

Appraisal

OF

2647 CEDAR DR
Surrey, BC V4A3K7

AS OF

Nov/24/2012

PREPARED FOR

HSBC Bank of Canada
C/O Contract Settlement Services, 39 Wynford Drive
Toronto ON M3C 3K5

PREPARED BY

Arun Sachdevs
Canadian Home Appraisals
302-30721 Simpson Road
Abbotsford, BC V2T 6Y7



| | | | | | |
|--------|------------|--|-----------|------------|--|
| CLIENT | CLIENT: | HSBC Bank of Canada | APPRAISER | APPRAISER: | Arun Sachdeva |
| | ATTENTION: | | | COMPANY: | Canadian Home Appraisals |
| | ADDRESS: | C/O Contract Settlement Services, 39 Wynford Toronto ON M3C 3K5 | | ADDRESS: | 302-30721 Simpson Road Abbotsford, BC V2T 6Y7 |
| | EMAIL: | | | EMAIL: | arun_sachdeva@canadianhomeappraisals.com |
| | TELEPHONE: | 877-658-8255 FAX | | TELEPHONE: | 604.853.2127 FAX: 604.853.2144 |

Nov/24/2012

C/O 39 Wynford Drive
Toronto, ON M3C 3K5

Address of Property: 2847 CEDAR DR, Surrey, BC V4A3K7

Market Value: \$ 1,625,000

In accordance with your request and authorization, an investigation, analysis and appraisal report on the above described property has been completed for the purpose of estimating the Market Value.

After careful consideration of all the factors that affect value, the market value was estimated to be as referenced above.

This estimate is subject to the limiting conditions attached to this appraisal and to which the reader's attention is specifically directed.

The following report presents the basis of all opinions expressed herein.

The information contained herein should be sufficient for your purposes. Should you require further information or clarification as to any portion of this report, please contact me.

Any use which a third party makes of this report, or any reliance, or decisions based on it, are the responsibility of such third parties. The appraiser and /or it's employees accepts no responsibility for damages, if any, suffered by any third party as a result of decisions made or actions taken based on this report.

The following report has been completed for the above mentioned client and as noted, is for their intended use only. This report is not to be used for any other purpose other than the purpose it was originally intended for. This report is a confidential document and is not to be used for statistical purposes, information analysis or added to a database. Violators are subject to remedies available to the appraiser under the copyright laws of Canada.

I certify that I have no interest, present or contemplated in the property appraised.

Signature: 

Name: Arun Sachdeva
Designation: CRA

Report provided by Contract Settlement Services
RESIDENTIAL APPRAISAL REPORT

Form Reference No. 12-02866

Order ID: 2192764

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|---------------|---|------------------|---|
| CLIENT | CLIENT: <u>HSBC Bank of Canada</u> | APPRAISER | APPRAISER: <u>Arun Sachdeva</u> |
| | ATTENTION: | | COMPANY: <u>Canadian Home Appraisals</u> |
| | ADDRESS: <u>C/O Contract Settlement Services, 39 Wynford Drive</u> <u>Toronto ON M3C 3K5</u> | | ADDRESS: <u>302-30721 Simpson Road</u> <u>Abbotsford, BC V2T 6Y7</u> |
| | EMAIL: | | EMAIL: <u>arun.sachdeva@canadianhomeappraisals.com</u> |
| | PHONE: <u>877-658-8258</u> FAX: | | PHONE: <u>604.853.2127</u> FAX: <u>604.853.2144</u> |

| | |
|----------------|---|
| SUBJECT | NAME: <u>Paul Clarke</u> |
| | PROPERTY ADDRESS: <u>2647 CEDAR DR</u> CITY: <u>Surrey</u> PROVINCE: <u>BC</u> POSTAL CODE: <u>V4A3K7</u> |
| | LEGAL DESCRIPTION: <u>Lot 7 Part NE1/4, Except plan 13765 Block 6 Dist Lot 52 LD 36 Sec.19 Twp.1 Plan3136 NWD. PID 010-895-726.</u> |
| | PURPOSE OF APPRAISAL: To estimate market value or <input type="checkbox"/> Other |
| | INTENDED USE OF APPRAISAL: <u>Mortgage Financing</u> |
| | INTENDED USER (by name or type): <u>By the above noted client and their assignees</u> |
| | REQUESTED BY: <input checked="" type="checkbox"/> Client above <input type="checkbox"/> Other |
| | (THIS APPRAISAL REPORT REPRESENTS THE FOLLOWING VALUE. (if not current, see comments)) <input checked="" type="checkbox"/> Current <input type="checkbox"/> Retrospective <input type="checkbox"/> Prospective |
| | <input type="checkbox"/> Update of original report completed on _____ with an effective date of _____ File No. _____ |
| | PROPERTY RIGHTS APPRAISED: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Cooperative <input type="checkbox"/> Condominium <input type="checkbox"/> Strata Maintenance Fee: \$ _____ See Comments |

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| NEIGHBOURHOOD | IS THE SUBJECT A FRACTIONAL INTEREST, PHYSICAL SEGMENT OR PARTIAL HOLDING? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (if yes, see comments) |
| | MUNICIPALITY AND DISTRICT: <u>City of Surrey</u> |
| | ASSESSMENT: Land \$ <u>751,000</u> Imps \$ <u>409,000</u> Total \$ <u>1,160,000</u> Assessment Date: <u>7/1/11</u> Taxes \$ <u>5,764</u> Year <u>2011</u> |
| | EXISTING USE: <u>Single family dwelling</u> OCCUPIED BY: <u>Owner</u> |
| | HIGHEST AND BEST USE OF SUBJECT PROPERTY: <input checked="" type="checkbox"/> As Improved or <input type="checkbox"/> Other Note: if highest and best use is not the existing use, or not the use reflected in the report, see additional comments |
| | NATURE OF DISTRICT: <input checked="" type="checkbox"/> Residential <input type="checkbox"/> Rural <input type="checkbox"/> Commercial <input type="checkbox"/> Industrial |
| | TREND OF DISTRICT: <input checked="" type="checkbox"/> Improving <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Transition <input type="checkbox"/> Deteriorating |
| | BUILT-UP: <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25% |
| | CONFORMITY Age: <input type="checkbox"/> Newer <input checked="" type="checkbox"/> Similar <input type="checkbox"/> Older |
| | Condition: <input type="checkbox"/> Superior <input checked="" type="checkbox"/> Similar <input type="checkbox"/> Inferior |

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| SITE | SITE DIMENSIONS: <u>N/A</u> | UTILITIES: <input checked="" type="checkbox"/> Telephone <input type="checkbox"/> Sanitary Sewer <input checked="" type="checkbox"/> Septic System <input type="checkbox"/> Municipal Water <input type="checkbox"/> Well |
| | SITE AREA: <u>15376 Sq Ft</u> SOURCE: <u>Municipal Data</u> | FEATURES: <input checked="" type="checkbox"/> Natural Gas <input type="checkbox"/> Storm Sewer <input type="checkbox"/> Open Ditch |
| | TOPOGRAPHY: <u>Slightly sloping</u> | <input checked="" type="checkbox"/> Paved Road <input type="checkbox"/> Sidewalk <input type="checkbox"/> Street Lights <input type="checkbox"/> Gravel Road <input type="checkbox"/> Curbs |
| | CONFIGURATION: <u>Irregular</u> | ELECTRICAL: <input checked="" type="checkbox"/> Overhead <input type="checkbox"/> Underground |
| | ZONING: <u>RH - (Half-Acre Residential)</u> | DRIVEWAY: <input checked="" type="checkbox"/> Private <input type="checkbox"/> Mutual <input type="checkbox"/> None <input type="checkbox"/> Single <input checked="" type="checkbox"/> Double |
| | DOES EXISTING USE CONFORM TO ZONING? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (see comments) | Surface: <u>Asphalt/ Concrete</u> |
| | EASEMENTS: <input checked="" type="checkbox"/> Utility <input type="checkbox"/> Access <input checked="" type="checkbox"/> Other Common easements | PARKING: <input checked="" type="checkbox"/> Garage <input type="checkbox"/> Carport <input checked="" type="checkbox"/> Driveway <input type="checkbox"/> Street |
| | COMMENTS: (includes any positive and negative features such as conformity with zoning, effects of known easements, known restrictions on title, such as judgments or liens, effects of accretion, any known documentation of environmental contamination, etc.) <u>Subject site is situated on a quiet street close to a beach. Site is improved with a Single family dwelling, a detached exercise room and a storage shed. Street has an average curb appeal. Immediate neighbourhood has been improved with mixed ages, design and style single family dwellings.</u> | LANDSCAPING: <input checked="" type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor |
| | | CURB APPEAL: <input checked="" type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor |

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| IMPROVEMENTS | CONSTRUCTION COMPLETE: <u>Yes</u> PERCENTAGE COMPLETE: <u>100%</u> |
| | YEAR BUILT (estimated): <u>1950</u> EFFECTIVE AGE: <u>7 yrs</u> REMAINING ECONOMIC LIFE (estimated): <u>53</u> years |
| | FLOOR AREA: <input type="checkbox"/> Sq. M. <input checked="" type="checkbox"/> Sq. Ft. |
| | MAIN: <u>980</u> BUILDING TYPE: <u>Detached</u> ROOFING: <u>Asphalt Shingle</u> |
| | SECOND: <u>1,142</u> DESIGN STYLE: <u>3-Level Split</u> Condition: <input checked="" type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor |
| | THIRD: <u>1,278</u> CONSTRUCTION: <u>Frame - Wood</u> EXTERIOR FINISH: <u>Stone veneer/ Stucco/ Wood</u> |
| | FOURTH: _____ BASEMENT: <u>Crawl Space</u> Condition: <input checked="" type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor |
| | TOTAL: <u>3,400 Sq Ft</u> BASEMENT AREA: <input type="checkbox"/> Sq. M. <input type="checkbox"/> Sq. Ft. % Finished _____ |
| | Source: <u>MLS & Owner</u> WINDOWS: <u>Vinyl - Dual Lite & turn Euro style/ Double glazed</u> |
| | FOUNDATION WALLS: <u>Poured Concrete</u> UFR APPARENT: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Removed |

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|---------------------|--|---|--|--|
| IMPROVEMENTS | BEDROOMS (B): <u>2</u> Large <u>1</u> 2-piece <u>X</u> Good Drywall <input checked="" type="checkbox"/> Walls <input checked="" type="checkbox"/> Ceilings <input checked="" type="checkbox"/> | BATHROOMS (B): <u>2</u> Average <u>3</u> 3-piece <u>_____</u> Average Plaster <input type="checkbox"/> Walls <input type="checkbox"/> Ceilings <input type="checkbox"/> | INTERIOR FINISH: <u>_____</u> <input type="checkbox"/> Walls <input type="checkbox"/> Ceilings <input type="checkbox"/> | CLOSET: <input checked="" type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor |
| | Small <u>1</u> 4-piece <u>_____</u> Fair <input type="checkbox"/> Walls <input type="checkbox"/> Ceilings <input type="checkbox"/> | 5-piece <u>_____</u> Poor <input type="checkbox"/> Walls <input type="checkbox"/> Ceilings <input type="checkbox"/> | INSULATION: <input checked="" type="checkbox"/> Ceiling <input checked="" type="checkbox"/> Walls <input type="checkbox"/> Basement <input checked="" type="checkbox"/> Crawlspace | Room: <u>Assumed</u> |
| | FLOORING: <u>Wide plank hardwood/ W/w carpet/ Hardwood/ Ceramic</u> | ELECTRICAL: <input type="checkbox"/> Fuses <input checked="" type="checkbox"/> Breakers | Estimated rated capacity of main panel: <u>100</u> amps | PLUMBING LINES: <u>Mixed</u> |
| | HEATING SYSTEM: <u>Hot Water (Baseboard) Fuel type: Natural gas</u> | WATER HEATER: Type <u>+</u> 50 Gallons (US) / Natural gas | BASEMENT FINISH-UTILITY: <u>Crawl space (not accessed)</u> | FLOOR PLAN: <input checked="" type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor |
| | GARAGES/CARPORTS: <u>Built-in double garage at front.</u> | DECKS, PATIOS, OTHER IMPROVEMENTS: <u>See attached addendum.</u> | COMMENTS: (Building, appearance, quality, condition, services, extras, anticipated public or private improvements, etc.) <u>See attached Addendum.</u> | SULLY INS/EXTRAS: <input checked="" type="checkbox"/> Garbage Disposal <input type="checkbox"/> Central Air <input type="checkbox"/> Swimming Pool <input checked="" type="checkbox"/> Fireplace(s) |
| | | | | Other: <input type="checkbox"/> Oven <input type="checkbox"/> Air Cleaner <input type="checkbox"/> Sump <input checked="" type="checkbox"/> Garage Opener <input checked="" type="checkbox"/> Dishwasher |
| | | | | <input checked="" type="checkbox"/> Vacuum <input type="checkbox"/> Solum <input checked="" type="checkbox"/> Security System <input type="checkbox"/> Stone <input type="checkbox"/> Whirlpool |
| | | | | <input checked="" type="checkbox"/> Inlays <input type="checkbox"/> HR Ventiler <input type="checkbox"/> |
| | | | | OVERALL INT. COND: <input checked="" type="checkbox"/> Good <input type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor |

Report provided by Centrac Settlement Services
RESIDENTIAL APPRAISAL REPORT

Firm Reference No. 12-02856

Order ID: 2182764

| LEVEL | MAIN | SECOND | THIRD | BASEMENT | SOURCE OF COST DATA: <input type="checkbox"/> MANUAL <input type="checkbox"/> CONTRACTOR <input type="checkbox"/> OTHER | | | | |
|-------------|------|-----------|-------|----------|---|------------------|---|---|---|
| | | | | | LAND VALUE | DEPRECIATED COST | | | |
| ENTRANCE | X | X | | | | \$ 1,050,000 | | | |
| LIVING | | 1 | | | | | | | |
| DINING | | 1 | | | | | | | |
| KITCHEN | | 1 | | | | | | | |
| FULL BATH | 1 | | 3 | | | | | | |
| PART BATH | | 1 | | | | | | | |
| BEDROOM | 1 | | 4 | | | | | | |
| FAMILY | | | | | | | | | |
| LAUNDRY | | In closet | | | | | | | |
| OTHER | | | | | | | | | |
| REC ROOM | 1 | | | | | | | | |
| DEN | 1 | | | | | | | | |
| TOTAL ROOMS | | | | | 3 | 3 | 4 | 0 | 0 |

COST APPROACH

| | | |
|----------------------------------|--|--------------|
| LAND VALUE | | \$ 1,050,000 |
| BUILDING COST | 3,400 SqFt @ \$ 162 | \$ 550,800 |
| GARAGE | arage/ Double | \$ 20,000 |
| BASEMENT FINISH | | |
| OTHER EXTRAS | Walks, drives, deck, exercise room, shed, outdoor oven and landscaping | \$ 32,000 |
| TOTAL REPLACEMENT COST | | \$ 550,800 |
| LESS ACCRUED DEPRECIATION | 5.0 % | \$ 27,540 |
| INDICATED VALUE | | \$ 1,625,260 |
| VALUE BY COST APPROACH (rounded) | | \$ 1,625,000 |

NOTE: The residential cost estimates contained herein were not prepared for insurance purposes and are invalid for that use. The Cost Approach is not available when appraising individual strata/condominium type dwelling units.

| SUBJECT | COMPARABLE NO. 1 | | | COMPARABLE NO. 2 | | | COMPARABLE NO. 3 | | |
|------------------------------------|---------------------------------|--------------------------------|--------------------------------|------------------|--------------------------------|---------------|------------------|--|--|
| | Description | \$ Adjustment | Description | \$ Adjustment | Description | \$ Adjustment | | | |
| 2647 CEDAR DR Surrey, BC V4A3K7 | 2522 124 ST Surrey | | 2221 139A ST Surrey | | 13618 24A AVE Surrey | | | | |
| M. S. | F1214869 | | F1217074 | | F1202670 | | | | |
| DATE OF SALE | Sep/18/2012 | | ul/30/2012 | | ul/07/2012 | | | | |
| SALE PRICE | \$ 1,770,000 | | \$ 1,540,000 | | \$ 1,480,000 | | | | |
| DAYS ON MARKET | 113 | | 21 | | 157 | | | | |
| LOCATION | ood | Similar | Inferior | 25,000 | Inferior | 25,000 | | | |
| SITE SIZE | 15376 SqFt | 19253 SqFt -40,000 | 13982 SqFt | 15,000 | 15899 SqFt | | | | |
| BUILDING TYPE | Detached | Detached | Detached | | Detached | | | | |
| DESIGN STYLE | 3- level Split | 2-Storey | Rancher W/ oft | | Rancher W/ oft | | | | |
| AGE/CONDITION | 7 effect d/ Reno | 7 effect d/ Reno Similar | 15 ood | 40,000 | 17 ood | 50,000 | | | |
| LINEAR FLOOR AREA | 3,400 SqFt | 3652 SqFt -13,000 | 3081 SqFt | 16,000 | 2939 SqFt | 23,000 | | | |
| ROOM COUNT | Total: 10 Bdrms, 5 Baths, 4F 1H | Total: 9 Bdrms, 3 Baths, 4F 1H | Total: 9 Bdrms, 3 Baths, 3F 1H | 5,000 | Total: 8 Bdrms, 4 Baths, 3F 1H | 5,000 | | | |
| BASEMENT | Crawl Space | Crawl Space | Crawl Space | | None | | | | |
| PARKING | arage/ Double | arage/ Double | arage/ Double | | arage/ Triple | -10,000 | | | |
| BASEMENT FINISH | N/A | N/A | N/A | | N/A | | | | |
| UTILITY | ood | Similar | Similar | | Similar | | | | |
| SERVICES | Average | Superior -25,000 | Superior -25,000 | | Superior -25,000 | | | | |
| AMENITIES | ood | Similar | Similar | | Similar | | | | |
| SUITES | No suite | No suite | No suite | | No suite | | | | |
| ENCLOSURES | Similar | Similar | Similar | | Similar | | | | |
| EXTRAS | Decks, outdoor oven | Deck, s/ pool, hot-tub -40,000 | Patio, sauna, 10,000 | | Patio | 20,000 | | | |
| | gym room, shed | gym room, media, shed | sprinklers, shed | | | | | | |
| ADJUSTMENTS (Detailed) | -6.7 N -6.7 | \$ -118,000 | 8.8 N 8.8 | \$ 86,000 | -10.7 N 5.9 | \$ 88,000 | | | |
| ADJUSTED VALUES | \$ 1,852,000 | \$ 1,626,000 | \$ 1,568,000 | | \$ 1,568,000 | | | | |

DIRECT COMPARISON APPROACH

CONCLUSIONS: Subject is a 3- level Split dwelling with a coach house above garage. We have attempted to include similar dwellings, however since they compose a smaller percentage of the market it tends to reason there will be few available for sales analysis, which is what we have found to be the case in our search for comparatives. Due to lack of recent sales of similar 3- level Split properties in the subject neighbourhood comparatives have been chosen from the dwellings that are not 3- level Split but 2-Storey and rancher/ Bungalow W/ oft dwellings located in the subject general area. They are chosen because of their similarity to the subject in terms of utility and overall amenities they provide.

In order to arrive at a market value for the subject property a number of listings and sales in the area were analyzed with the three most pertinent and recent sales indicated in the direct comparison approach above.

SALES HISTORY - ANALYSIS OF KNOWN CURRENT AGREEMENTS FOR SALE, PRIOR SALES, OPTIONS, LISTINGS OR MARKETING OF THE SUBJECT (minimum of three years)
 Subject was listed for sale on January 9, 2009 for \$1,320,000. Status - Terminated after 56 days of marketing period. listed on March 6, 2009 for \$1,100,000 and sold on March 19, 2009 for \$1,085,000 after 13 days of marketing period. House has been renovated after this sale.

VALUE BY THE DIRECT COMPARISON APPROACH (rounded): \$ 1,625,000

EXPOSURE TIME

COMMENT ON REASONABLE EXPOSURE TIME: Our final value conclusion is based on the assumption of a 90 day marketing period prior to the effective date of this appraisal. Within this assumption we have assumed that the property would have been marketed on an M. S. system and properly exposed to potential purchasers. Exposure time is always presumed to precede the effective date of the appraisal. It may be defined as: The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of the sale at market value on the effective date of the appraisal - a retrospective estimate based upon an analysis of the past events assuming a competitive and open market.

RECONCILIATION

RECONCILIATION AND FINAL ESTIMATE OF VALUE: greatest weight is given to the direct comparison approach as it best reflects the behaviour of purchasers of residential property. The cost approach is utilized as support for the final value conclusion however is given limited weight in the reconciliation process.

AS A RESULT OF MY APPRAISAL AND ANALYSIS OF ALL APPLICABLE DATA AND RELEVANT FACTORS, IT IS MY CONCLUSION THAT THE VALUE OF THE INTEREST IN THE SUBJECT PROPERTY AS AT Nov/24/2012 (Effective date of Appraisal) IS \$ 1,625,000

THIS REPORT WAS COMPLETED ON: Nov/24/2012

Report provided by Contract Settlement Services
RESIDENTIAL APPRAISAL REPORT

Form Reference No. 12-02866

Order ID 2102764

| | |
|--|---|
| DEFINITIONS | <p>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.</p> <p>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 sale concessions granted by anyone associated with the sale.</p> <p>(Source: Canadian Uniform Standards of Professional Appraisal Practice) <i>Note: If other than market value is being appraised, see additional comments.</i></p> <p>DEFINITION OF HIGHEST AND BEST USE: The most reasonably probable and legal use of the property, that is physically possible, appropriately supported, and financially feasible, and that results in the highest value.</p> |
| SCOPE | <p>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 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 provided the reason for the exclusion of any usual valuation procedures.</p> |
| ASSUMPTIONS AND LIMITING CONDITIONS AND EXTRAORDINARY ITEMS | <p>ORDINARY ASSUMPTIONS & LIMITING CONDITIONS The valuation that appears in this appraisal report is subject of the following conditions:</p> <ol style="list-style-type: none"> 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. Disposal by all interested users is assumed. 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. 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. The subject property is presumed to comply with government regulations including zoning, building and health regulations and, if it does not comply, it's non-compliance may affect the market value. 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 locating the property. 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 before hand. Such arrangements will include, but not necessarily be limited to, adequate time to review the appraisal report and state raised therein and the provision of appropriate compensation. 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 title, physical structure, mechanical or other operating systems, its foundation, etc.) or adverse environmental conditions (in 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 become 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 guarantee or warranties, expressed or implied, regarding the condition of the property, and will not be responsible for the accuracy of items that were furnished by other parties. 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 leaks or spills 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 that that party is cautioned to seek 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. The appraiser obtained information, estimates and opinions that were used in the preparation of this report from sources considered to be reliable and accurate and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of items that were furnished by other parties. 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. 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 released in accordance with 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 of any personal information contained herein and shall comply in all matters respects with the contents of the appraiser's privacy policy. 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. 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, liability is assumed to its 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 converted to other parties, including mortgagees (other than the client) and the public through prospectus, offering memoranda, advertising, public relations, news, sales or other media. If transmitted electronically, this report will contain digitally signed and secured with personal passwords to lock the appraisal file. Due to the possibility of digital modification, only originally signed reports and their reports sent directly by the appraiser, can be relied upon without fault. <p>Other: _____</p> <p>EXTRAORDINARY ASSUMPTIONS & LIMITING CONDITIONS An extraordinary assumption or limiting condition has been included in this appraisal report. <input type="checkbox"/> YES <input type="checkbox"/> NO If yes, see attached addendum: <u>ADDEND M</u></p> <p>HYPOTHETICAL CONDITIONS A hypothetical condition has been included in this appraisal report. <input type="checkbox"/> YES <input type="checkbox"/> NO If yes, see attached addendum: _____</p> <p>JURISDICTIONAL EXCEPTION A jurisdictional exception has been included in this appraisal report. <input type="checkbox"/> YES <input type="checkbox"/> NO If yes, see attached addendum: <u>RESIDENTIAL APPRAISAL COMMENTS</u></p> |
| CERTIFICATION | <p>I certify that, to the best of my knowledge and belief:</p> <ol style="list-style-type: none"> The statements of fact contained in this report are true and correct. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions and conclusions. I have no past, present or prospective interest or bias with respect to the property that is the subject of this report and no personal interest or bias with respect to the parties involved with this assignment, except as specified herein. My engagement in this assignment is not contingent upon receiving or reporting a predetermined result, upon the amount of value estimate, upon a direction in value that favors the cause of the client upon the attainment of a stipulated result or the occurrence of a subsequent event. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Canadian Uniform Standards of Professional Appraisal Practice. I have the knowledge and experience to complete this assignment competently, no other person has provided me with significant professional assistance in the completion of this appraisal assignment. The Appraisal Institute of Canada has a mandatory Continuing Professional Development Program for all members. As of the date of this report, the requirements of this program have been fulfilled. <p>SUPERVISORY APPRAISERS CERTIFICATION If a supervisory appraiser has 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."</p> <p>PROPERTY IDENTIFICATION ADDRESS: <u>2647 CEDAR DR</u> CITY: <u>Surrey</u> PROVINCE: <u>BC</u> POSTAL CODE: <u>V4A3K7</u> LEGAL DESCRIPTION: <u>of 7 Part NE1/4, Except plan 13766 Block 6 Dist of 52 O 36 Sec 19 Twp 1 Plan 3136 NWD, PID 010-895-728</u></p> <p>AS A RESULT OF MY APPRAISAL AND ANALYSIS OF ALL APPLICABLE DATA AND RELEVANT FACTORS, IT IS MY CONCLUSION THAT THE MARKET VALUE OF THE INTEREST IN THE SUBJECT PROPERTY AS AT <u>Nov/24/2012</u> (Effective date of the appraisal) IS <u>1,625,000</u></p> <p>APPRAISER SIGNATURE: <u>[Signature]</u> NAME: <u>Arjun Sachdeva</u> DESIGNATION: <u>CRA</u> DATE SIGNED: <u>Nov/24/2012</u> DATE OF INSPECTION: <u>Nov/24/2012</u> LICENSE INFO (where applicable): _____</p> <p>SUPERVISORY APPRAISER (if applicable) SIGNATURE: _____ NAME: _____ DESIGNATION: _____ DATE SIGNED: _____ DATE OF INSPECTION: _____ LICENSE INFO (where applicable): _____</p> <p>NOTE: For this appraisal to be valid, an original or a password protected digital signature is required.</p> |
| | <p>ATTACHMENTS:</p> <p><input type="checkbox"/> ADDITIONAL SALES <input type="checkbox"/> EXTRAORDINARY ITEMS ADDENDUM <input type="checkbox"/> NARRATIVE ADDENDUM <input type="checkbox"/> PHOTO ADDENDUM <input type="checkbox"/> SKETCH ADDENDUM</p> <p><input type="checkbox"/> MAP ADDENDUM</p> |

Firm Reference No. 12-02866

PLOT MAP ADDENDUM

Order No. 2192784

Borrower: Paul Clarke

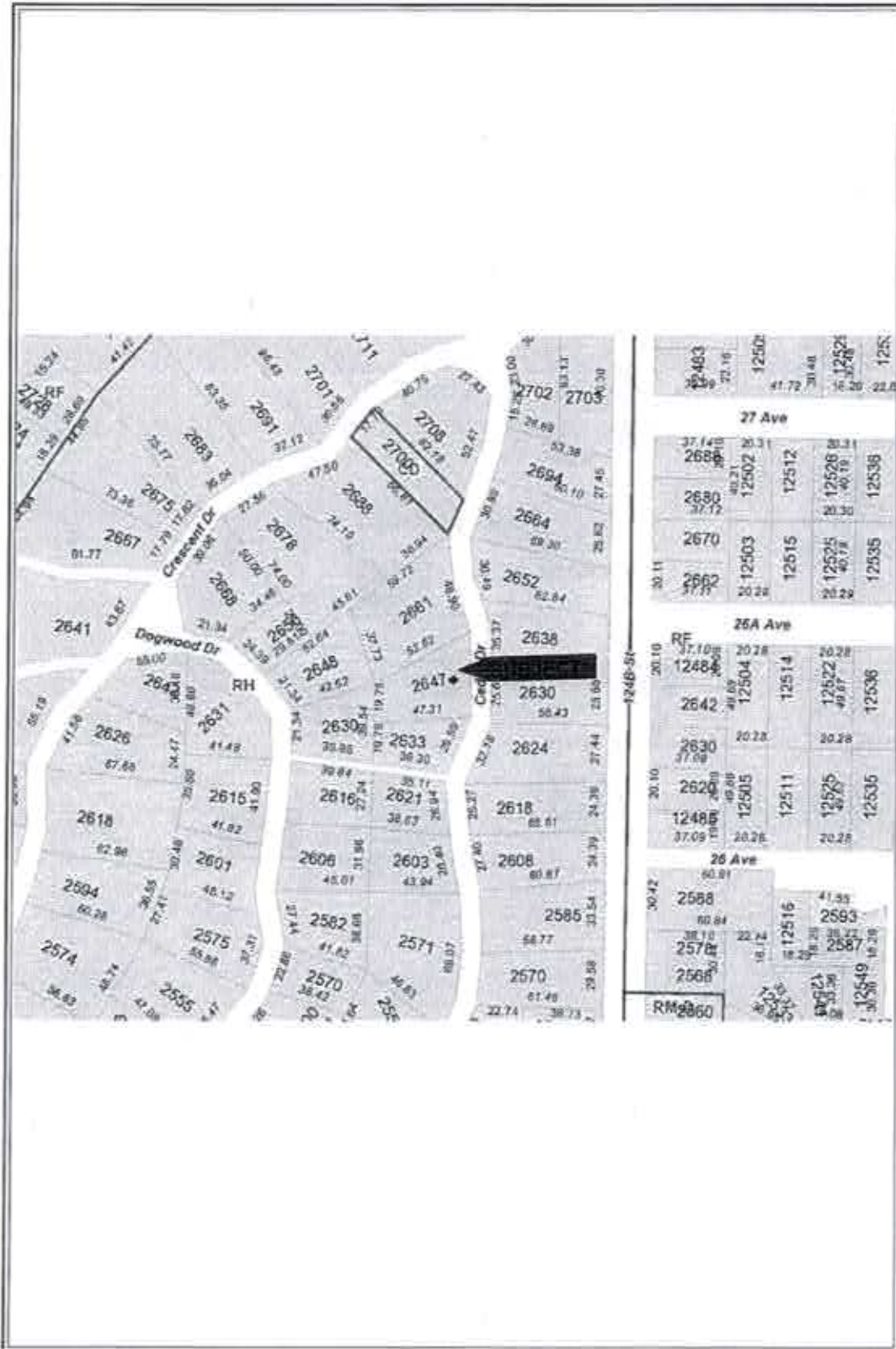
Client: HSBC Bank of Canada

Address: 2547 CEDAR DR

City: Surrey

Province: BC

Postal Code: V4A3K7



Firm Reference No. 12-02886

LOCATION MAP ADDENDUM

Order No. 2182784

Borrower: Paul Clarke

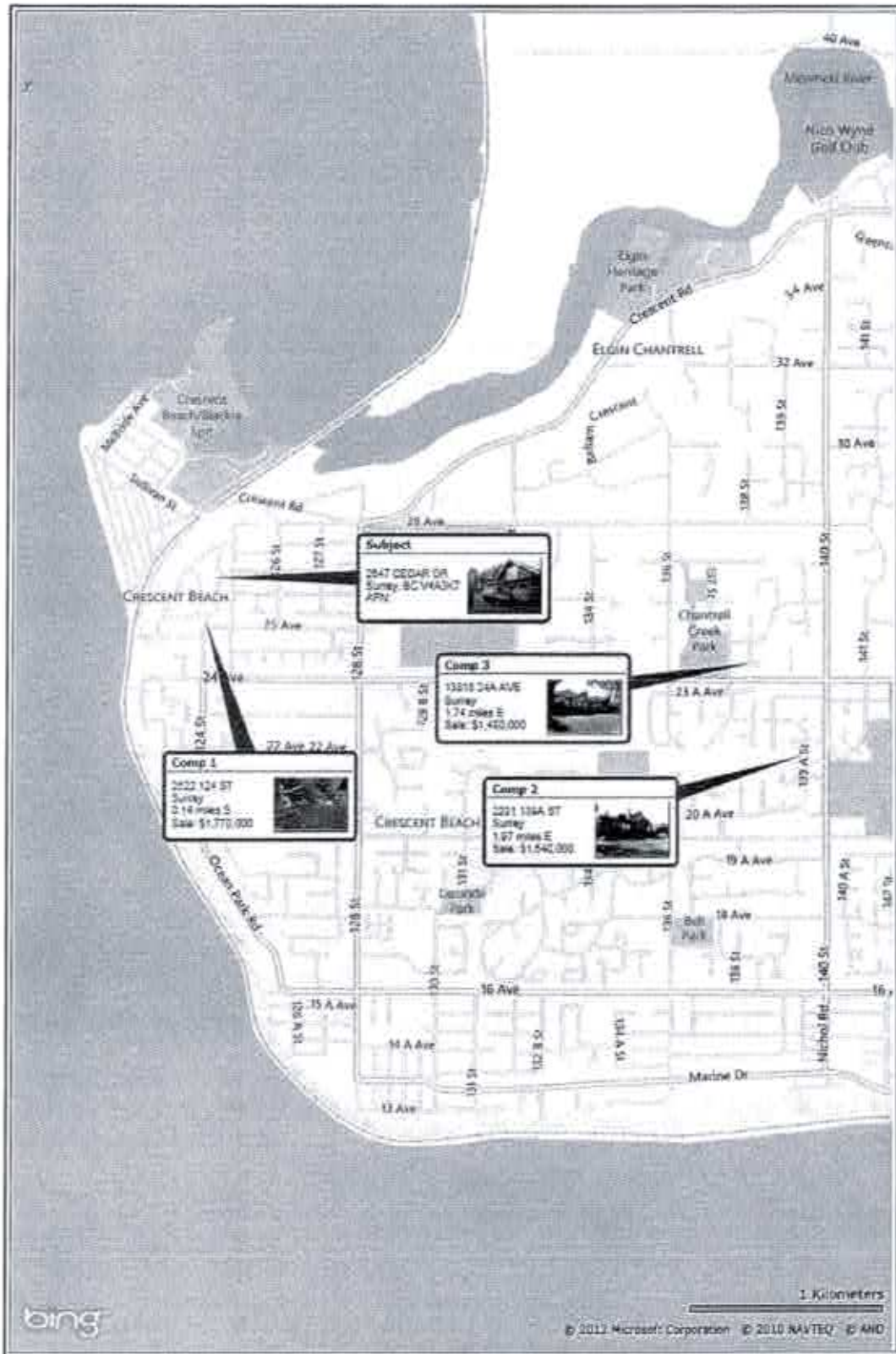
Client: HSBC Bank of Canada

Address: 2647 CEDAR DR

City: Surrey

Province: BC

Postal Code: V4A3K7



Report provided by Contract Settlement Services
**QUALITY CHECK RESULTS -
COMMENTS ADDENDUM**

Firm Reference No. 12-02866

Order No. 2192784

Borrower: Paul Clarke

Client: HSBC Bank of Canada

Address: 2647 CEDAR DR

City: Surrey

Province: BC

Postal Code: V4A3K7

Rule Name: Subject and Comparable Basement
Description: Does the subject property have a basement?
Response: No

Rule Name: Subject and Comparable Basement
Description: You have indicated that the subject property has no basement. Does at least one of the comparables also have no basement?
Response: Yes

Rule Name: Commercial Component
Description: Our review has found a possible reference to the property having a commercial component. Is the property currently being used for commercial purposes?
Response: No

Rule Name: Structural Damage
Description: Our review has found reference to a search term which suggests there may be structural damage. Have you indicated structural damage in the property?
Response: No

Rule Name: Environmental Hazard
Description: Our review has found a reference to the keyword Environment or Environmental. Is there a concern of an environmental hazard on the property?
Response: No
Comment: Please note that appraisers are not experts in environmental matters, and therefore are not qualified to test such substances or conditions. No responsibility is assumed for any such conditions. While our inquiries have not revealed any apparent evidence of presence of hazardous materials or land use that would suggest that an environmental assessment is required.

Rule Name: Leaky Condo
Description: Our review has found a reference to the keywords leaks, moisture, water stain. Is there evidence there are leaks on the property?
Response: No