com
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SUBJECT

PROPERTY ADDRESS: 13439 LAKE HILL DR CITY: Lake Country PROVINCE: BC POSTAL CODE: V4V2S7
COMPLEX / DEVELOPMENT NAME: The Lakes
LEGAL DESCRIPTION: Lot 19, Plan KAP91855, Section 27, Township 20, LD 41, ODYD.
PIN/PID: 028-448-821 SOURCE: BCA
MUNICIPALITY AND DISTRICT: Lake Country District Municipality MLS DISTRICT: Lake Country North West
ASSESSMENT: [ ] N/A Land $ 166,000 Imps $ 352,000 Total $ 518,000 ASSESSMENT DATE: 15-JUN-2014 Taxes $ 3,639 Year 2014
ASSESSMENT COMMENT: None
EXISTING USE: Single Family Residential; OCCUPIED BY: Owner;

ASSIGNMENT

APPLICANT: Steve Darley
PURPOSE OF THE APPRAISAL: [X] To estimate market value (see definition herein) or [ ] Other
INTENDED USE OF THE APPRAISAL: Refinance Purposes only Other Intended Use:
INTENDED USERS (by name or type): Street Capital Financial-Vancouver
REQUESTED BY: [ ] Client above [X] Other Street Capital Financial - Vancouver c/o Solidifi
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 [ ] Co-ownership [ ] Other
PROPERTY RIGHTS COMMENT: OTHER OWNERSHIP COMMENT:
FIRST NATIONS LAND / INDIAN RESERVE: [ ] Yes [X] No
MAINTENANCE FEE (if applicable): $ [ ] Monthly [ ] Annually Comment:
SPECIAL ASSESSMENTS: [ ] Yes [X] No [ ] Unknown If yes, comment:
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 [ ] OTHER

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 [ ] Other
TYPE OF DISTRICT: [ ] Urban [X] Suburban [ ] Rural [ ] Recreational [ ] Agricultural
TREND OF DISTRICT: [X] Improving [ ] Stable [ ] Transition [ ] Deteriorating
BUILT-UP: [X] Over 75% [ ] 25 - 75% [ ] Under 25% [ ] Rural [ ] Other
CONFORMITY Age: [ ] Newer [X] Similar [ ] Older
Condition: [ ] Superior [X] Similar [ ] Inferior
Size: [ ] Larger [X] Similar [ ] Smaller
OVERALL NEIGHBOURHOOD RATING: [ ] Excellent [X] Good [ ] Average [ ] Fair [ ] Poor

	From	To
AGE RANGE OF PROPERTIES (years):	1	45
PRICE RANGE OF PROPERTIES:	$ 330,000	$ 1,100,000

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

SUMMARY: Includes value trends, market appeal, neighbourhood boundaries, proximity to employment and amenities, apparent adverse influences in the area, if any (e.g. railroad tracks, unkempt properties, major traffic arteries, Hydro facilities, anticipated public or private improvements, commercial/industrial sites, landfill sites, etc.)

WINFIELD area of Lake Country District Municipality is a growing residential & agricultural area approximately 15 miles north of Kelowna City centre along Hwy 97. It's approx. boundaries is that area lying east of Camp Road, north of the north end of Duck Lake, south of the south end of Wood Lake & incl. Indian Reserve #7. It has most amenities including public transportation, shopping, schools and recreation facilities. The area is developing. The 4 lane Hwy 97 affords easy access to and from Kelowna and Vernon. The area is popular, affordable and family oriented. No adverse influences were observed.

RESIDENTIAL APPRAISAL REPORT

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SITE

SITE DIMENSIONS: Irregular
SITE AREA: .18 ☐ Sq. Ft. ☐ Sq. M. ☒ Acres ☐ Hectares
SOURCE: CORD Mapping/BCA
TOPOGRAPHY: Slight to moderate sloping.
CONFIGURATION: Slightly Irregular
ZONING: ☒ Residential ☐ Commercial ☐ Agricultural ☐ Other (see comments)
The site is zoned RU1-Single Family Housing
Source: CORD Mapping/BCA
DOES EXISTING USE CONFORM TO ZONING? ☒ YES ☐ NO (see comments)
TITLE SEARCHED: ☐ YES ☒ NO
KNOWN EASEMENTS: ☐ Utility ☐ Access ☒ Unknown ☐ Other (see comments)

UTILITIES: ☒ Telephone ☒ Sanitary Sewer ☐ Storm Sewer ☒ Natural Gas ☐ Septic ☐ Open Ditch ☐ Other
WATER SUPPLY: ☒ Municipal ☐ Well ☐ Other
FEATURES: ☐ Gravel Road ☒ Paved Road ☐ Lane ☒ Sidewalk ☒ Curbs ☒ Street Lights ☒ Cablevision ☐ Other
ELECTRICAL: ☐ Overhead ☒ Underground ☐ Other
DRIVEWAY: ☒ Private ☐ Mutual ☐ None ☐ Single ☒ Double ☐ Underground ☐ Laneway ☐ Other
DRIVEWAY SURFACE: ☐ Asphalt ☒ Concrete ☐ Stone ☐ Gravel ☐ Brick ☐ Other (see comments)
PARKING: ☒ Garage ☐ Carport ☒ Driveway ☒ Street ☐ N/A
LANDSCAPING: ☐ Good ☒ Average ☐ Fair ☐ Poor ☐ N/A
CURB APPEAL: ☒ Good ☐ Average ☐ Fair ☐ Poor
ACCESS: ☒ Year Round ☐ Seasonal ☐ Water ☐ Private ☐ Gated

SITE COMMENTS

COMMENTS: (Includes any positive and negative features such as conformity with zoning, effects of known easements, known restrictions on title, such as judgements or liens, effect of assemblage, any known documentation of environmental contamination, etc.)

The subject site is located on the east side of Lake Hill Drive in the Winfield district of Lake Country. The fully landscaped site includes lawn, shrubs and trees, rock retaining walls, an exposed aggregate concrete driveway, landscape gravel at the sides, and an underground sprinkler system. The lot size is typical for the area and the subject conforms to neighbouring properties. The parcel offers good valley, mountain, and Wood Lake views.

ADVERSE INFLUENCES

ADVERSE INFLUENCE (Indicate any features that negatively impact the property valuation:):
Are there any adverse influences: ☐ Yes ☒ No

ADVERSE INFLUENCES				APPLICABLE TO		
				NEIGHBOURHOOD	SITE	IMPROVEMENTS
Part of Rental Pool:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Student Rental:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Illegal Rental Unit:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Commercial Component:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Rooming House:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Hotel Component:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Laneway Housing:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Carriage House:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Conversion:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Agricultural or Farm Use:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Wind Turbine:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Railroad/Railway/Railtracks:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Highway:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Industrial Building:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Traffic Noise:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Airport:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Large Overhead Power Lines:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Landfill:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Cemetery:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Mould:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
High Traffic Artery:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Redevelopment:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
High Crime Rate:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Island Property:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Environmental Hazard:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Near Gas Station:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Near Dry Cleaner:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
Flood Zone/Fringe Flood Zone:	☐ Yes	☐ No	☐ Unknown	☐	☐	☐
☐ Other:	☐ Yes	☐ No		☐	☐	☐
☐ Other:	☐ Yes	☐ No		☐	☐	☐
☐ Other:	☐ Yes	☐ No		☐	☐	☐

COMMENTS:
No adverse influences observed.

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SINGLE FAMILY RESIDENCE

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IMPROVEMENTS

YEAR BUILT (estimated): 2011
EFFECTIVE AGE: 2 years
REM. ECONOMIC LIFE: 68 years
DEPRECIATION 2.8 %

CONSTRUCTION COMPLETE: YES
PERCENTAGE COMPLETE: 100 %

BUILDING TYPE: Detached;
DESIGN/STYLE: 1 ½ - Storey;
CONSTRUCTION: Wood;
BASEMENT TYPE: [X] Full [ ] Full (with Walk Out) [ ] Full (with Walk Up) [ ] Partial [ ] Partial (with Walk Out) [ ] Partial (with Walk Up) [ ] Crawlspace [ ] Slab [ ] None [ ] Other
BASEMENT AREA: [ ] Apartment or Suite
Separate private entrance? [X] Yes [ ] No
[ ] Fully Finished [X] Partially Finished [ ] Unfinished [ ] Dirt Floor [ ] Other (see comments)
ESTIMATED BASEMENT AREA: 2,144 [ ] Sq. M. [X] Sq. Ft.
BASEMENT FINISH: [ ] 0 to 25% [ ] 25 to 50% [ ] 50 to 75% [X] 75 to 100%
FOUNDATION WALLS: Poured Concrete;

ROOFING: [X] Asphalt Shingle [ ] Wood Shingle [ ] Tar & Gravel [ ] Metal [ ] Clay Tile [ ] Concrete Tile [ ] Rubber Membrane [ ] Slate [ ] Fibreglass [ ] Other (see comments)
Condition: [X] Good [ ] Average [ ] Fair [ ] Poor [ ] N/A

EXTERIOR FINISH: [ ] Solid Brick [ ] Brick Veneer [ ] Solid Stone [X] Stone Veneer [ ] Stucco [ ] Insulbrick [ ] Wood [ ] Aluminium [ ] Vinyl [ ] Board/Batten [ ] Metal [ ] Concrete [ ] Shingle [ ] Log [ ] EIFS [ ] Glass [ ] Johns-Mansville [X] Other (see comments)
Condition: [X] Good [ ] Average [ ] Fair [ ] Poor [ ] N/A

BATHROOMS (Use comments if more than five)	Location	Fixtures	Condition
	Main	4	Good
	Main	5	Good
	Second	4	Good
	Basement	4	Good

INTERIOR FINISH	Walls	Ceilings
Drywall	X	X
Plaster		
Panelling		

CLOSETS: [X] Good [ ] Average [ ] Fair [ ] Poor
INSULATION: [X] Ceiling [X] Walls [X] Basement [ ] Crawl Space
INSULATION TYPE: Batt-Type: Fibreglass;Loose-Fill: Cellulose fibre;
Info Source: Assumed
PLUMBING LINES: Mixed
Info Source: Assumed

FLOORING: [ ] Hardwood [ ] Softwood [X] Carpet [ ] Marble [ ] Clay Tile [ ] Quarry Tile [ ] Terrazzo [ ] Wool Carpet [ ] Plywood [ ] Vinyl [ ] Travertine [X] Ceramic Tile [ ] Parquet [ ] Granite [ ] Flagstone [ ] Brick [ ] Paint [ ] Slate [X] Laminate [ ] Plank [ ] Porcelain [ ] Other (see comments)
ELECTRICAL: [ ] Fuses [X] Breakers [ ] Other
ESTIMATED RATED CAPACITY OF MAIN PANEL: 200 amps
WIRING: [X] Copper [ ] Aluminium [ ] Knob-and-tube [ ] Other
HEATING SYSTEM: Forced Air; Fuel type: Gas;
WATER HEATER: Type: Electric;
BURIED OR UNDERGROUND OIL TANK: [ ] Yes [X] No [ ] Unknown

FLOOR PLAN: [X] Good [ ] Average [ ] Fair [ ] Poor
BUILT-INS/EXTRAS: [ ] Stove [ ] Oven [X] Dishwasher [ ] Garburator [X] Vacuum [ ] Security System [X] Fireplace(s) [ ] Skylights [ ] Solarium [ ] HR Ventilator [X] Central Air [ ] Air Cleaner [ ] Sauna [ ] Whirlpool [X] Garage Opener [ ] Swimming Pool [ ] Other
WINDOWS: [ ] Wood [X] Vinyl [ ] PVC [ ] Aluminium [ ] Other
WINDOW GLAZING/SASHING: Double;
OVERALL INT. COND: [X] Good [ ] Average [ ] Fair [ ] Poor

ROOM ALLOCATION

LEVEL:	ENTRANCE	LIVING	DINING	KITCHEN	FAMILY	BEDROOMS	DEN	FULL BATH	HALF BATH	LAUNDRY	Mud Rm	Fitness		TOTAL	AREA
MAIN	3	1	1	1		2		2		1				5	1,676
SECOND						2		1						2	578
THIRD															
ABOVE GRADE TOTALS	ROOMS: 7		BEDROOMS: 4		BATHROOMS: 3									7	2,254
BASEMENT	1				1	2		1			1	1		5	2,144
ORDER TOTALS	ROOMS: 12		BEDROOMS: 6		BATHROOMS: 4			UNIT OF MEASUREMENT: [ ] Sq. M. [X] Sq. Ft.						12	4,398

BASEMENT FINISHES/UTILITY: The full walkout basement with 9' ceiling height has approximately 1600 sf. finished to good quality. Entry from the main floor and exterior, good access utility. The basement features a wet bar and insulated (unfinished) room below the garage.

GARAGES/CARPORTS: Attached 2 car garage, lined, painted and insulated.

DECKS, PATIOS, OTHER IMPROVEMENTS: Covered front entry and a partially covered rear deck over a basement level patio.

Structural Damage/Cracks/Problems: [ ] Yes [X] No [ ] Unknown
Major Repairs Needed: [ ] Yes [X] No [ ] Unknown
Remedial Work Needed: [ ] Yes [X] No [ ] Unknown
Water Seepage/Leakage/Moisture: [ ] Yes [X] No [ ] Unknown
Location of Water Seepage/Leakage/Moisture: [ ] Basement [ ] Garage [ ] Main Floor [ ] Second Floor [ ] Third Floor [ ] Other

UFFI: [ ] Yes [X] No [ ] Removed [ ] Unknown
PYRITE: [ ] Yes [X] No [ ] Unknown
Grow Op/Meth Lab: [ ] Yes [X] No [ ] Removed [ ] Unknown
Asbestos: [ ] Yes [X] No [ ] Removed [ ] Unknown

COMMENTS: (Building, appearance, quality, condition, services, extras, anticipated public or private improvements, etc.)
Overall building appearance and exterior quality is very good. The interior has been well maintained. Interior materials and workmanship are of very good quality. Features include: maple cabinetry, 9' ceiling height, kitchen island and pantry, iron rod spindles, heated floor tile in the ensuite, and window seat. No inadequate equipment and amenities or physical and functional inadequacies are known to exist. The floor area was obtained from floor plans and measurements taken by the appraiser.

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HIGHEST AND BEST USE

LAND VALUE AS IF VACANT: $ 190,000 SOURCE OF DATA: MLS & developer sales, BCA Comment: None

EXISTING USE: Single Family Residential;

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: No highest and best use study has been completed. The building/improvements are similar to those of the neighbourhood. As requested by the client, the property is appraised as is. Therefore, the highest and best use "as improved" is considered to be its current use as a single family residence.

DIRECT COMPARISON APPROACH

SUBJECT		COMPARABLE NO. 1 Description	$ Adjustment	COMPARABLE NO. 2 Description	$ Adjustment	COMPARABLE NO. 3 Description	$ Adjustment
13439 LAKE HILL DR Lake Country, BC V4V2S7		2561 Lake Breeze Court Lake Country, BC V4V2M8		12892 East Ridge Court Lake Country, BC V4V2R2		13227 East Ridge Drive Lake Country, BC V4V2P9	
PROXIMITY (KMS)		1.5		.8		.2	
DATA SOURCE	Inspection	MLS		MLS		MLS	
DATE OF SALE		23-JUN-2014	6,500	20-JUN-2014	6,500	29-OCT-2014	
SALE PRICE	$	$ 665,000		$ 652,500		$ 563,500	
DAYS ON MARKET		97		138		24	
LOCATION	The Lakes	The Lakes		The Lakes		The Lakes	
SITE SIZE	.18 acres	.35 acres	-30,000	.28 acres	-10,000	.175 acres	
BUILDING TYPE	Detached;	Detached;		Detached;		Detached;	
DESIGN/STYLE	1 ½ - Storey;	1 ½ - Storey;		1 ½ - Storey;		1 ½ - Storey;	
AGE (YRS) / CONDITION	3 / Good	8 / Good	10,000	6 / Good		5 / Good	
LIVEABLE FLOOR AREA	2,254 sq.ft.	2,233 sq.ft.		2,467 sq.ft.	-10,000	1,962 sq.ft.	35,000
ROOM-COUNT (Total / Bdrms / Baths Full / Half)	12 / 6 / 4 / 0	12 / 4 / 3 / 1	1,000	11 / 5 / 3 / 1	1,000	7 / 4 / 3 / 1	1,000
BASEMENT SIZE	2,144 sq.ft.	1,677 sq.ft.	5,000	1,363 sq.ft.	8,000	1,125 sq.ft.	15,000
BASEMENT	1600 finished	1677 finished	-1,500	878 finished	15,000	170 finished	35,000
PARKING	2 Attached;	2 Attached;		3 Attached;	-10,000	2 Attached;	
Extras	Dw,fp,ca,vc.	6ap,fp,ca,vc,se.	-4,000	6ap,2fp,ca,	-5,000	5ap,fp,ca,vc,se.	-3,500
Landscaping	Good, Spr.	V.Good, Spr.	-5,000	Good, Spr.		Good, Spr.	
Listing Price	NA	$699,500		$674,000		$569,900	
ADJUSTMENTS (Gross %, Net %, Dollar)		9.5 % -2.7 %	$ 18,000	10.0 % -0.7 %	$ 4,500	15.9 % 14.6 %	$ 82,500
ADJUSTED VALUES			$ 647,000		$ 648,000		$ 646,000

COMMENTS: Is subject currently offered for sale? [ ] Yes [X] No

Recent sales of similar properties in terms of residence style, in the subject neighbourhood are limited. Comparables 1 to 3 represent the most resent sales of 1 1/2 storey residences located in the subject neighbourhood. Adjustments for market conditions (time) are made where necessary. Adjustments are employed to improve their comparability to the subject property. All land adjustments in the site size category reflect overall land values taking into consideration size, location, views, topography and configuration. Adjustments in the age/condition category reflect overall age/condition and quality.

The gross percentage adjustments are greater than desired due to the limited number of 1 1/2 storey residences in the area, and due to the extra basement square footage of the subject.

Comparable 1 is superior in site size and view location. The residence is inferior to the subject in age.

Comparable 2 is superior in site size. The residence is similar to the subject in quality.

Comparable 3 is similar to the subject in location. The residence is inferior in livable floor area, and has a lesser amount of basement square footage and finishing, resulting in a gross percentage adjustment that is greater than the 10% requested by the client. However, the adjustments are necessary and unavoidable.

Comparable 4 is a 1 storey style residence located on the subject street. Significant adjustments are required for the superior quality. The floor area adjustments include differences for the style of residence. The basement size and finishing adjustments offset.

The sales, adjusted for various differences with the subject property, are reasonably good indicators of the subject value. Comparables 1 to 3 are most similar in style and are given the most weight, pushed upward from comparable 4 located on the subject street. The submitted value is derived by the Direct Comparison Approach.

ESTIMATED VALUE BY THE DIRECT COMPARISON APPROACH (rounded): [X] AS-IS: $ 655,000 [ ] AS-COMPLETE: $

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DIRECT COMPARISON APPROACH

SUBJECT		COMPARABLE NO. 4 Description	$ Adjustment	COMPARABLE NO. 5 Description	$ Adjustment	COMPARABLE NO. 6 Description	$ Adjustment
13439 LAKE HILL DR Lake Country, BC V4V2S7		13481 Lake Hill Drive Lake Country, BC V4V2S7					
PROXIMITY (KMS)		.05					
DATA SOURCE	Inspection	MLS					
DATE OF SALE		09-JUN-2014	7,000				
SALE PRICE	$	$ 708,000		$		$	
DAYS ON MARKET		64					
LOCATION	The Lakes	The Lakes					
SITE SIZE	.18 acres	.19 acres	-10,000				
BUILDING TYPE	Detached;	Detached;					
DESIGN/STYLE	1 ½ - Storey;	1-Storey;					
AGE (YRS) / CONDITION	3 / Good	2 / Good	-30,000				
LIVEABLE FLOOR AREA	2,254 sq.ft.	1,906 sq.ft.	15,000				
ROOM-COUNT (Total / Bdrms / Baths Full / Half)	12 / 6 / 4 / 0	15 / 6 / 4 / 0		Total / Bdrms / Full / Half		Total / Bdrms / Full / Half	
BASEMENT SIZE	2,144 sq.ft.	1,906 sq.ft.					
BASEMENT	1600 finished	1808 finished					
PARKING	2 Attached;	2 Attached;					
Extras	Dw,fp,ca,vc.	7ap,2fp,ca,vc.	-8,000				
Landscaping	Good, Spr.	Good, Spr.					
Listing Price	NA	$749900					
ADJUSTMENTS (Gross %, Net %, Dollar)		9.9 % -3.7 %	$ 26,000	0.0 % 0.0 %	$ 0	% %	$
ADJUSTED VALUES		$	682,000	$	0	$	

COMMENTS: Is subject currently offered for sale? ☐ Yes ☒ No

See comparable sales data conclusions on previous page.

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SALES HISTORY

ANALYSIS OF KNOWN CURRENT AGREEMENTS FOR SALE, OPTIONS, LISTINGS OR MARKETING OF THE SUBJECT: (minimum of one year) According to Multiple Listing Service records, the subject property has not been offered for sale during the past 3 years.

ANALYSIS OF SALE TRANSFER HISTORY: (minimum of three years)

Previous Sale Date:	Previous Sale Price: $	Source:
NA	NA	MLS

Comments: No sales within the past 3 years are known to exist.

EXPOSURE TIME

EXPOSURE TIME RANGE (DAYS): 24 – 138

ANALYSIS OF REASONABLE EXPOSURE TIME: Exposure time is a retrospective view of the market and properties like the subject, in the subjects location and properly priced tend to sell with 1 to 5 months exposure in market conditions prevailing up to the date of the appraisal.

RENTS

Market Rents: $ ☐ Monthly ☐ Annually Source:

Comments:

RECONCILIATION AND FINAL ESTIMATE OF VALUE

RECONCILIATION AND FINAL ESTIMATE OF VALUE: Value of the subject property is based on the final estimate indicated by the Direct Comparison Approach to value, based on the principle of substitution. The principle of substitution suggests that an informed buyer will not pay more for one property than for another that is equally desirable. The cost approach is not typically used by purchasers or vendors in the market place, particularly with respect to older homes. Further, there is little evidence to support rates of depreciation used in the approach other than indicated by the comparable sales used in the Direct Comparison Approach. Accordingly, the cost approach is not necessarily a reliable indicator of market value.

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 05-NOV-2014 (Effective Date of the Appraisal) **IS ESTIMATED TO BE** ☒ **AS-IS: $** 655,000 ☐ **AS-COMPLETE: $**

THIS REPORT WAS COMPLETED ON: 06-NOV-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: Data contained within this report has been collected from various sources including but not limited to : The City of Kelowna, Lake Country District Municipality, OMREB, CORD and the B.C. Assessment Authority. Additional data has been obtained through local realtors, contractors and appraisal files held at our office.

RESIDENTIAL APPRAISAL REPORT

CLIENT REF #: 325940

SOLIDIFI ORDER #: OR0459092 SINGLE FAMILY RESIDENCE APPRAISER FILE #: 1411-DAR-ev

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: 13439 LAKE HILL DR CITY: Lake Country PROVINCE: BC POSTAL CODE: V4V2S7

LEGAL DESCRIPTION: Lot 19, Plan KAP91855, Section 27, Township 20, LD 41, ODYD.

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

AS AT 05-NOV-2014 (Effective date of the appraisal) IS ESTIMATED TO BE [X] AS-IS: $ 655,000 [ ] AS-COMPLETE: $

APPRAISER		CO-SIGNING AIC APPRAISER (if applicable)	
SIGNATURE:		SIGNATURE:	
NAME:	Ed Villeneuve	NAME:	
AIC DESIGNATION (or Member Status):	CRA;	AIC DESIGNATION:	
DATE SIGNED:	10-NOV-2014	DATE SIGNED:	
PERSONALLY INSPECTED THE SUBJECT PROPERTY:	[X] YES [ ] NO	PERSONALLY INSPECTED THE SUBJECT PROPERTY:	[ ] YES [ ] NO
DATE OF INSPECTION:	05-NOV-2014	DATE OF INSPECTION:	
LICENSE INFO: (where applicable)	Not Applicable	LICENSE INFO: (where applicable)	

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

SOURCE OF DIGITAL SIGNATURE SECURITY: ACI/Solidifi

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

RESIDENTIAL APPRAISAL REPORT - COST APPROACH ADDENDUM

CLIENT REF #: 325940
SOLIDIFI ORDER #: OR0459092 SINGLE FAMILY RESIDENCE APPRAISER FILE #: 1411-DAR-ev

CLIENT

CLIENT: Street Capital Financial - Vancouver
ATTENTION:
ADDRESS: 900 Hastings Street,
Vancouver, BC V6C 1E5
E-MAIL:
PHONE: 1.877.416.7873 FAX: 1.877.905.7873

APPRAISER

APPRAISER: Ed Villeneuve
COMPANY: Appraisal West Real Estate Corp.
ADDRESS: Box 30001 RPO Glenpark
Kelowna, BC
E-MAIL: ed@appraisalwest.com
PHONE: 250-861-3101 FAX: 250 979-0094

COST APPROACH

LAND VALUE As If Vacant SOURCE OF DATA MLS and developer sales $ 190,000

ESTIMATED COST NEW:

SOURCE OF COST DATA: ☐ MANUAL ☒ CONTRACTOR ☐ OTHER

BUILDING COST: ☐ Sq. M. ☒ Sq. Ft.

	Area	@ $	COST NEW	DEPRECIATED COST
Gross living area (finished liveable floor area above grade)	2,254	124.00	$ 279,496	$
Basement	2,144	25.00	$ 53,600	$
Garages/Carports	495	56.00	$ 27,720	$
Basement Finish	1,600	40.00	$ 64,000	$
			$	$
			$	$
OTHER EXTRAS Extras			$ 8,000	$
Site Improvements			$ 10,000	$
C.Entry, Patio, Deck			$ 15,000	$
			$	$
			$	$
			$	$
TOTAL REPLACEMENT COST			$ 457,816	
ACCRUED DEPRECIATION:	2.8 %		$ 12,819	$ 444,997
DEPRECIATED VALUE OF THE IMPROVEMENTS				$ 444,997
CONTRIBUTORY VALUE OF THE SITE IMPROVEMENTS				$ 20,000
INDICATED VALUE				$ 654,997

VALUE BY THE COST APPROACH (rounded) ☒ AS-IS: $ 655,000 ☐ AS-COMPLETE: $

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: The Cost Approach provides supportive evidence but is not necessarily a reliable indicator of market value, as replacement cost and market value are not synonymous, therefore it is given little weight.

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: Steve Darley	File No.: 1411-DAR-ev
Property Address: 13439 LAKE HILL DR	Case No.:
City: Lake Country Prov.: BC	P.C.: V4V2S7
Lender: Street Capital Financial - Vancouver	

FRONT VIEW OF SUBJECT PROPERTY

Appraised Date: November 5, 2014
Appraised Value: $ 635,000

REAR VIEW OF SUBJECT PROPERTY

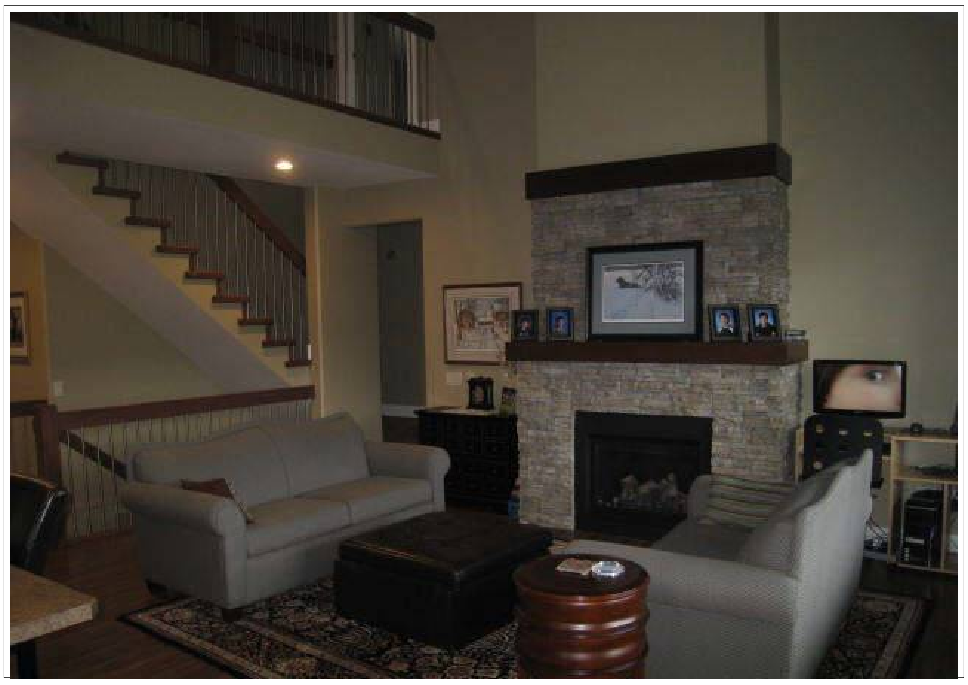
STREET SCENE

INTERIOR PHOTOS

Borrower: Steve Darley		File No.: 1411-DAR-ev	
Property Address: 13439 LAKE HILL DR		Case No.:	
City: Lake Country	Prov.: BC		P.C.: V4V2S7
Lender: Street Capital Financial - Vancouver			

Kitchen

Comment:



Living Area

Description:
Living Room

Comment:

Bathroom

Description:
Main Bathroom

Comment:

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Steve Darley		File No.: 1411-DAR-ev
Property Address: 13439 LAKE HILL DR		Case No.:
City: Lake Country	Prov.: BC	P.C.: V4V2S7
Lender: Street Capital Financial - Vancouver		

COMPARABLE SALE #1

2561 Lake Breeze Court
Lake Country, BC V4V2M8
Sale Date: 23-JUN-2014
Sale Price: $ 665,000

COMPARABLE SALE #2

12892 East Ridge Court
Lake Country, BC V4V2R2
Sale Date: 20-JUN-2014
Sale Price: $ 652,500

COMPARABLE SALE #3

13227 East Ridge Drive
Lake Country, BC V4V2P9
Sale Date: 29-OCT-2014
Sale Price: $ 563,500

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Steve Darley		File No.: 1411-DAR-ev	
Property Address: 13439 LAKE HILL DR		Case No.:	
City: Lake Country	Prov.: BC		P.C.: V4V2S7
Lender: Street Capital Financial - Vancouver			

COMPARABLE SALE #4

13481 Lake Hill Drive
Lake Country, BC V4V2S7
Sale Date: 09-JUN-2014
Sale Price: $ 708,000

COMPARABLE SALE #5

Sale Date:
Sale Price: $

COMPARABLE SALE #6

Sale Date:
Sale Price: $

INTERIOR PHOTOS

Borrower: Steve Darley	File No.: 1411-DAR-ev
Property Address: 13439 LAKE HILL DR	Case No.:
City: Lake Country Prov.: BC	P.C.: V4V2S7
Lender: Street Capital Financial - Vancouver	

Master Bedroom

Basement Family Room

With wet bar.

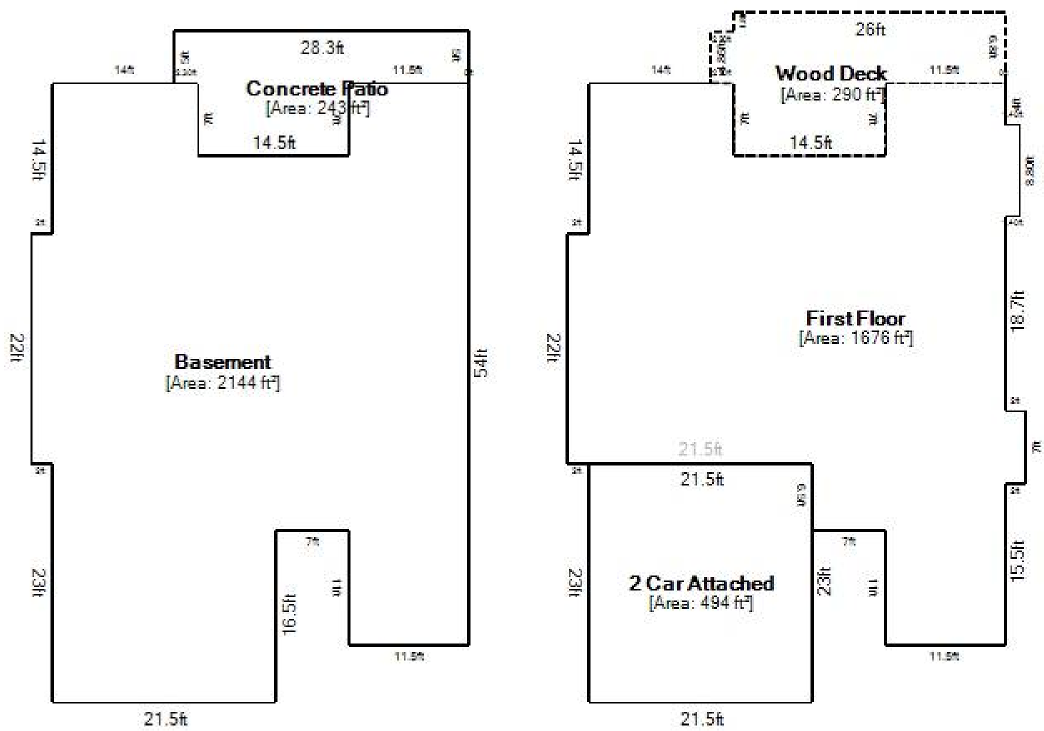
Basement Storage/Fitness

This is the area beneath the garage.

FLOORPLAN

Borrower: Steve Darley		File No.: 1411-DAR-ev	
Property Address: 13439 LAKE HILL DR		Case No.:	
City: Lake Country	Prov.: BC		P.C.: V4V2S7
Lender: Street Capital Financial - Vancouver			

Sketch



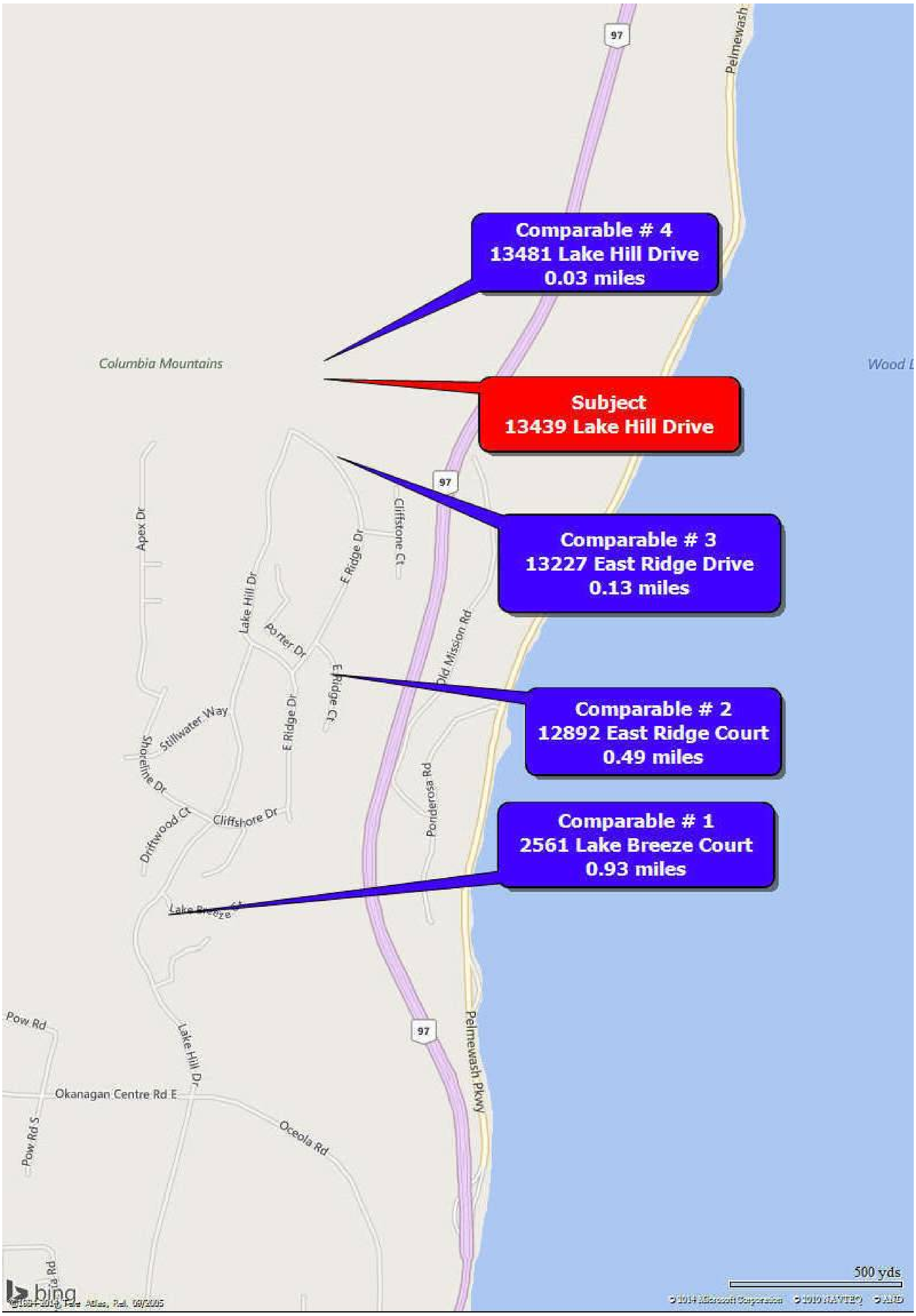
16 ft

Living Area	
First Floor	1675.57 ft²
Nonliving Area	
Basement	2143.75 ft²
Concrete Patio	243 ft²
2 Car Attached	494.5 ft²
Wood Deck	289.64 ft²
Total Living Area (rounded):	**1676 ft²**

Area Calculation				
First Floor				**x 1.00 = 1675.57 ft²**
Δ	2ft x	7ft x	0.50 =	7 ft²
Δ	7.28ft x	2ft x	0.48 =	7 ft²
Δ	1.40ft x	8.80ft x	0.50 =	6.16 ft²
Δ	8.91ft x	1.40ft x	0.49 =	6.16 ft²
Δ	7ft x	6.5ft x	0.50 =	22.75 ft²
Δ	11.5ft x	4ft x	0.50 =	23 ft²
Δ	7ft x	12.18ft x	0.47 =	40.25 ft²
Δ	11.88ft x	8.80ft x	0.48 =	50.60 ft²
Δ	14ft x	7ft x	0.50 =	49 ft²
Δ	14.5ft x	15.65ft x	0.45 =	101.5 ft²
Δ	11.5ft x	11ft x	0.50 =	63.25 ft²
Δ	15.5ft x	15.91ft x	0.36 =	89.12 ft²
Δ	7ft x	12.35ft x	0.47 =	40.25 ft²
Δ	16.26ft x	9.55ft x	0.50 =	77.63 ft²
Δ	2ft x	22ft x	0.50 =	22 ft²
Δ	22.09ft x	2ft x	0.50 =	22 ft²
Δ	14.5ft x	12.88ft x	0.23 =	42.05 ft²
Δ	18.7ft x	19.16ft x	0.48 =	172.98 ft²
Δ	26.64ft x	30.07ft x	0.45 =	361.75 ft²
Δ	21.5ft x	22ft x	0.50 =	236.5 ft²
Δ	15.88ft x	30.44ft x	0.49 =	234.62 ft²

LOCATION MAP

Borrower: Steve Darley		File No.: 1411-DAR-ev
Property Address: 13439 LAKE HILL DR		Case No.:
City: Lake Country	Prov.: BC	P.C.: V4V2S7
Lender: Street Capital Financial - Vancouver		



SITE MAP

Borrower: Steve Darley		File No.: 1411-DAR-ev
Property Address: 13439 LAKE HILL DR		Case No.:
City: Lake Country	Prov.: BC	P.C.: V4V2S7
Lender: Street Capital Financial - Vancouver