File No. 1607-BEN-bf

# APPRAISAL OF

Strata Half Duplex

## LOCATED AT:

610 Glenwood Avenue
Kelowna, BC  V1Y5M3

## FOR:

Scotiabank Mortgage Authority
675 Cochrane Drive, 6th Floor
Markham, ON L3R0B8

## BORROWER:

Taralynn & Diane Bennet

## AS OF:

25-Jul-2016

## BY:

Brad Farrell

# RESIDENTIAL APPRAISAL REPORT

CLIENT REF #: 3168171
SOLIDIFI ORDER #: OR0668147 — 610 Glenwood Avenue — APPRAISER FILE #: 1607-BEN-bf

## CLIENT

| | |
|---|---|
| CLIENT: | Scotiabank Mortgage Authority |
| ATTENTION: | |
| ADDRESS: | 675 Cochrane Drive, 6th Floor<br>Markham, ON L3R0B8 |
| E-MAIL: | |
| PHONE: | 905-530-2085 |
| FAX: | |

## APPRAISER

| | |
|---|---|
| APPRAISER: | Brad Farrell |
| COMPANY: | Appraisal West Real Estate Corp. |
| ADDRESS: | Box 30001 RPO Glenpark, Kelowna, B.C. V1V2M4 |
| E-MAIL: | brad@appraisalwest.com |
| PHONE: | 250-861-3101 |
| FAX: | 250-979-0094 |

## SUBJECT

PROPERTY ADDRESS: 610 Glenwood Avenue  CITY: Kelowna  PROVINCE: BC  POSTAL CODE: V1Y5M3

COMPLEX / DEVELOPMENT NAME: na

LEGAL DESCRIPTION: Lot 1, Plan EPS1367, DL 14, LD 41, ODYD, Roll 214.88067

PIN/PID: 029-324-556  SOURCE: BC Assessment Authority

MUNICIPALITY AND DISTRICT: City of Kelowna  MLS DISTRICT: Kelowna South  MLS #: 10116931

ASSESSMENT: [ ] N/A  Land $ 234,000  Imps $ 301,000  Total $ 535,000  ASSESSMENT DATE: 2016  Taxes $ 3,719  Year 2015

ASSESSMENT COMMENT: 2016 Assessment is as at July 1, 2015.

EXISTING USE: Single Family Residential;  OCCUPIED BY: Owner;

## ASSIGNMENT

APPLICANT: Taralynn & Diane Bennet

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:

INTENDED USERS (by name or type): Scotiabank Mortgage Authority

REQUESTED BY: [ ] Client above [X] Other 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 [X] Condominium/Strata [ ] Co-ownership [ ] Other

PROPERTY RIGHTS COMMENT:  OTHER OWNERSHIP COMMENT:

FIRST NATIONS LAND / RESERVE: [ ] Yes [X] No [ ] Unknown

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 [ ] 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: [X] Urban [ ] Suburban [ ] Rural [ ] Recreational [ ] Agricultural

TREND OF DISTRICT: [ ] Improving [X] Stable [ ] Transition [ ] Deteriorating

BUILT-UP: [X] Over 75% [ ] 25 - 75% [ ] Under 25% [ ] Rural [ ] Other

CONFORMITY Age: [X] Newer [ ] 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 | 68 |
| PRICE RANGE OF PROPERTIES: | $ 200,000 | $ 950,000 |

Strata half duplex properties in the subject district (non-waterfront)

MARKET OVERVIEW: Supply: [ ] Good [X] Average [ ] Poor

Demand: [X] Good [ ] Average [ ] Poor

PRICE TRENDS: [X] Increasing [ ] Stable [ ] Declining

Increasing market activity.

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.)

The KELOWNA SOUTH District is that area lying west of Gordon Road, south of Highway 97 to the north side of KLO Road and the east shore Okanagan Lake. The subject property located in the sector between Highway 97 and Kelowna General Hospital which is influenced by Okanagan Lake and it's close proximity to Downtown, the Mission Park Shopping Centre and Okanagan Lake Beaches. This sector comprises a mixture of single family residential homes, some two-dwelling housing and multi-family housing including duplexes. The properties in the area are mostly older but generally well kept. Some newer infill dwellings are evident throughout the sector. The area is conforming, popular and close to most City amenities. No adverse influences were observed.

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## SITE

| | |
|---|---|
| SITE DIMENSIONS: | 33' x 140' |
| SITE AREA: | 0.106 ☐ Sq. Ft. ☐ Sq. M. ☒ Acres ☐ Hectares |
| SOURCE: | BC Assessment & City Mapping |
| TOPOGRAPHY: | Level with the road grade |
| CONFIGURATION: | Rectangular |
| ZONING: | ☒ Residential ☐ Commercial ☐ Agricultural ☐ Other (see comments) |
| | RU6, Two Family Residential |
| | Source: City Mapping |
| 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 ☐ Propane ☐ Other |
| WATER SUPPLY: | ☒ Municipal ☐ Private Well ☐ Communal 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.)

See Attached Addendum

## 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 | ☐ | ☐ | ☐ |
| High Voltage Power Transmission: | ☐ 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:(Any question marked as "unknown" has been deemed beyond the scope of the appraisal assignment and/or the appraiser does not have the necessary facts to answer these questions)

# RESIDENTIAL APPRAISAL REPORT

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SOLIDIFI ORDER #: OR0668147 | 610 Glenwood Avenue | APPRAISER FILE #: 1607-BEN-bf

**IMPROVEMENTS**

YEAR BUILT (estimated): 2014
EFFECTIVE AGE: 2 years
REM. ECONOMIC LIFE: 68 years
DEPRECIATION 4 %

CONSTRUCTION COMPLETE: YES
PERCENTAGE COMPLETE: 100 %
HOLDBACK RECOMMENDED [ ] Yes [X] No [ ] Unknown
COMMENTS: na

BUILDING TYPE: Semi-Detached;
DESIGN/STYLE: 2-Storey
CONSTRUCTION: Wood;
BASEMENT TYPE: [ ] Full [ ] Full (with Walk Out) [ ] Full (with Walk Up) [ ] Partial [ ] Partial (with Walk Out) [ ] Partial (with Walk Up) [ ] Crawlspace [ ] Slab [X] None [ ] Other
BASEMENT AREA: [ ] Apartment or Suite
Separate private entrance? [ ] Yes [ ] No
[ ] Fully Finished [ ] Partially Finished [ ] Unfinished [ ] Dirt Floor
[ ] Other (see comments)
ESTIMATED BASEMENT AREA: ______ [ ] Sq. M. [ ] Sq. Ft.
BASEMENT FINISH: [ ] 0 to 25% [ ] 25 to 50% [ ] 50 to 75% [ ] 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
Roof Approx. Age: 0-5 yrs Source Assumed
EXTERIOR FINISH: [ ] Solid Brick [ ] Brick Veneer [ ] Solid Stone [X] Stone Veneer [ ] Stucco [ ] Insulbrick [ ] Wood [ ] Aluminium [ ] Vinyl [ ] Board/Batten [ ] Metal [ ] Concrete [ ] Shingle [ ] Log [ ] EIFS [ ] Glass [X] Johns-Mansville [ ] Other (see comments)
Condition: [X] Good [ ] Average [ ] Fair [ ] Poor [ ] N/A

| BATHROOMS (Use comments if more than five) | Location | Fixtures | Condition |
|---|---|---|---|
| | Main | 2 | Good |
| | Second | 4 | Good |
| | Second | 5 | Good |
| | | | |
| | | | |

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

CLOSETS: [ ] Good [X] Average [ ] Fair [ ] Poor
INSULATION: [X] Ceiling [X] Walls [ ] Basement [ ] Crawl Space
INSULATION TYPE: Batt-Type: Fibreglass;
Info Source: Assumed
PLUMBING LINES: PVC & Copper
Info Source: Assumed

FLOORING: [X] Hardwood [ ] Softwood [X] Carpet [ ] Marble [ ] Clay Tile [ ] Quarry Tile [ ] Terrazzo [ ] Wool Carpet [ ] Plywood [X] Vinyl [ ] Travertine [X] Ceramic Tile [ ] Parquet [ ] Granite [ ] Flagstone [ ] Brick [ ] Paint [ ] Slate [ ] Laminate [ ] Plank [ ] Porcelain [ ] Other (see comments)
ELECTRICAL: [ ] Fuses [X] Breakers [ ] Other
ESTIMATED RATED CAPACITY OF MAIN PANEL: 100 amps
WIRING: [X] Copper [ ] Aluminium [ ] Knob-and-tube [ ] Other
HEATING SYSTEM: 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 Fridge,gas range,wine fridge,OTR
WINDOWS: [ ] Wood [X] Vinyl [ ] PVC [ ] Aluminium [ ] Other
WINDOW GLAZING/SASHING: Double;
OVERALL INT. COND: [X] Good [ ] Average [ ] Fair [ ] Poor
COMMENTS: na

**ROOM ALLOCATION**

| LEVEL: | ENTRANCE | LIVING | DINING | KITCHEN | FAMILY | BEDROOMS | DEN | FULL BATH | HALF BATH | LAUNDRY | FOYER | MECH | MUD | TOTAL | AREA |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MAIN | 4 | 1 | 1 | 1 | | 1 | | | 1 | | 1 | | 1 | 6 | 1,308 |
| SECOND | | | | | 1 | 3 | | 2 | | 1 | | | | 4 | 1,405 |
| THIRD | | | | | | | | | | | | | | | |
| ABOVE GRADE TOTALS | ROOMS: 10 | BEDROOMS: 4 | BATHROOMS: 2 | 1 | | | | | | | | | | 10 | 2,713 |
| BASEMENT | | | | | | | | | | | | | | | |
| ORDER TOTALS | ROOMS: 10 | BEDROOMS: 4 | BATHROOMS: 2 | 1 | UNIT OF MEASUREMENT: [ ] Sq. M. [X] Sq. Ft. | | | | | | | | | 10 | 2,713 |

BASEMENT FINISHES/UTILITY: No basement.

GARAGES/CARPORTS: Built-in 2 car garage, lined and insulate, electric door opener.
DECKS, PATIOS, OTHER IMPROVEMENTS: Covered front entry (31 sq.ft.) and a partly covered rear patio (99 sq.ft.), open rear patio (195 sq.ft.).

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 good. Interior materials and workmanship are of good overall quality. Layout is functional. Features include: built-in cabinets, hepa-filter, built-in bookshelves, quartz kitchen countertops & soft close drawers, large walk-in closet & soaker tub. No inadequate equipment and amenities are noted. No physical and/or functional inadequacies (deferred maintenance) are known to exist.

# RESIDENTIAL APPRAISAL REPORT

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## HIGHEST AND BEST USE

LAND VALUE AS IF VACANT: $ na SOURCE OF DATA: Not applicable - Strata 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, as if vacant and as improved.

## DIRECT COMPARISON APPROACH

| | SUBJECT | COMPARABLE NO. 1 Description | $ Adjustment | COMPARABLE NO. 2 Description | $ Adjustment | COMPARABLE NO. 3 Description | $ Adjustment |
|---|---|---|---|---|---|---|---|
| | 610 Glenwood Avenue Kelowna, BC V1Y5M3 | 432 Birch Avenue Kelowna, BC V1Y5G8 | | 570 Levitt Lane Kelowna, BC V1Y9Y1 | | 1749 KLO Road Kelowna, BC V1W3P3 | |
| PROXIMITY (KMS) | | 0.55 | | 0.32 | | 2.72 | |
| SOURCE / MLS # | Other #116931 | MLS #109330 | | MLS #117780 | | MLS #110433 | |
| DATE OF SALE | | 20-Jan-2016 | 53,000 | 28-Jun-2016 | | 27-Feb-2016 | 40,000 |
| SALE PRICE | $ 650,000 | $ 590,000 | | $ 663,000 | | $ 536,000 | |
| DAYS ON MARKET | 76 | 36 | | 35 | | 34 | |
| LOCATION | Kelowna South | Kelowna South | | Kelowna South | | Kelowna South | |
| SITE SIZE | 0.106 acres | .099 acres | -40,000 | .09 acres | | .12 acres | 40,000 |
| BUILDING TYPE | Semi-Detached; | Semi-Detached; | | Detached; | | Semi-Detached; | |
| DESIGN/STYLE | 2-Storey | 2-Storey | | 2-Storey | | 2-Storey | |
| AGE (YRS) / CONDITION | 2 / Good | 6 / Good | 20,000 | 10 / Good | -20,000 | 0 / Good | 10,000 |
| LIVEABLE FLOOR AREA | 2,713 sq.ft. | 2,335 sq.ft. | 26,460 | 2,590 sq.ft. | 9,840 | 2,220 sq.ft. | 39,440 |
| ROOM-COUNT (Total / Bdrms / Baths Full / Half) | 10 / 4 / 2 / 1 | 8 / 4 / 2 / 1 | | 10 / 4 / 4 / 1 | -5,000 | 11 / 5 / 3 / 1 | -2,500 |
| BASEMENT SIZE | 0 sq.ft. | 0 sq.ft. | | 0 sq.ft. | | 820 sq.ft. | |
| BASEMENT | Slab on grade | Crawl space | | Slab on grade | | 820-820fin. | -24,600 |
| PARKING | 2 Attached; | 2 Attached; | | 1 Attached; | 10,000 | 2 Attached; | |
| Extras | Ap,fp,ca,vc | Ap,2fp,ca | | Ap,fp,ca,vc,u.ste | -5,000 | Ap | 4,000 |
| Landscaping | Average | Average | | Average | | Average | |
| ADJUSTMENTS (Gross %, Net %, Dollar) | | 23.6 % 10.1 % | $ 59,460 | 7.5 % -1.5 % | $ 10,160 | 30.0 % 19.8 % | $ 106,340 |
| ADJUSTED VALUES | | $ | 649,460 | $ | 652,840 | $ | 642,340 |

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

Index 1 to 3 represent recent sales of strata properties in the Kelowna South area.

Adjustments are employed to improve their comparability to the subject property. Adjustments are considered to be necessary for market conditions (time) where applicable and are based on the median single family dwelling selling price statistics provided by OMREB. 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. Gross living area adjustments are based on size and design differences.

Index 1 is a strata half duplex which is located on the west side of Pandosy Street, a superior location which is made in the site size category. It is older and inferior in quality. Although this property is slightly over 6 months old it is used due since it is the best available and is most similar to the subject property.
Index 2 is superior in detached residence type which more than offsets its older age. This adjustment is made in the age/condition category.
Index 3 is superior in location on a busy arterial route. It is inferior in quality which more than offsets its superior age.

Indices 1 and 3 are most similar in semi-detached property type. Index 2 has the lowest gross percentage adjustments. The pending offer of $650,000 falls in the range of the adjusted comparable sales evidence and is considered to be market value.

**ESTIMATED VALUE BY THE DIRECT COMPARISON APPROACH** (rounded): [X] AS-IS: $ 650,000 [ ] AS-COMPLETE: $

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## SALES HISTORY

Subject property has been listed and not sold in the past 12 months: ☐ Yes ☒ No

ANALYSIS OF KNOWN CURRENT AGREEMENTS FOR SALE, OPTIONS, LISTINGS OR MARKETING OF THE SUBJECT: (minimum of one year) The Okanagan Mainline Real Estate Board indicates the subject property was recently listed on 05/010/2016 for $729,000. The price was reduced to $699,000 on 05/25/16, reduced again to $679,000 on 06/17/16 and further reduced to $669,000 on 07/14/16. The current offer is reported to be $650,000.

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

| Previous Sale Date | Previous Sale Price: $ | Source |
|---|---|---|
| 19-Jun-2014 | 523,950 | MLS 10083356. Sale price includes GST. |
| | | |
| | | |

Comments: No other sales are known to exist.

## EXPOSURE TIME

EXPOSURE TIME RANGE (DAYS): 0 – 90

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 3 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 has not been completed due to insufficient vacant land information.

**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** 25-Jul-2016 (Effective Date of the Appraisal) **IS ESTIMATED TO BE** ☒ **AS-IS: $** 650,000 ☐ **AS-COMPLETE: $**

**THIS REPORT WAS COMPLETED ON:** 25-Jul-2016

## 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

# RESIDENTIAL APPRAISAL REPORT

CLIENT REF #: 3168171

SOLIDIFI ORDER #: OR0668147 — 610 Glenwood Avenue — APPRAISER FILE #: 1607-BEN-bf

## 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: 610 Glenwood Avenue CITY: Kelowna PROVINCE: BC POSTAL CODE: V1Y5M3

LEGAL DESCRIPTION: Lot 1, Plan EPS1367, DL 14, LD 41, ODYD, Roll 214.88067

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

AS AT 25-Jul-2016 (Effective date of the appraisal) IS ESTIMATED TO BE [X] AS-IS: $ 650,000 [ ] AS-COMPLETE: $

| **APPRAISER** | | **CO-SIGNING AIC APPRAISER (if applicable)** | |
|---|---|---|---|
| SIGNATURE: | | SIGNATURE: | |
| NAME: | Brad Farrell | NAME: | |
| AIC DESIGNATION (or Member Status): | CRA; | AIC DESIGNATION: | |
| AIC MEMBERSHIP #: | 600401 | AIC MEMBERSHIP #: | |
| DATE SIGNED: | 25-Jul-2016 | DATE SIGNED: | |
| PERSONALLY INSPECTED THE SUBJECT PROPERTY: | [ ] YES [X] NO | PERSONALLY INSPECTED THE SUBJECT PROPERTY: | [ ] YES [ ] NO |
| DATE OF INSPECTION: | 25-Jul-2016 | 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 [X] NARRATIVE [X] PHOTOGRAPHS [ ] BUILDING SKETCH

[X] MAPS [ ] COST APPROACH [ ] INCOME APPROACH [X] Comp.Photos [ ] [ ]

# RESIDENTIAL APPRAISAL REPORT - COST APPROACH ADDENDUM

CLIENT REF #: 3168171

SOLIDIFI ORDER #: OR0668147 | 610 Glenwood Avenue | APPRAISER FILE #: 1607-BEN-bf

**CLIENT**


**CLIENT:** Scotiabank Mortgage Authority
ATTENTION:
ADDRESS: 675 Cochrane Drive, 6th Floor
Markham, ON L3R0B8
E-MAIL:
PHONE: 905-530-2085 FAX:


**APPRAISER**


**APPRAISER:** Brad Farrell
COMPANY: Appraisal West Real Estate Corp.
ADDRESS: Box 30001 RPO Glenpark, Kelowna, B.C. V1V2M4
E-MAIL: brad@appraisalwest.com
PHONE: 250-861-3101 FAX: 250-979-0094


**COST APPROACH**

**LAND VALUE** SOURCE OF DATA $ na

**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) | 2,713 | @ $ | $ 0 | $ |
| Basement | | @ $ | $ | $ |
| Garages/Carports | | @ $ | $ | $ |
| | | @ $ | $ | $ |
| | | @ $ | $ | $ |
| | | @ $ | $ | $ |
| OTHER EXTRAS | | | $ | $ |
| | | | $ | $ |
| | | | $ | $ |
| | | | $ | $ |
| | | | $ | $ |
| | | | $ | $ |
| TOTAL REPLACEMENT COST | | | $ 0 | |
| **ACCRUED DEPRECIATION:** | 4.0 % | | $ 0 | $ 0 |
| DEPRECIATED VALUE OF THE IMPROVEMENTS | | | | $ 0 |
| CONTRIBUTORY VALUE OF THE SITE IMPROVEMENTS | | | | $ |
| INDICATED VALUE | | | | $ 0 |

**VALUE BY THE COST APPROACH** (rounded) ☐ AS-IS: $ ☐ 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:

# ADDENDUM

| | | |
|---|---|---|
| Borrower: Taralynn & Diane Bennet | | File No.: 1607-BEN-bf |
| Property Address: 610 Glenwood Avenue | | Case No.: |
| City: Kelowna | Province: BC | Postal Code: V1Y5M3 |
| Lender: Scotiabank Mortgage Authority | | |

**Site Comments**

The subject site is internally located on the north side of Glenwood Avenue in the Kelowna South district. The fully landscaped site includes lawn, shrubs, plants, shed, rear yard cedar fencing and an underground sprinkler system. 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**

The scope of this market value appraisal report encompasses the following: physical inspection of the subject property, overview of the subject neighbourhood, application of the Direct Comparison Approach to estimate the subject's market value based on the highest & best use conclusions herein & research into physical & economic factors that could affect the property. The MLS sales are not normally inspected nor verified unless there is reason to doubt their accuracy. Interior & exterior photographs from the Okanagan Mainline Real Estate Board (OMREB) were utilized where possible. If required, attendance at or discussions with regulatory offices regarding data pertinent to the assignment. Data sources utilized for valuation purposes incl. the following: BC Assessment info., (OMREB), City of Kelowna, Regional District of Central Okanagan, Appraisal West Databank & appraisal/real estate sources familiar with the local real estate market. No attempt to obtain a title search for the subject property was made. Market data has been verified from the information provided by OMREB & if not, a party associated with the transaction.

## SUBJECT PROPERTY PHOTO ADDENDUM

| | | |
|---|---|---|
| Borrower: Taralynn & Diane Bennet | | File No.: 1607-BEN-bf |
| Property Address: 610 Glenwood Avenue | | Case No.: |
| City: Kelowna | Prov.: BC | P.C.: V1Y5M3 |
| Lender: Scotiabank Mortgage Authority | | |

**FRONT VIEW OF SUBJECT PROPERTY**

Appraised Date: July 25, 2016
Appraised Value: $

**REAR VIEW OF SUBJECT PROPERTY**

**STREET SCENE**

## INTERIOR PHOTOS

| | | |
|---|---|---|
| Borrower: Taralynn & Diane Bennet | | File No.: 1607-BEN-bf |
| Property Address: 610 Glenwood Avenue | | Case No.: |
| City: Kelowna | Prov.: BC | P.C.: V1Y5M3 |
| Lender: Scotiabank Mortgage Authority | | |

**Kitchen**

Comment:

**Living Area**

Description:

Comment:

**Bathroom**

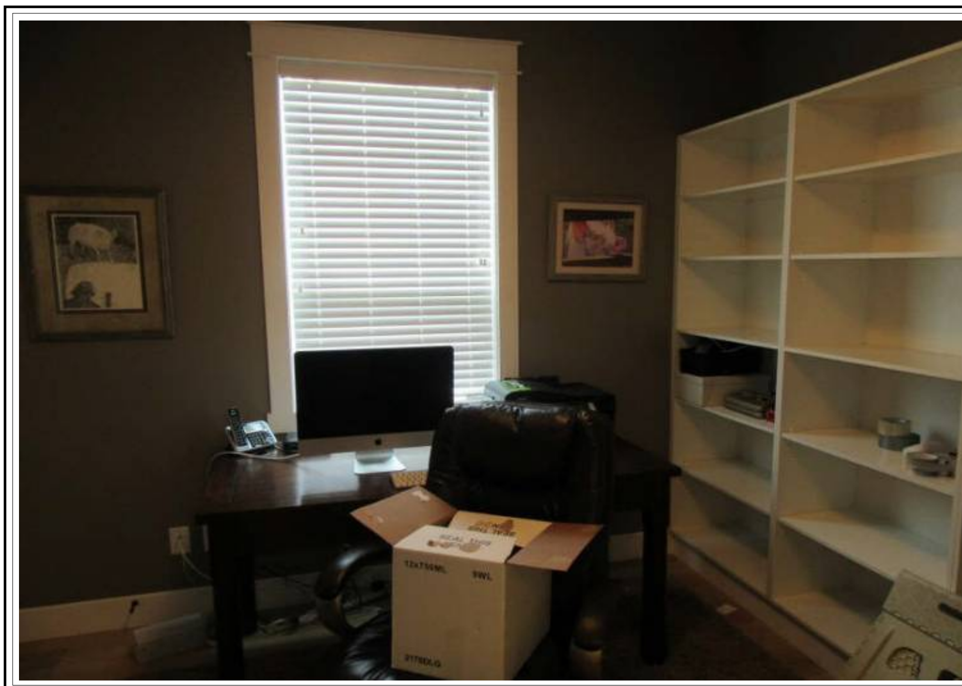
Description:

Comment:

| | | | |
|---|---|---|---|
| Borrower: Taralynn & Diane Bennet | | File No.: 1607-BEN-bf | |
| Property Address: 610 Glenwood Avenue | | Case No.: | |
| City: Kelowna | Prov.: BC | | P.C.: V1Y5M3 |
| Lender: Scotiabank Mortgage Authority | | | |

Dining Room

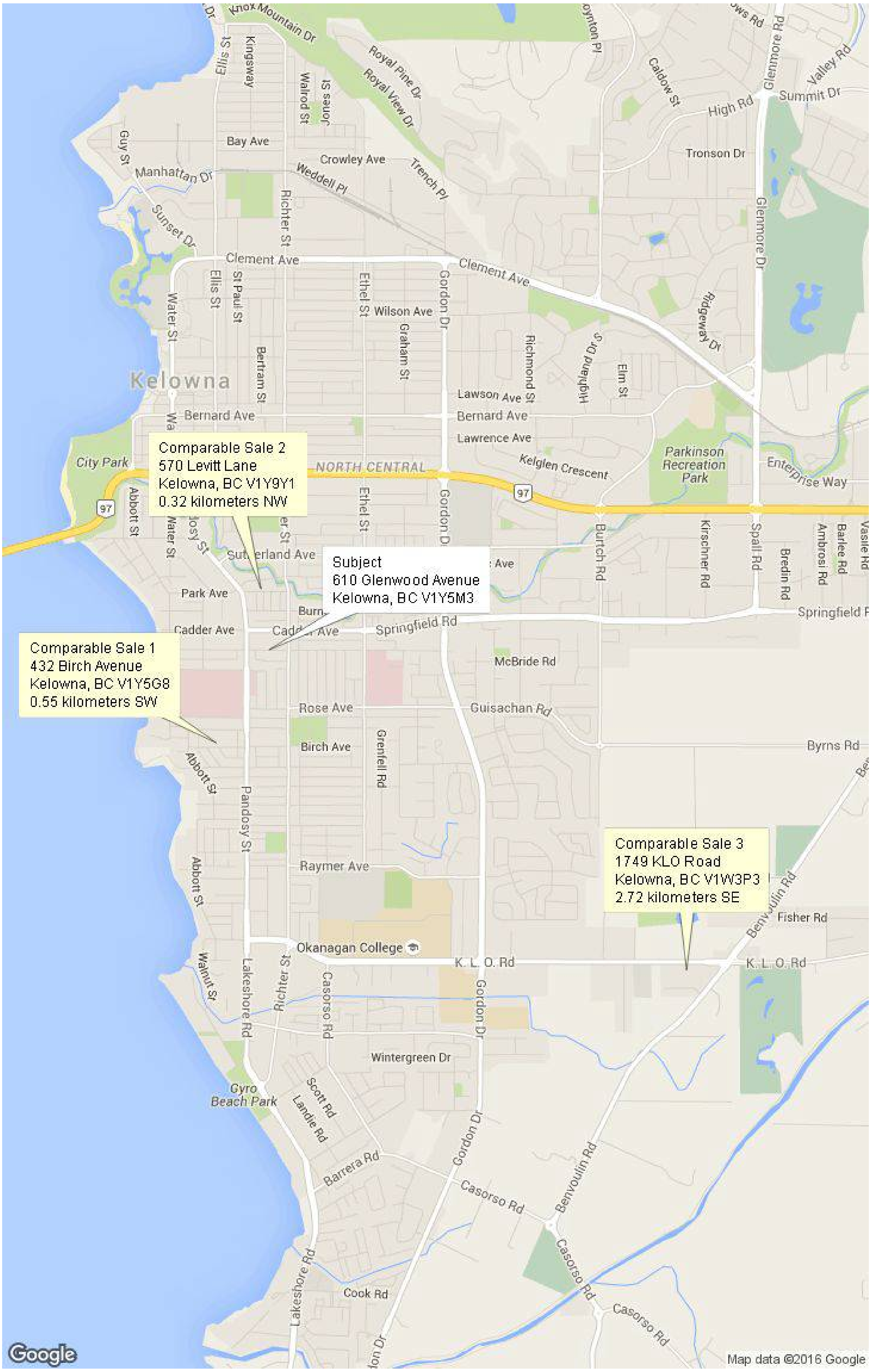
Family Room



Office

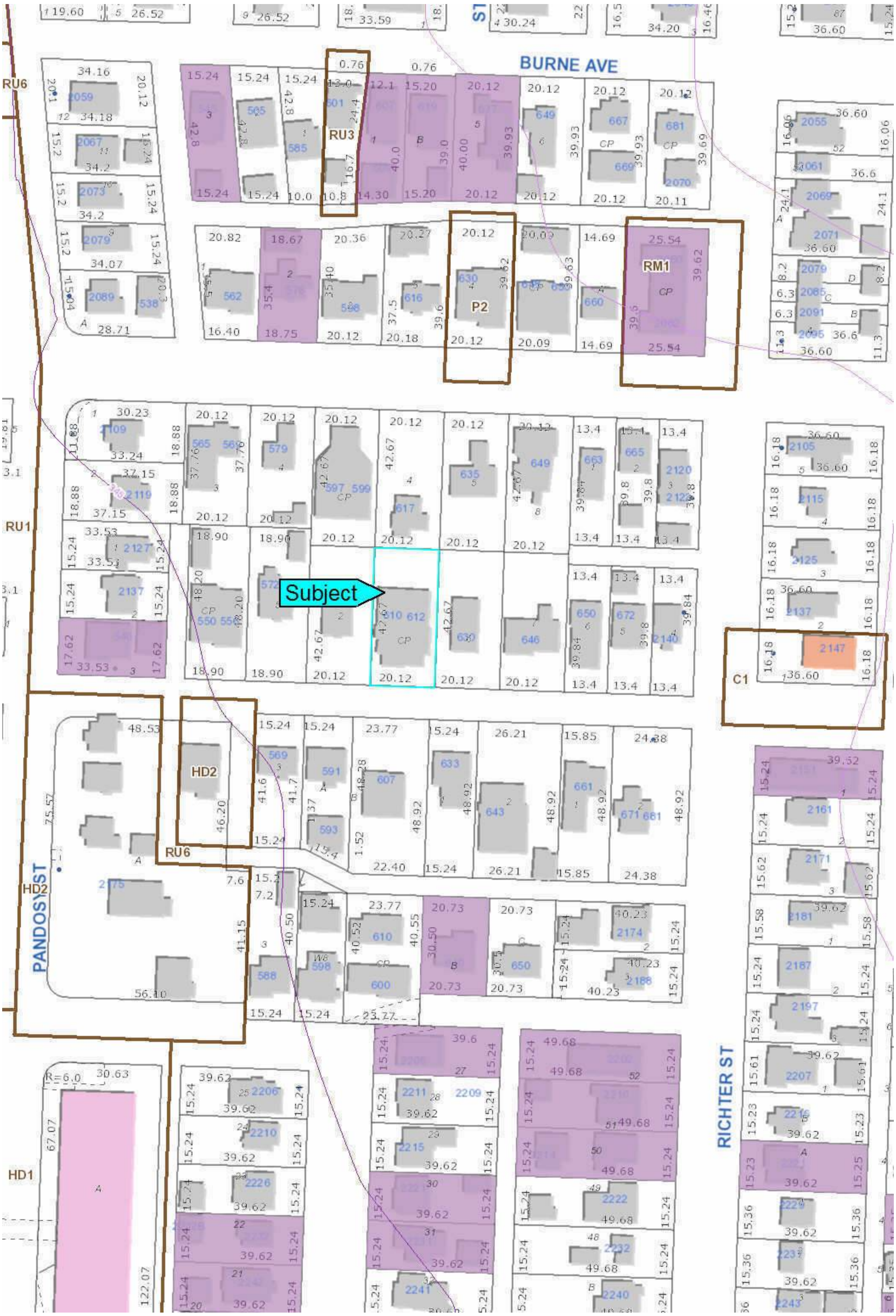
## LOCATION MAP

| | | | |
|---|---|---|---|
| Borrower: Taralynn & Diane Bennet | | File No.: 1607-BEN-bf | |
| Property Address: 610 Glenwood Avenue | | Case No.: | |
| City: Kelowna | Prov.: BC | | P.C.: V1Y5M3 |
| Lender: Scotiabank Mortgage Authority | | | |



Site Map

| | | | |
|---|---|---|---|
| Borrower: Taralynn & Diane Bennet | | File No.: 1607-BEN-bf | |
| Property Address: 610 Glenwood Avenue | | Case No.: | |
| City: Kelowna | Prov.: BC | | P.C.: V1Y5M3 |
| Lender: Scotiabank Mortgage Authority | | | |



## COMPARABLE PROPERTY PHOTO ADDENDUM

| | | |
|---|---|---|
| Borrower: Taralynn & Diane Bennet | | File No.: 1607-BEN-bf |
| Property Address: 610 Glenwood Avenue | | Case No.: |
| City: Kelowna | Prov.: BC | P.C.: V1Y5M3 |
| Lender: Scotiabank Mortgage Authority | | |

**COMPARABLE SALE #1**

432 Birch Avenue
Kelowna, BC V1Y5G8
Sale Date: 20-Jan-2016
Sale Price: $ 590,000

**COMPARABLE SALE #2**

570 Levitt Lane
Kelowna, BC V1Y9Y1
Sale Date: 28-Jun-2016
Sale Price: $ 663,000

**COMPARABLE SALE #3**

1749 KLO Road
Kelowna, BC V1W3P3
Sale Date: 27-Feb-2016
Sale Price: $ 536,000