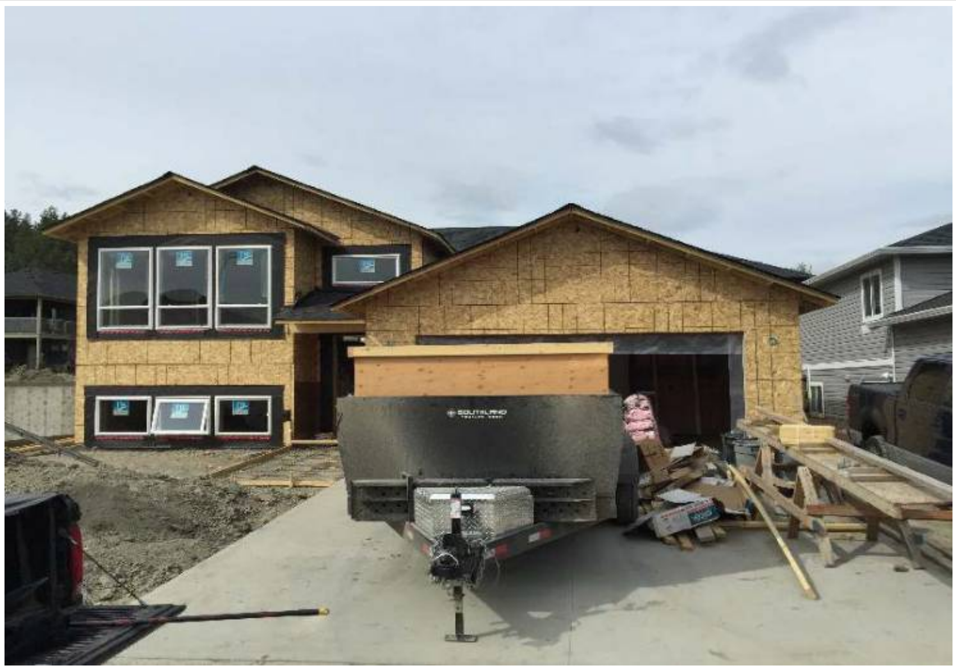
File No. 1504-MES-bf

APPRAISAL OF



Appraisal of a Two Family Property

LOCATED AT:

3054 Shetland Road
Kelowna, BC V1V3A7

FOR:

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

BORROWER:

Brandon & Stephanie Walker

AS OF:

April 24, 2015

BY:

Brad Farrell

RESIDENTIAL APPRAISAL REPORT

CLIENT REF #:

SOLIDIFI ORDER #: OR0503438 | 3054 Shetland Road | APPRAISER FILE #: 1504-MES-bf

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: Brad Farrell
COMPANY: Appraisal West Real Estate Corporation
ADDRESS: Box 30001 102-1940 Kane Road
Kelowna, BC V1V 2J9
E-MAIL: brad@appraisalwest.com
PHONE: (250) 861-3101 FAX: (250) 979-0094

SUBJECT

PROPERTY ADDRESS: 3054 Shetland Road CITY: Kelowna PROVINCE: BC POSTAL CODE: V1V3A7
COMPLEX / DEVELOPMENT NAME: N/A
LEGAL DESCRIPTION: Lot 47, Plan KAP88257, Sct 3, Twn 23, LD 41, ODYD, Roll# 217.3162047
PIN/PID: 027-778-762 SOURCE: BC Assessment
MUNICIPALITY AND DISTRICT: City of Kelowna MLS DISTRICT: North Glenmore
ASSESSMENT: [ ] N/A Land $ 159,000 Imps $ 77,900 Total $ 236,900 ASSESSMENT DATE: 2015 Taxes $ 1,092 Year 2014
ASSESSMENT COMMENT: 2014 Assessment is as at July 1, 2014.
EXISTING USE: Single Family Residential; OCCUPIED BY: Vacant;

ASSIGNMENT

APPLICANT: Brandon & Stephanie Walker
PURPOSE OF THE APPRAISAL: [X] To estimate market value (see definition herein) or [ ] Other
INTENDED USE OF THE APPRAISAL: Purchase Financing Purposes only Other Intended Use: Steve Nicholson, Origination Mortgage
INTENDED USERS (by name or type): Street Capital Financial
REQUESTED BY: [ ] Client above [X] Other Steve Nicholson, Origination Mortgage
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. [X] YES [ ] 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):	0	40
PRICE RANGE OF PROPERTIES:	$ 300,000	$ 800,000

Single family residences in subject neighbour.

MARKET OVERVIEW: Supply: [X] Good [ ] Average [ ] Poor
Demand: [X] Good [ ] 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.)

NORTH GLENMORE is a residential community occupying the north end of the City of Kelowna. Its boundaries are the area west of Dilworth Mountain, north of Ivans Road incl. Valley & Glenmore Roads & the area of land between Okanagan Lake & Hwy 97 to the north boundary of the City of Kelowna, excl. the Quail Ridge development but incl. McKinley Landing. Sol terra Ranch is located on the northeast side of North Glenmore, between Appaloosa Road & UBC Okanagan. The subdivision is developed with moderate single family and two family residences. The development is reasonably close to amenities. The nearest elementary school is located 5.8 km south. It has close proximity to the University. No adverse influences were observed.

RESIDENTIAL APPRAISAL REPORT

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SITE

SITE DIMENSIONS:	54.13x109.9	UTILITIES:	[X] Telephone [X] Sanitary Sewer [ ] Storm Sewer [X] Natural Gas [ ] Septic [ ] Open Ditch [ ] Other
SITE AREA:	.137 [ ] Sq. Ft. [ ] Sq. M. [X] Acres [ ] Hectares	WATER SUPPLY:	[X] Municipal [ ] Well [ ] Other
SOURCE:	BC Assessment & City Mapping		
TOPOGRAPHY:	Level to moderate sloping upwards; tiered.	FEATURES:	[ ] Gravel Road [X] Paved Road [ ] Lane [X] Sidewalk [X] Curbs [X] Street Lights [X] Cablevision [ ] Other
CONFIGURATION:	Rectangular		
ZONING:	[X] Residential [ ] Commercial [ ] Agricultural [ ] Other (see comments)	ELECTRICAL:	[ ] Overhead [X] Underground [ ] Other
	RU2, Medium Lot Housing	DRIVEWAY:	[X] Private [ ] Mutual [ ] None [ ] Single [X] Double [ ] Underground [ ] Laneway [ ] Other
		DRIVEWAY SURFACE:	[ ] Asphalt [X] Concrete [ ] Stone [ ] Gravel [ ] Brick [ ] Other (see comments)
	Source: City Mapping	PARKING:	[X] Garage [ ] Carport [X] Driveway [X] Street [ ] N/A
DOES EXISTING USE CONFORM TO ZONING?	[X] YES [ ] NO (see comments)	LANDSCAPING:	[ ] Good [X] Average [ ] Fair [ ] Poor [ ] N/A
TITLE SEARCHED:	[ ] YES [X] NO	CURB APPEAL:	[ ] Good [X] Average [ ] Fair [ ] Poor
KNOWN EASEMENTS:	[ ] Utility [ ] Access [X] Unknown [ ] Other (see comments)	ACCESS:	[X] 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.)

See Attached Addendum

ADVERSE INFLUENCES

ADVERSE INFLUENCE (Indicate any features that negatively impact the property valuation:):

Are there any adverse influences: [ ] Yes [X] 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:

RESIDENTIAL APPRAISAL REPORT

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IMPROVEMENTS

YEAR BUILT (estimated): 2015
EFFECTIVE AGE: 0 years
REM. ECONOMIC LIFE: 70 years
DEPRECIATION: 0.0 %

CONSTRUCTION COMPLETE: NO
PERCENTAGE COMPLETE: 54 %

BUILDING TYPE: Detached;
DESIGN/STYLE: 1-Storey;
CONSTRUCTION: Wood;
BASEMENT TYPE: [ ] Full [ ] Full (with Walk Out) [X] 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
[X] Fully Finished [ ] Partially Finished [ ] Unfinished [ ] Dirt Floor
[ ] Other (see comments)
ESTIMATED BASEMENT AREA: 1,323 [ ] 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 [X] Solid Stone [ ] Stone Veneer [ ] Stucco [ ] Insulbrick [ ] Wood [ ] Aluminium [X] Vinyl [ ] Board/Batten [ ] Metal [ ] Concrete [ ] Shingle [ ] Log [ ] EIFS [ ] Glass [ ] Johns-Mansville [ ] Other (see comments)
Condition: [X] Good [ ] Average [ ] Fair [ ] Poor [ ] N/A

BATHROOMS	Location	Fixtures	Condition
(Use comments if more than five)	Main	2	Good
	Basement	1	Good

INTERIOR FINISH	Walls	Ceilings
Drywall	[X]	[X]
Plaster	[ ]	[ ]
Panelling	[ ]	[ ]

CLOSETS: [ ] Good [X] Average [ ] Fair [ ] Poor
INSULATION: [X] Ceiling [X] Walls [X] Basement [ ] Crawl Space
INSULATION TYPE: Batt-Type: Fibreglass;
Info Source: Assumed
PLUMBING LINES: PVC & Copper
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: Baseboard;Forced Air; Fuel type: Gas;
WATER HEATER: Type: Gas;
BURIED OR UNDERGROUND OIL TANK: [ ] Yes [X] No [ ] Unknown

FLOOR PLAN: [ ] Good [X] 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 [X] Other 2xOTR Mw,2x fridge,2xstove
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	Mech.			TOTAL	AREA
MAIN	1	1	1	1		3		2						6	1,255
SECOND															
THIRD															
														0	
ABOVE GRADE TOTALS	ROOMS: 6		BEDROOMS: 3		BATHROOMS: 2									6	1,255
BASEMENT	2	1		1	1	2		1		1	1			6	1,323
ORDER TOTALS	ROOMS: 12		BEDROOMS: 5		BATHROOMS: 3			UNIT OF MEASUREMENT: [ ] Sq. M. [X] Sq. Ft.						12	2,578

BASEMENT FINISHES/UTILITY: The full basement with 8' ceiling height is fully finished to average quality. Entry from the main floor and garage, good access utility. The basement features a 2 bedroom legal suite.

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

DECKS, PATIOS, OTHER IMPROVEMENTS: Covered front entry, open rear 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.)
See narrative attached.

RESIDENTIAL APPRAISAL REPORT

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HIGHEST AND BEST USE

LAND VALUE AS IF VACANT: $ 175,000 — SOURCE OF DATA: Sales held on file — Comment:

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: The existing use is considered to be the highest and best use.

DIRECT COMPARISON APPROACH

	SUBJECT	COMPARABLE NO. 1 Description	$ Adjustment	COMPARABLE NO. 2 Description	$ Adjustment	COMPARABLE NO. 3 Description	$ Adjustment
Address	3054 Shetland Road Kelowna, BC V1V3A7	3079 Shetland Road Kelowna, BC V1V3B3		329 Arab Road Kelowna, BC V1V3A8		3062 Shetland Road Kelowna, BC V1V3A7	
PROXIMITY (KMS)		0.10		0.09		0.02	
DATA SOURCE	Inspection	MLS#10089315		MLS# 10090424		MLS#10091056	
DATE OF SALE		19-Feb-2015		17-Feb-2015		19-Mar-2015	
SALE PRICE	$ 498,750	$ 486,000		$ 510,300		$ 503,895	
DAYS ON MARKET	41	142		111		121	
LOCATION	North Glenmore	North Glenmore		North Glenmore		North Glenmore	
SITE SIZE	.137 acres	.14 acres		.137 acres	-7,500	.137 acres	
BUILDING TYPE	Detached;	Detached;		Detached;		Detached;	
DESIGN/STYLE	Bi-level;	Bungalow (Raised		Bungalow (Raised		Bi-level;	
AGE (YRS) / CONDITION	0 Good	2 Good		0 Good	-5,000	1 Good	
LIVEABLE FLOOR AREA	1,255 sq.ft.	1,335 sq.ft.	-6,400	1,271 sq.ft.		1,255 sq.ft.	
ROOM-COUNT (Total / Bdrms / Baths Full / Half)	6 / 3 / 2 / 0	10 / 5 / 3 / 0		10 / 6 / 3 / 0		13 / 5 / 3 / 0	
BASEMENT SIZE	1,323 sq.ft.	965 sq.ft.		1,082 sq.ft.		1,323 sq.ft.	
BASEMENT	1,323-1323(u.st)	965-965(u.st)	12,500	1082-1082(u.st)	9,000	1,323-1323(u.st)	
PARKING	2 Attached;	2 Attached;		2 Attached;		2 Attached;	
Extras	9ap,fp,ca,vc	4ap,fp,ca,vc	5,000	8Ap,fp,ca,vc	1,000	9ap,fp,ca,vc	
Landscaping	Avg	Avg		Avg		Avg	
LIst Price	$489,900+GST	$499,900+GST		$489,900+GST		$479,900+GST	
ADJUSTMENTS (Gross %, Net %, Dollar)		4.9 % 2.3 %	$ 11,100	4.4 % -0.5 %	$ 2,500	0.0 % 0.0 %	$ 0
ADJUSTED VALUES		$	497,100	$	507,800	$	503,895

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

Index 1 to 3 represent recent sales of similar residences located in the subject development.

Adjustments are employed to improve their comparability to the subject property. No adjustments are considered to be necessary for market conditions (time). 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.

Index 1 is superior in quality and covered deck which more than offsets the subject's newer age. It is inferior in basement size.
Index 2 is superior in views and quality but is inferior in basement size.
Index 3 is similar in all respects.

The sales, adjusted for various differences with the subject property, are good indicators of the subject value. Index 3 is most similar to the subject and is given the most weight. The value, derived by the Direct Comparison Approach, is submitted at $504,000 including GST.

ESTIMATED VALUE BY THE DIRECT COMPARISON APPROACH (rounded): [ ] AS-IS: $ [X] AS-COMPLETE: $ 504,000

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SALES HISTORY

ANALYSIS OF KNOWN CURRENT AGREEMENTS FOR SALE, OPTIONS, LISTINGS OR MARKETING OF THE SUBJECT: (minimum of one year) The reported pending offer to purchase is $498,750 including GST. The subject is currently listed for $489,900 plus GST. It has been listed since 03/13/2015 (41 days).

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

Previous Sale Date	Previous Sale Price: $	Source
10-May-2013	160,000	MLS#10028418- Lot only.

Comments: No other sales are known to exist.

EXPOSURE TIME

EXPOSURE TIME RANGE (DAYS): 1 – 150

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 up 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.

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, the Cost Approach is given little weight.

The marketability is considered to be good.

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 24-Apr-2015 (Effective Date of the Appraisal) **IS ESTIMATED TO BE** ☐ **AS-IS: $** ☒ **AS-COMPLETE: $** 504,000

THIS REPORT WAS COMPLETED ON: 24-Apr-2015

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: See Attached Addendum

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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: 3054 Shetland Road CITY: Kelowna PROVINCE: BC POSTAL CODE: V1V3A7

LEGAL DESCRIPTION: Lot 47, Plan KAP88257, Sct 3, Twn 23, LD 41, ODYD, Roll# 217.3162047

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

AS AT 24-Apr-2015 (Effective date of the appraisal) IS ESTIMATED TO BE ☐ AS-IS: $ ☒ AS-COMPLETE: $ 504,000

APPRAISER		**CO-SIGNING AIC APPRAISER (if applicable)**	
SIGNATURE:		SIGNATURE:	
NAME:	Brad Farrell	NAME:	
AIC DESIGNATION (or Member Status):	CRA;	AIC DESIGNATION:	
DATE SIGNED:	24-Apr-2015	DATE SIGNED:	
PERSONALLY INSPECTED THE SUBJECT PROPERTY:	☒ YES ☐ NO	PERSONALLY INSPECTED THE SUBJECT PROPERTY:	☐ YES ☐ NO
DATE OF INSPECTION:	24-Apr-2015	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.

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

SOURCE OF DIGITAL SIGNATURE SECURITY:

ATTACHMENTS AND ADDENDA: ☐ ADDITIONAL SALES ☒ EXTRAORDINARY ITEMS ☒ NARRATIVE ☒ PHOTOGRAPHS ☐ BUILDING SKETCH ☒ MAPS ☒ COST APPROACH ☐ INCOME APPROACH ☐ ☐ ☐

RESIDENTIAL APPRAISAL REPORT - ADDENDUM

CLIENT REF #:
SOLIDIFI ORDER #: OR0503438 | 3054 Shetland Road | APPRAISER FILE #: 1504-MES-bf

CLIENT		APPRAISER	
CLIENT:	Street Capital Financial - Vancouver	APPRAISER:	Brad Farrell
ATTENTION:		COMPANY:	Appraisal West Real Estate Corporation
ADDRESS:	900 Hastings Street, Vancouver, BC V6C 1E5	ADDRESS:	Box 30001 102-1940 Kane Road Kelowna, BC V1V 2J9
E-MAIL:		E-MAIL:	brad@appraisalwest.com
PHONE:	1.877.416.7873 FAX: 1.877.905.7873	PHONE:	(250) 861-3101 FAX: (250) 979-0094

EXTRAORDINARY ITEMS ADDENDUM

EXTRAORDINARY ASSUMPTIONS & LIMITING CONDITIONS

An extraordinary assumption is a hypothesis, either supposed or unconfirmed, which, if not true, could alter the appraiser's opinions and conclusions (e.g. an absence of contamination where such contamination is possible, the presence of a municipal sanitary sewer where unknown or uncertain). An extraordinary limiting condition is a necessary modification or exclusion of a Standard Rule which must be explained and justified by the appraiser (e.g. exclusion of one or more valuation approaches). The appraiser must conclude before accepting the assignment which involves invoking an Extraordinary Limiting Condition that the scope of the work applied will result in opinions and conclusions which are credible. Both must accompany statements of each opinion/conclusion so affected.

See below

HYPOTHETICAL CONDITIONS

Hypothetical conditions may be used when they are required for legal purpose, for purposes of reasonable analysis or for purposes of comparison. Common hypothetical conditions include proposed improvements and prospective appraisals. For every Hypothetical Condition, an Extraordinary Assumption is required (see above). An analysis based on a hypothetical condition must not result in an appraisal report that is misleading or that relies on actions or events that would be illegal or improbable within the context of the assignment. Following is a description of each hypothetical condition applied to this report, the rationale for its use and its effect on the result of the assignment.

CRITICAL ASSUMPTIONS-NEW CONSTRUCTION

Construction of the subject residence is complete as to the percentage specified in the main body of the report. All values submitted in this report are based on the assumption that the property is or will be 100% complete. The effective date of the report is outlined in the body of this report. The property is appraised "As if Complete" on the effective date of the appraisal. This report is based on the assumption that the property will be developed and completed according to specifications identified and described herein and that the standard of construction is in accordance with that assumed within the report. It should be specifically noted that any significant deviation in respect to style, layout, design or construction standards would invalidate the value conclusions reached in this report. The values reported herein are based on data collected and reviewed as of the date of this report. The appraiser assumes no responsibility for unforeseeable events that alter market conditions prior to completion of the improvements. Overall good quality of workmanship and materials is assumed.

The Cost to Complete assumes continuity of construction activity, as additional costs may be incurred if a contractor had to be replaced or construction activity stalled. It should be noted that the mere subtraction of the cost to complete or recommended holdback from the "value as complete" will not provide an "as is" value".

The percentage complete, as of the date of the inspection, and recommended holdback are submitted in the Improvements section on page 1 of the main body of this report.

A final inspection is recommended to confirm adherence to the construction plans and specs.

JURISDICTIONAL EXCEPTION

The Jurisdictional Exception permits the appraiser to disregard a part or parts of the Standards determined to be contrary to law or public policy in a given jurisdiction and only that part shall be void and of no force or effect in that jurisdiction. The following comments identify the part or parts disregarded, if any, and the legal authority justifying these actions.

RESIDENTIAL APPRAISAL REPORT - COST APPROACH ADDENDUM

CLIENT REF #:
SOLIDIFI ORDER #: OR0503438 — 3054 Shetland Road — APPRAISER FILE #: 1504-MES-bf

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:	Brad Farrell
COMPANY:	Appraisal West Real Estate Corporation
ADDRESS:	Box 30001 102-1940 Kane Road, Kelowna, BC V1V 2J9
E-MAIL:	brad@appraisalwest.com
PHONE:	(250) 861-3101
FAX:	(250) 979-0094

COST APPROACH

LAND VALUE — SOURCE OF DATA: Sales held on file — $ 175,000

ESTIMATED COST NEW:

SOURCE OF COST DATA: ☐ MANUAL ☒ CONTRACTOR ☐ OTHER

BUILDING COST: ☐ Sq. M. ☒ Sq. Ft.

		@ $	COST NEW	DEPRECIATED COST
Gross living area (finished liveable floor area above grade)	1,255	150.00	$ 188,250	$
Basement Shell	1,323	22.00	$ 29,106	$
Garages/Carports	425	35.00	$ 14,875	$
Basement Finish	1,323	40.00	$ 52,920	$
			$	$
			$	$
OTHER EXTRAS Extras			$ 15,000	$
C.Entry, Patio			$ 3,000	$
Site Improvements			$ 5,000	$ 11,000
GST			$ 15,408	$
			$	$
			$	$
TOTAL REPLACEMENT COST			$ 323,559	
ACCRUED DEPRECIATION:		0.0 %	$ 0	$ 323,559
DEPRECIATED VALUE OF THE IMPROVEMENTS				$ 334,559
CONTRIBUTORY VALUE OF THE SITE IMPROVEMENTS				$
INDICATED VALUE				$ 509,559

VALUE BY THE COST APPROACH (rounded) ☐ AS-IS: $ ☒ AS-COMPLETE: $ 510,000

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:

ADDENDUM

Borrower: Brandon & Stephanie Walker		File No.: 1504-MES-bf
Property Address: 3054 Shetland Road		Case No.:
City: Kelowna	Province: BC	Postal Code: V1V3A7
Lender: Street Capital Financial - Vancouver		

Site Comments
The subject site is internally located on the north side of Shetland Road in the Sol Terra Ranch development. The site is proposed to be fully landscaped including lawn, plants, shrubs & trees and an underground sprinkler system. Completed items include a concrete driveway, sidewalk & steps and rock retaining walls. The subject property backs onto a hillside with residences situated above on the adjacent properties. The lot size is typical for the area & the subject conforms to neighbouring properties. No negative features are noted. The subject conforms with present zoning requirements including zoning and official plan designation. No anticipated changes to land use regulations or probability for amendment are known to exist.

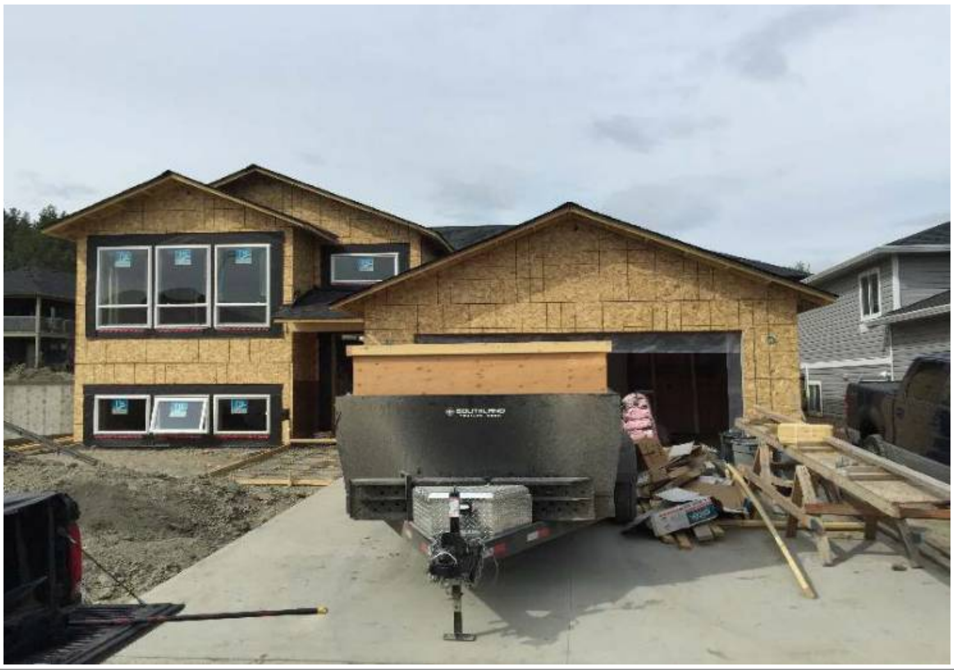
Additional Scope of Appraisal Items
Data contained within this report has been collected from various sources including but not limited to : The City of Kelowna, Lake Country District Municipality, West Kelowna District Municipality, OMREB, CORD and the B.C. Assessment Authority. Additional data has been obtained through local realtors, contractors and appraisal files held at our office. Market data has been verified from the information provided by the local real estate board and if not, a party associated with the transaction.

Description of Improvements
Construction of the subject residence is approximately 54% finished. It will be average to good quality, assumed some custom features, to be 100% complete to plans and specs presented to us. No negative features are noted. Subject to 100% completion. Layout is functional.

Features are proposed to include: vaulted main floor ceiling height, laminate & tile flooring and wood cabinetry. No inadequate equipment and amenities are noted. No physical and/or functional inadequacies (deferred maintenance) are known to exist.

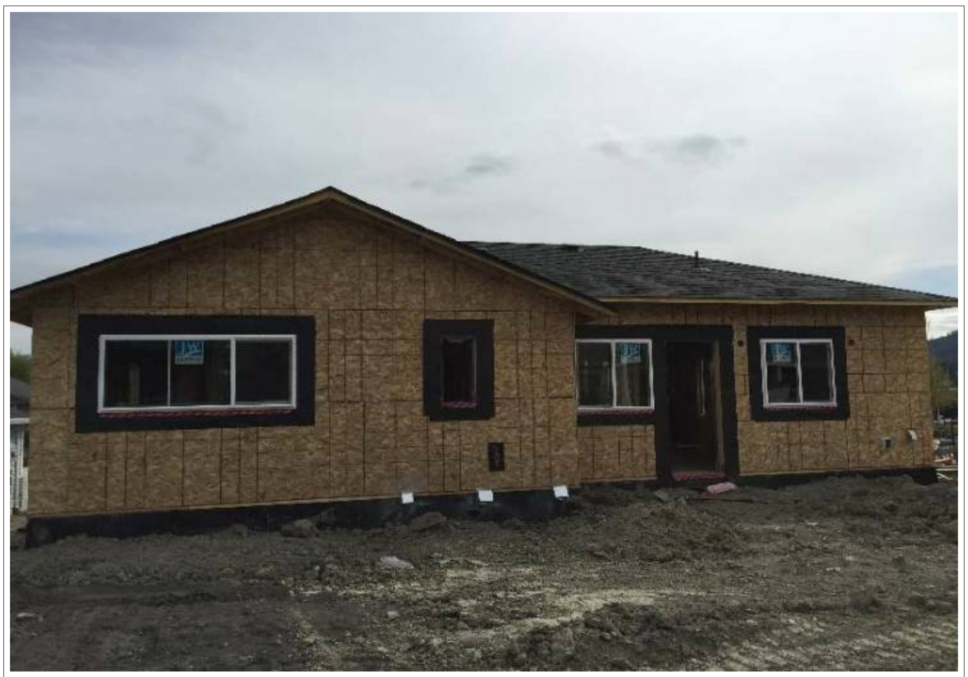
SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: Brandon & Stephanie Walker		File No.: 1504-MES-bf
Property Address: 3054 Shetland Road		Case No.:
City: Kelowna	Prov.: BC	P.C.: V1V3A7
Lender: Street Capital Financial - Vancouver		

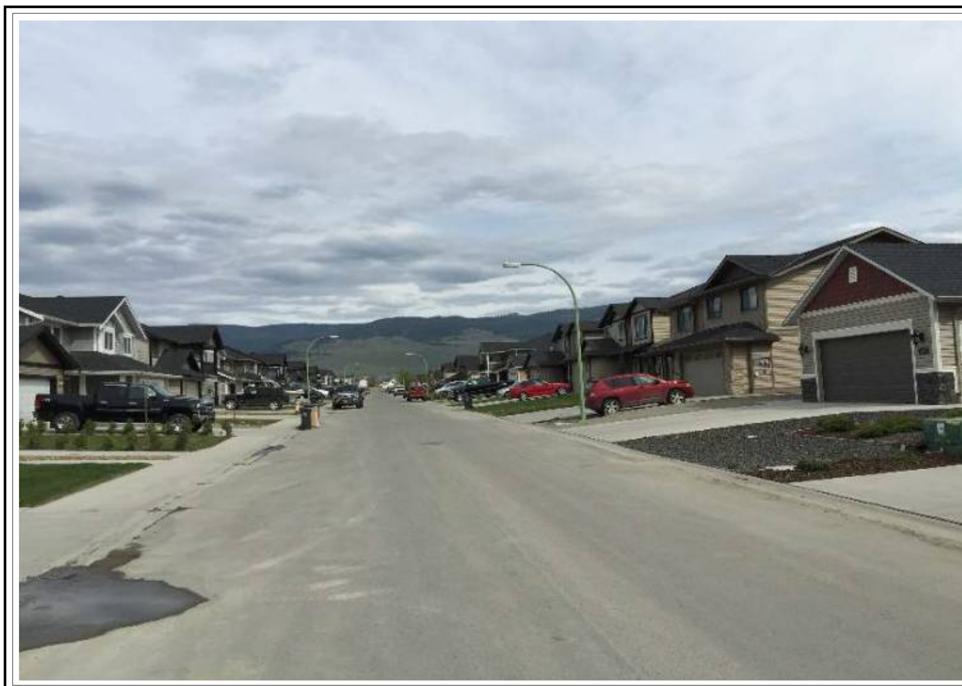


FRONT VIEW OF SUBJECT PROPERTY

Appraised Date: April 24, 2015
Appraised Value: $



REAR VIEW OF SUBJECT PROPERTY



STREET SCENE

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Brandon & Stephanie Walker		File No.: 1504-MES-bf
Property Address: 3054 Shetland Road		Case No.:
City: Kelowna	Prov.: BC	P.C.: V1V3A7
Lender: Street Capital Financial - Vancouver		

COMPARABLE SALE #1

3079 Shetland Road
Kelowna, BC V1V3B3
Sale Date: 19-Feb-2015
Sale Price: $ 486,000

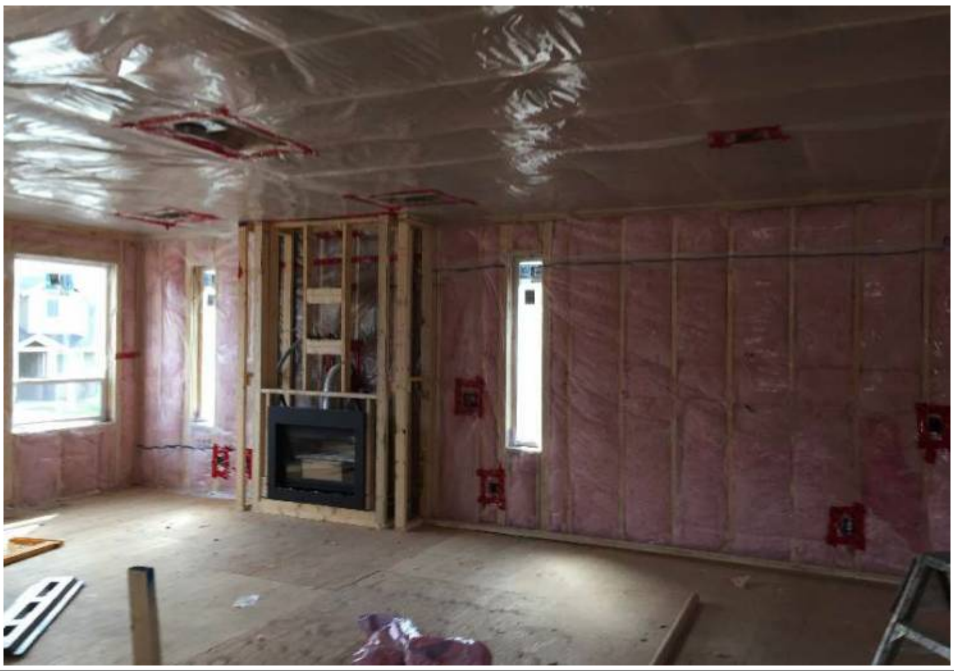
COMPARABLE SALE #2

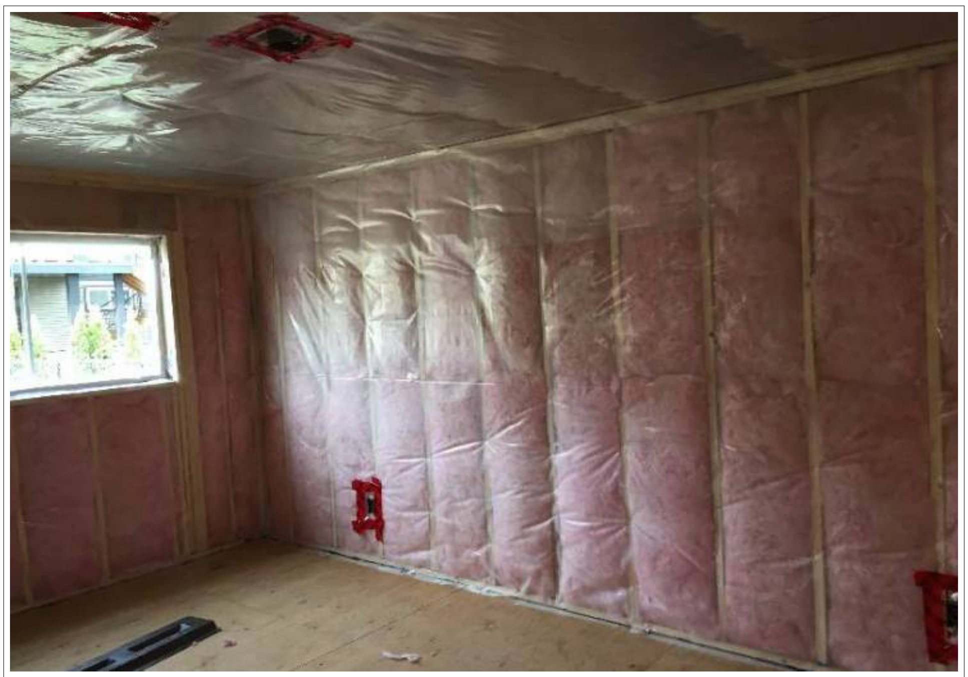
329 Arab Road
Kelowna, BC V1V3A8
Sale Date: 17-Feb-2015
Sale Price: $ 510,300

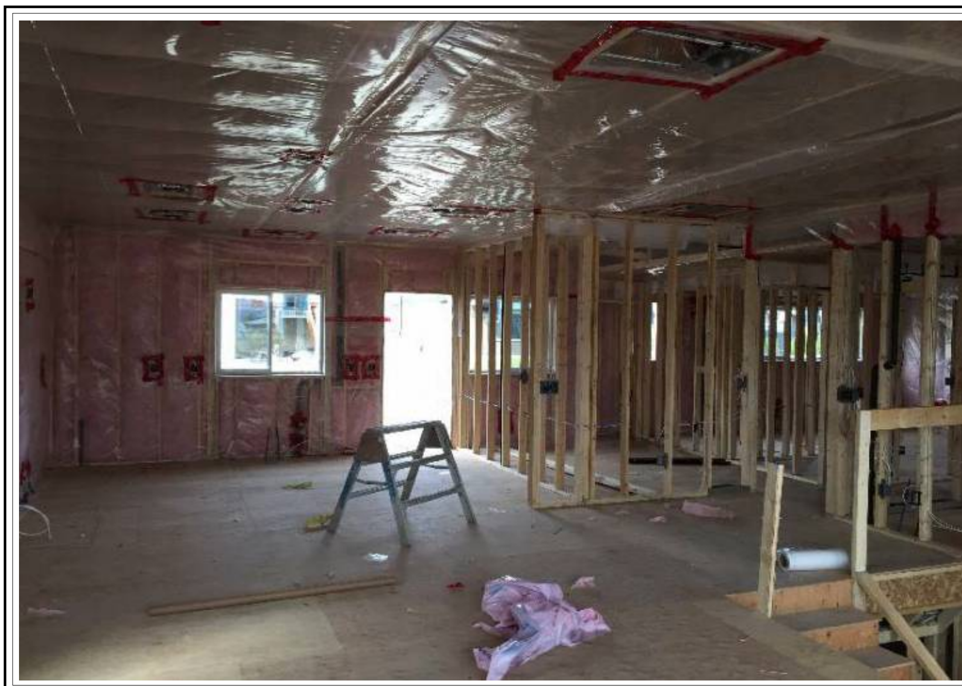
COMPARABLE SALE #3

3062 Shetland Road
Kelowna, BC V1V3A7
Sale Date: 19-Mar-2015
Sale Price: $ 503,895

Borrower: Brandon & Stephanie Walker		File No.: 1504-MES-bf	
Property Address: 3054 Shetland Road		Case No.:	
City: Kelowna	Prov.: BC		P.C.: V1V3A7
Lender: Street Capital Financial - Vancouver			







Borrower: Brandon & Stephanie Walker		File No.: 1504-MES-bf	
Property Address: 3054 Shetland Road		Case No.:	
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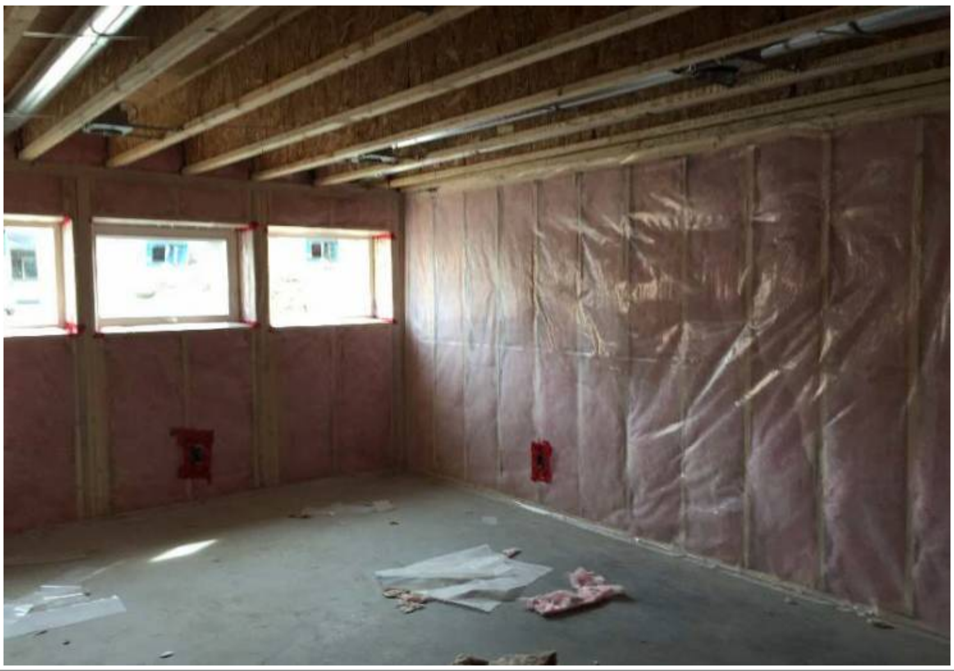
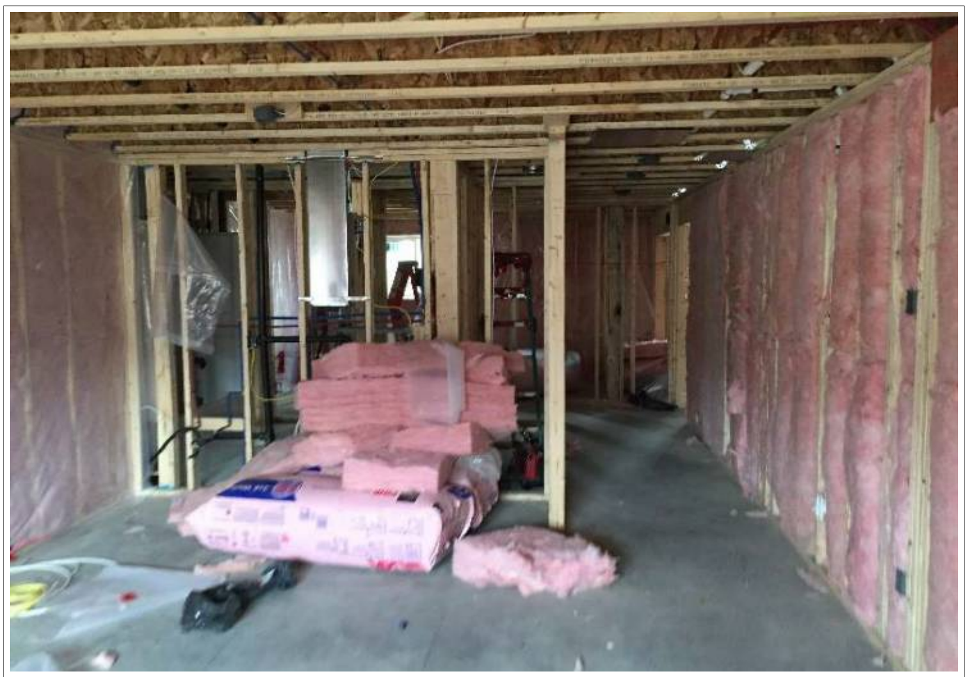
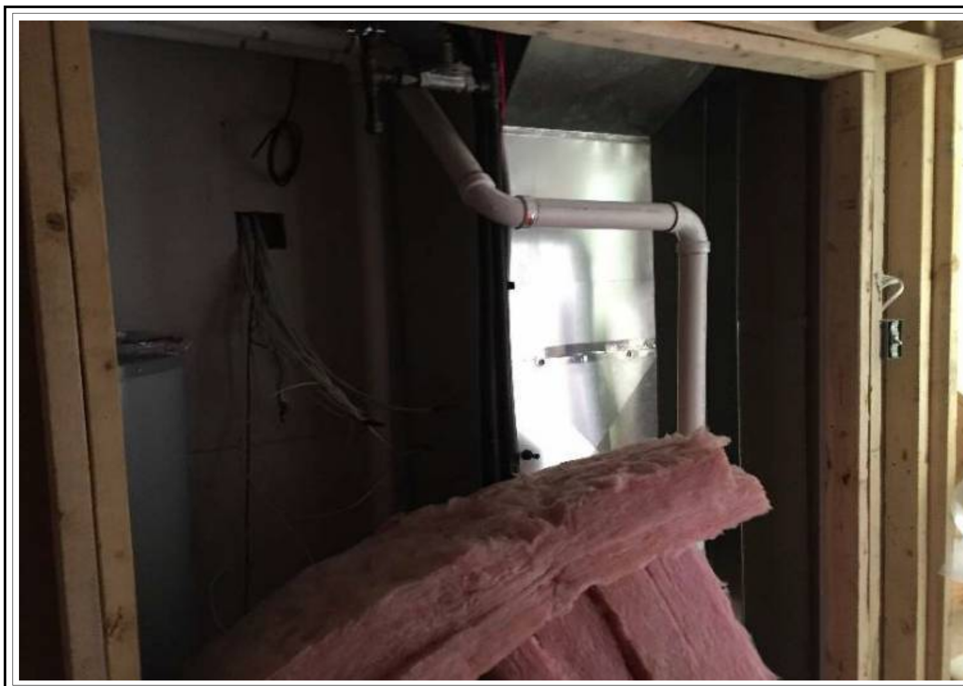
Lender: Street Capital Financial - Vancouver			







LOCATION MAP

Borrower: Brandon & Stephanie Walker		File No.: 1504-MES-bf
Property Address: 3054 Shetland Road		Case No.:
City: Kelowna	Prov.: BC	P.C.: V1V3A7
Lender: Street Capital Financial - Vancouver