

March 21, 2017

BDO

620, 903 8th Avenue SW
Calgary, Alberta T2P 0P7
Attn: Craig A. Fryzuk

Dear Mr. Fryzuk:

Re: Base Finance Ltd Properties

Further to the enclosed offers please note that:

- 1) I have not retained a real estate agent. Therefore, as I understand it the real estate charges to the seller will be reduced such that the seller gains the benefit of the savings.
- 2) I will be responsible to evict the occupants of the properties. See provision 2.3 in the enclosed offers as the document presented by your real estate agent called for the seller to provide vacant possession.
- 3) I do not seek the unattached goods although the document presented by your real estate agent allow for it. If available, then I would seek the appliances. However, the offer as presented by your agent is not clear on this point.
- 4) As a condition, there must be adequate Insurance in place until title passes to the buyer to insure against damage caused against the properties by the occupants or others.
- 5) I am ready to close all four transactions as soon as possible and at your direction. I would be happy to discuss this with you.

Please find enclosed formal appraisals that I had conducted on the properties to substantiate the enclosed offers.

Please let me know the date of the court appearance to gain approval of the offers so that I may instruct my lawyer to attend.

I look forward to hearing from you.

Sincerely yours



Darrel Winch
Tel: 403 720 0553
Cell: 403 399 3277

RESIDENTIAL PURCHASE CONTRACT

Between
THE SELLER and **THE BUYER**

Name BDO Canada Limited receiver for Base Finance Ltd Name 2025876 Alberta Ltd
Name and Base Mortgage Ltd Name _____

1. THE PROPERTY

1.1 The Property is:
(a) the land and buildings located at:
Municipal address: 735 55 Ave SW
Calgary, Alberta T2V 0G4
(municipality) (street number and name) (postal code)
Legal description: Plan 3701GA Block 27 Lot 9 Other N/A
~~(b) these unattached goods~~
All unattached goods shall be "as is and where is at the date of possession"

~~(c) the attached goods except for~~
All attached goods shall be "as is and where is at the date of possession"

2. PURCHASE PRICE AND COMPLETION DAY

2.1 The Purchase Price is \$505,000.00
2.2 ~~The Purchase Price includes any applicable Goods and Services Tax (GST).~~
2.3 This contract will be completed, the Purchase Price fully paid and vacant possession given to the buyer at 12 noon on _____, 20____ (Completion Day).
2.4 ~~On Completion Day, the Property will be in substantially the same condition as when this contract was accepted and the attached and unattached goods will be in normal working order.~~

3. GENERAL TERMS

3.1 In fulfilling this contract, the seller and buyer agree to act reasonably and in good faith and agree that:
(a) unless the seller, buyer or both have agreed to alternate representation, the seller and buyer are each represented by their own sole agent and those agents have no agency responsibility to the other party;
(b) the laws of Alberta apply to this contract;
(c) Alberta time applies to this contract. Time is of the essence, which means times and dates will be strictly followed and enforced;
(d) Business Day means every day but Saturday, Sunday and statutory holidays and includes all the hours of the day;
(e) a reference to the seller or buyer includes singular, plural, masculine and feminine;
(f) ~~the seller will disclose known Material Latent Defects. Material Latent Defect means a defect in the Property that is not discoverable through a reasonable inspection and that will affect the use or value of the Property;~~
(g) ~~the seller and buyer are each responsible for completing their own due diligence and will assume all risks if they do not;~~
(h) ~~the seller will ensure the seller's representations and warranties are true by:~~
(i) reviewing documents such as a Real Property Report (RPR), land title and registrations on title;
(ii) determining non-resident status for income tax purposes and determining any dower rights; and
(iii) ~~doing other needed research;~~
(i) the buyer may get independent inspections or advice on items such as land title, registrations on title, RPR, current and future use, buildings and mechanical systems, property insurance, title insurance, size of the land and buildings, interior and exterior measurements and other items important to the buyer;

- (j) contract changes that are agreed to in writing will supersede the pre-printed clauses;
- (k) the seller and buyer will read this contract and seek relevant advice before signing it;
- (l) the brokerages, real estate board and listing services may keep and disclose relevant information about this transaction for reporting, statistical, property evaluation and closing purposes; and
- (m) the Sellers (seller's or buyer's) brokerage will provide this contract and related documents to the appointed lawyers for the purpose of closing this contract.

4. DEPOSITS

- 4.1 The seller and buyer agree that clauses 4.2 through 4.8 are the terms of trust for the deposits.
- 4.2 The seller and buyer appoint DW BDO Canada DW as trustee for the deposit money.
- 4.3 The buyer will pay a deposit of \$ DW \$200,000 DW, which will form part of the Purchase Price, to the trustee by _____, on or before _____ (method of payment).
- 4.4 The buyer will pay an additional deposit of \$ _____, which will form part of the Purchase Price, to the trustee by _____, on or before _____ (method of payment).
- 4.5 If the buyer fails to pay a deposit, as required by this contract, the seller may void this contract at the seller's option by giving the buyer written notice.
- 4.6 The trustee will deposit all deposits into a trust account within three Business Days of receipt.
- 4.7 Interest on the deposits will not be paid to the seller or buyer.
- 4.8 The deposits will be held in trust for both the seller and buyer. Provided funds are confirmed, the deposits will be disbursed, without prior notice, as follows:
 - (a) to the buyer, if after this contract is accepted:
 - (i) a condition is not satisfied or waived in accordance with clause 8.4;
 - (ii) ~~the buyer voids this contract for the seller's failure to provide a Buyer Consent and Acknowledgment form in accordance with clause 7.1(b);~~
 - (iii) ~~the seller voids this contract for the buyer's failure to pay a deposit; or~~
 - (iv) the seller fails to perform this contract;
 - (b) to the seller, if this contract is accepted and all conditions are satisfied or waived and the buyer fails to perform this contract; or
 - (c) applied against the Fee owed by the seller by payment directly out of trust to the brokerage(s); with any excess amount paid in trust to the seller's lawyer no later than three Business Days prior to the Completion Day. Fee means the amount, plus GST, owed to a real estate brokerage under a written service agreement.
- 4.9 A trustee acting under this section will not be liable to the seller or buyer for any loss arising from the disbursement of the deposits.
- 4.10 The disbursement of deposits, as agreed to in this section, will not prevent the seller or buyer from pursuing remedies in section 12.

5. LAND TITLE

- 5.1 Title to the Property will be free of all encumbrances, liens and interests except for:
 - (a) those implied by law;
 - (b) non-financial obligations now on title such as easements, utility rights-of-way, covenants and conditions that are normally found registered against property of this nature;
 - (c) homeowner association caveats, encumbrances and similar registrations; and
 - (d) items the buyer agrees to assume in this contract.

6. REPRESENTATIONS AND WARRANTIES

- 6.1 The seller represents and warrants to the buyer that:
 - (a) the seller has the legal right to sell the Property;
 - (b) ~~the seller is not a non-resident for the purposes of the Income Tax Act (Canada);~~
 - (c) ~~no one else has a legal right to the included attached and unattached goods;~~
 - (d) ~~the current use of the land and buildings complies with the existing municipal land use bylaw and any restrictive covenant on title;~~
 - (e) ~~the location of the buildings and land improvements:~~
 - (i) ~~is on the land and not on any easement, right-of-way or neighbouring lands unless there is a registered agreement on title; and~~
 - (ii) ~~complies with any restrictive covenant on title and municipal bylaws, regulations and relaxations, or the buildings and improvements are "non-conforming buildings" as defined in the Municipal Government Act (Alberta);~~
 - (f) ~~known Material Latent Defects, if any, have been disclosed in writing in this contract; and~~
 - (g) ~~any known government and local authority notices regarding the Property, and known lack of permits for any development on the Property, have been disclosed in writing in this contract.~~

6.2 The representations and warranties in this contract:
 (a) ~~are made as of, and will be true at, the Completion Day; and~~
 (b) ~~will survive completion and may be enforced after the Completion Day as long as any legal action is commenced within the time limits set by the Limitations Act (Alberta).~~

7. DOWER

7.1 The seller represents and warrants to the buyer that no spouse has dower rights in the Property, other than as shown by:
 (a) ~~the non-owner spouse's signature on this contract; and~~
 (b) ~~the seller providing a completed Dower Consent and Acknowledgment form to be attached to and form part of this contract on or before _____, 20____. If the seller fails to provide the completed Dower Consent and Acknowledgment form, the buyer may void this contract at the buyer's option by giving the seller written notice.~~

8. CONDITIONS

8.1 The seller and buyer will:
 (a) act reasonably and in good faith in trying to satisfy their own conditions, including making reasonable efforts to fulfill them; and
 (b) pay for any costs related to their own conditions.

8.2 Buyer's Conditions

The buyer's conditions are for the benefit of the buyer and are:

(a) Financing

This contract is subject to the buyer securing new financing, not to exceed _____% of the Purchase Price from a lender of the buyer's choice and with terms satisfactory to the buyer, before _____, m. on _____, 20____ (Condition Day). The seller will cooperate by providing access to the Property on reasonable terms.

(b) Property Inspection

This contract is subject to the buyer's satisfaction with a property inspection, conducted by a licensed home inspector, before _____, m. on _____, 20____ (Condition Day). The seller will cooperate by providing access to the Property on reasonable terms.

(c) Sale of Buyer's Property

This contract is subject to the sale of the buyer's property before _____, m. on _____, 20____ (Condition Day), on the terms in the Sale of Buyer's Property Schedule, selected as attached in clause 9.1.

DW (d) Additional Buyer's Conditions *This contract is subject to buyers satisfaction of court acceptance of contracts, 2025876AB2, 2025876AB3, 2025876AB4. Due to the circumstances, special Risk Insurance must remain on the properties until titles transfer to the buyer. This is to ensure that the properties are always insured in case the occupants/owner cause damage to the properties.*

before _____, m. on _____, 20____ (Condition Day).

8.3 Seller's Conditions

The seller's conditions are for the benefit of the seller and are:

before _____, m. on _____, 20____ (Condition Day).

8.4 Condition Notices

Each party will give the other written notice that:

- (a) a condition is unilaterally waived or satisfied on or before its Condition Day. If not, this contract will end after the time indicated for that Condition Day; or
- (b) a condition will not be waived or satisfied prior to its Condition Day. This contract will end upon that notice being given.

9. ATTACHMENTS AND ADDITIONAL TERMS

9.1 The selected documents are attached to and form part of this contract:

- Financing Schedule (Seller Financing, Mortgage Assumption, Other Value)
- Tenancy Schedule
- Manufactured Home Schedule
- Sale of Buyer's Property Schedule
- Addendum
- Other _____

9.2 Other terms:

See attached Schedule "A"

10. CLOSING PROCESS

Closing Documents

- 10.1 ~~The seller or seller's lawyer will deliver normal closing documents to the buyer or buyer's lawyer upon reasonable trust conditions consistent with the terms of this contract, including delivery within a reasonable time before the Completion Day to allow for confirmation of registration of documents at the Land Titles Office, obtain the advance of mortgage financing and verify the transfer of other value items.~~
- 10.2 ~~Closing documents will include an RPP showing the current improvements on the Property according to the Alberta Land Surveyors' Association Manual of Standard Practice, with evidence of municipal compliance or non-conformance and confirming the seller's warranties about the land and buildings. This obligation will not apply if there are no structures on the land. The buyer or buyer's lawyer must have a reasonable time to review the RPP prior to submitting the transfer documents to the Land Titles Office.~~

Payments and Costs

- 10.3 The buyer will pay the Purchase Price by lawyer's trust cheque, bank draft or electronic transfer.
- 10.4 Items such as real estate property taxes, local improvement fees, utilities, rents, security deposits, statutory interest on security deposits, mortgage interest and homeowner association fees will be the seller's responsibility for the entire Completion Day and thereafter assumed by the buyer.
- 10.5 The seller's lawyer may use the Purchase Price to pay and discharge all of the seller's financial obligations related to the Property. The seller's lawyer will provide the buyer's lawyer with evidence of all discharges including, where required, a certified copy of the certificate of title, within a reasonable time after Completion Day.
- 10.6 If the seller has entered into a written service agreement with a real estate brokerage, the seller instructs the seller's lawyer to honour the terms of that agreement, including the Fee and other costs payable to the seller's brokerage.
- 10.7 ~~The seller will pay the costs to prepare the closing documents, including an RPP where required, costs to end an existing tenancy of the Property and provide vacant possession to the buyer, and costs to prepare, register and discharge any seller's caveat based on this contract.~~
- 10.8 The buyer will pay the costs to prepare, register and discharge any buyer's caveat based on this contract and to register the transfer of land.

Closing Day Delays

- 10.9 ~~If the seller fails to deliver the closing documents in accordance with clause 10.1 or 10.2, then:~~
 - (a) ~~the buyer's payment of the Purchase Price and late interest will be delayed until the buyer or buyer's lawyer has received the closing documents and has a reasonable time to review and register them, obtain the advance of mortgage financing and verify the transfer of other value items; and~~
 - (b) ~~if the buyer is willing and able to close in accordance with this contract and wants to take possession of the Property, then the seller will give the buyer possession upon reasonable terms which will include the payment of late interest only on the amount of mortgage being obtained by the buyer at the interest rate of that mortgage.~~
- 10.10 ~~If the seller has complied with clauses 10.1 and 10.2 but the buyer is not able to close in accordance with this contract, then:~~
 - (a) ~~the seller may, but is not obligated to, accept late payment of the Purchase Price and give the buyer possession upon reasonable terms; and~~
 - (b) ~~if the seller agrees to accept late payment of the Purchase Price and, whether or not possession is granted, the buyer will pay late interest at the prime lending rate of the Alberta Treasury Branches at the Completion Day plus 3% calculated daily from and including the Completion Day to (but excluding) the day the seller is paid in full. Payment received after 12 noon on any day will be payment as of the next Business Day.~~
- 10.11 ~~The seller and buyer will instruct their lawyers to follow the Western Law Societies Conveyancing Protocol in the closing of this transaction, if appropriate.~~

11. INSURANCE

11.1 The seller bears the risk of loss or damage to the Property until the Purchase Price is paid. If such loss or damage occurs before the Purchase Price is paid, any insurance proceeds will be held in trust for the seller and buyer based on their interests.

12. REMEDIES

12.1 If the seller or buyer fails or refuses to complete this contract, the other party may seek all remedies, such as claims for deposits and damages, and reasonable costs including legal fees and disbursements on a solicitor/client full indemnity basis.

12.2 On buyer default, if the seller must restore the Property title, enforce a lien against the Property or regain possession of the Property, the seller may seek costs and other remedies.

12.3 The seller and buyer agree that the Property is unique. On seller default, the buyer may make a claim for specific performance and other remedies.

13. NOTICE AND DOCUMENTS

13.1 A notice under this contract means a written document, including notices required by this contract, and this contract when accepted.

13.2 A notice is effective at the time the document is delivered in person or sent by fax or email.

13.3 Giving notice means the document is transmitted by one of these methods, and regardless of the method, the notice document is recognized as an original document.

13.4 For documents that require a signature, an electronic signature, as defined in the *Electronic Transactions Act* (Alberta), or a digitized signature will have the same function as an ink signature.

14. AUTHORIZATION

14.1 The seller and buyer may each authorize a representative to send and receive notices as described above. Once authorized, notices will be effective upon being delivered in person or sent by fax or email to the authorized representative.

The seller authorizes:

Seller's Brokerage:

Name: GREATER CALGARY REAL ESTATE

Address: BOX 110,710-20 CROWFOOT CR N.W.
CALGARY T3G 2P6

Brokerage Representative:

Name: Dwayne Reilander

Phone: (403) 250-4915

Fax: (403) 291-1387

Email: dwayne@propertyway.ca

The buyer authorizes:

Buyer's Brokerage:

Name: _____

Address: _____

Brokerage Representative:

Name: _____

Phone: _____

Fax: _____

Email: _____

14.2 If the seller or buyer does not authorize a brokerage, then:

The seller authorizes: _____

The buyer authorizes: _____

14.3 If the authorization information changes, the seller and buyer agree to give written notice to the other party as soon as the change is known so that future notices may be sent to the proper person and place.

15. CONFIRMATION OF CONTRACT TERMS

15.1 The seller and buyer confirm that this contract sets out all the rights and obligations they intend for the purchase and sale of the Property and that:

(a) this contract is the entire agreement between them; and

(b) unless expressly made part of this contract, in writing:

(i) verbal or written collateral or side agreements or representations or warranties made by either the seller or buyer, or the seller's or buyer's brokerage or agent, have not and will not be relied on and are not part of this contract; and

(ii) any pre-contractual representations or warranties, howsoever made, that induced either the seller or buyer into making this contract are of no legal force or effect.

Seller initials _____

Buyer initials DW

16. LEGAL OBLIGATIONS BEGIN

16.1 The legal obligations in this contract begin when the accepted contract is delivered in person or sent by fax or email. The obligations bind the seller and buyer as well as their heirs, administrators, executors, successors and assigns.

17. OFFER

17.1 The buyer offers to buy the Property according to the terms of this contract.

17.2 This offer/counter offer will be open for written acceptance until 12 p.m. on April 8th, 2017.

Signed and dated at Calgary, Alberta at 1:26 p.m. on March 21, 2017

Daniel Whitt Buyer Signature [Signature] Witness Signature Teresa Lynn Spradell Witness Name (print)

Signed and dated at _____, Alberta at _____m. on _____, 20_____.

Buyer Signature _____
Witness Signature _____
Witness Name (print)

18. ACCEPTANCE

18.1 The seller agrees to sell the Property according to the terms of this contract.

Signed and dated at _____, Alberta at _____m. on _____, 20_____.

Seller Signature _____
Witness Signature _____
Witness Name (print)

Signed and dated at _____, Alberta at _____m. on _____, 20_____.

Seller Signature _____
Witness Signature _____
Witness Name (print)

Non-owner spouse signature (when dower rights apply):

Signed and dated at _____, Alberta at _____m. on _____, 20_____.

Non-Owner Spouse Signature _____
Non-Owner Spouse Name (print)

Witness Signature _____
Witness Name (print)

The following is for information purposes and has no effect on the contract's terms:

REJECTION

I do not accept this offer/counter offer. No counter offer is being made.

Date: _____ Date: _____
Seller: _____ Buyer: _____

CONVEYANCING INFORMATION

Seller's Information:
Address _____
Phone _____ Fax _____
Email _____
Lawyer Name _____
Firm _____
Address _____
Phone _____ Fax _____
Email _____

Buyer's Information:
Address _____
Phone _____ Fax _____
Email _____
Lawyer Name _____
Firm _____
Address _____
Phone _____ Fax _____
Email _____

SCHEDULE "A" TO THE REAL ESTATE PURCHASE CONTRACT entered into between**BDO Canada Limited****(the "Seller") and**2025876 Alberta Ltd**(the "Buyer")**

The terms of this schedule replace, modify or add to the terms of any agreement of purchase and sale (the "Real Estate Purchase Contract") to which this schedule is attached or shall be attached. Where there is any inconsistency between the terms of this Schedule and the Real Estate Purchase Contract, the provisions of this Schedule shall prevail.

AS IS - WHERE IS

1. The Buyer acknowledges and agrees to purchase the lands, all buildings and improvements located on the lands (the "Property"), and any and all fixtures ("Attached Goods") and chattels ("Unattached Goods") included in the Real Estate Purchase Contract or included in the sale of the property, "as is" and agrees with the Seller that neither the Seller, nor its agents or representatives have made any representations or warranties with respect to the Property or any Attached Goods or Unattached Goods included in the sale of the Property. Without limiting the generality of the foregoing, the Buyer agrees that neither the Seller nor its agents have made any representations or warranties with respect to:
 - a) the condition of any buildings or improvements located on the Property;
 - b) the condition of any Attached Goods or Unattached Goods included in the Real Estate Purchase Contract or otherwise sold with the Property;
 - c) whether the Property complies with any existing land use or zoning bylaws or regulations, or municipal development agreements or plans;
 - d) the location of any buildings and other improvements on the Property and whether such location complies with any applicable municipal bylaws or regulations;

- e) whether or not any buildings or improvements located on the Property encroach onto any neighbouring lands or any easements or rights of way;
- f) whether or not any buildings or improvements located on any neighbouring lands encroach onto the Property;
- g) the size and dimensions of the Property or any building or improvements located thereon;
- h) whether or not the Property is contaminated with any hazardous substance; and
- i) whether or not any of the buildings or other improvements located on the Property have been insulated with urea formaldehyde insulation.

OWNERSHIP OF UNATTACHED GOODS

2. The Buyer agrees that the Seller is selling only such interest as it may have in any Attached goods or Unattached Goods referred to in the Real Estate Purchase Contract, or which may be located on the Property, and the Seller does not warrant that it has title to such Attached Goods or Unattached Goods. Further, the Buyer agrees that the Seller will not be liable for the removal of any chattels found on the Property prior to or on the date of closing. On closing, the Buyer may have possession of the Attached Goods and Unattached Goods which are then on or about the Property on an "as is" basis, and the Seller will not provide a Bill of Sale, Warranty, or other title document to the Buyer. Further, there will be no adjustment or abatement of any kind to the Purchase Price with respect to any Attached Goods or Unattached Goods.

 DW
Buyer's Initial

Date: MARCH 21 / 2017

Seller's Initial

Date: _____

REAL PROPERTY REPORT & COMPLIANCE

3. The Seller is not required to provide the Buyer with a real property report or compliance certificate. Should the Seller provide the Buyer with a copy of a survey or real property report, the Buyer agrees that any use of or reliance upon such document shall be at the Buyer's own risk. The Buyer must satisfy itself that the survey or real property report which the Seller might provide accurately reflects the Property and the buildings and improvements located thereon as they currently exist and the Seller shall not be responsible for any errors or omissions which might exist on such document. The Seller does not represent or warrant the accuracy or validity of the said survey or real property report or compliance certificate.

CONDOMINIUM

4. If the Property is a condominium:
 - a) the Seller is not required to provide any condominium documentation to the Buyer and the Buyer shall be solely responsible to obtain any condominium documentation he may require. Without limiting the generality of the foregoing, the Buyer must obtain on his own and at his sole costs and expenses any estoppel certificate. Copy of the condominium bylaws and financial statement for the Condominium Corporation that he may require;
 - b) the Buyer must satisfy himself with the condition of the condominium unit, the common property, and the financial condition of the condominium corporation and agrees that neither the Seller nor its agents, have made any representations or warranties pertaining to same including, without limiting the generality of the foregoing, the adequacy of any reserve fund the condominium corporation might have, any potential special assessments which might be levied by the condominium corporation or the existence of any legal actions pending against the condominium corporation;
 - c) the Seller shall be responsible for amounts payable up to the closing date on account of any condominium fees and special assessments levied by the condominium corporation.

GOODS AND SERVICES TAX (G.S.T.)

- 5. In addition to the purchase price payable thereunder, the Buyer shall pay to the Seller and indemnify the Seller against all Goods and Services Tax ("G.S.T.") payable on the purchase price as required by the Excise Tax Act. The Seller will not provide to the Buyer a Certificate of Exempt Supply, or any other certificate certifying that this purchase and sale transaction is not subject to the Goods and Services Tax. Should the Seller fail to collect G.S.T. from the Buyer, it shall not be construed by the Buyer as a certification by the Seller that no G.S.T. is payable by the Buyer hereunder, and the Buyer shall remain liable for any G.S.T. which might be payable with respect to this transaction.

ACCEPTANCE BY FACSIMILE

- 6. The Seller and Buyer agree that this contract may be signed in counterpart, and the acceptance of this offer communicated or confirmed by facsimile transmission shall be binding upon the parties. The Buyer agrees to promptly deliver an executed original Real Estate Purchase Contract to the Seller.

FORECLOSURE PROCEEDING

- 7. This offer is being made pursuant to or in a Court of Queen's Bench foreclosure or receivership proceeding and, as such, the Offer may be accepted only by Order of said Court and is subject to the terms of that Order. Any agreement arising out of the Seller's acceptance of this Offer is conditional upon the approval thereof by the said Court.

D.W
 Buyer's Initial

 Seller's Initial

Date: MARCH 21/2017

Date: _____

735 55 AV SW

C4103854 Active

LP: \$609,900 SP:
OP: \$609,900 PD:
CDOM: 11 DOM: 11
Area: Calgary
Zone: Zone CC
Community: Windsor Park 107
Postal Code: T2V 0G4
Condo Type: Not a Condo
Possession: 31
LP/SF: \$747.4



Class: Detached
Type: Detached
Style: Bungalow
Year Built: 1951
LINC #: 0012554152
Legal Plan: 3701GA Blk: 27 Lot: 9

Land Use: R-C2 Now Hm:
Title to Land: Fee Simple
Conform Rpt:
Restrictions: See Remarks
Tax Amt/Yr: \$3,898/2016
Local Imp Amt: 0
HOA: No
Condo Fee:

Member Only Remarks: Judicial listing. Sold as is where is with no warranties or representations. Schedule A must accompany all offers. Appliances are not included in the sale. RPR not available. Please contact listing agent for instructions regarding deletions to the purchase agreement. All showings require 24 hour minimum notice to tenants, no showing Sundays. No lockbox on property.

Judicial sale, RC-2 zoned lot in Infill neighbourhood. Large 4 car detached garage. Great investment value. ** Please contact Dorothy Rice 403 919 7355 March 18 through March 28 for all questions **

Table with columns: Room Type, Dim/M, Dim/Ft, Level, Room Type, Dim/M, Dim/Ft, Level, Bedrooms A/T, 1/3 Rms, Abv: 1 F/H Baths: 2/0. Includes data for two bedrooms and bath details.

Property Information table with columns: Basement, Suite, Construction, Foundation, Exterior, Roof Type, Front Exp, Parking, Features, Site Influences, Goods Included, Goods Excluded, Heating, Fln FP/Rgh-In, Lot Shape, Lot Sq M, Frntg X Depth, Flooring, Fuel, See Remarks.

Agent & Office Information table with columns: List REALTOR®, List Firm, Comm, Seller, Ownershp, Exclusion/SRR, Appt, Appt Nm, Fax, Occupancy, List Date, Expiry Date, Withdrawn Date.

Printed: 03/21/2017
INFORMATION HEREIN DEEMED RELIABLE BUT NOT GUARANTEED. MEASUREMENTS ARE PER RESIDENTIAL MEASUREMENT STANDARDS (RMS) UNLESS OTHERWISE STATED.

APPRAISAL OF



A Single Family Bungalow

LOCATED AT:

735 55 Avenue SW
Calgary, AB T2V 0G3

FOR:

2025876 Alberta Ltd.

AS OF:

March 16, 2017

BY:

Simon Cormier
CRA

Wallace Appraisal Services
Real Estate Appraisers & Consultants
2nd Floor, 203 38 Avenue NE
Calgary Alberta T2E 2M3

March 16, 2017

2025876 Alberta Ltd.

Address of Property: 735 55 Avenue SW
Calgary, AB T2V 0G3

Market Value: \$ 505,000

At your request, I have done a form appraisal report on the above-noted property, for the purpose of estimating its Updated Market Value as of March 16, 2017. I previously completed an EXTERIOR inspection of the property on December 30, 2016 and have assumed that there have been no notable changes to the property since that time. I have done an analysis of recent sales, active listing information, and property history, as well as other factors affecting Market Value as of the effective appraisal date.

Based on my investigations and analyses, it is my considered opinion that the current Market Value of this property, as of March 16, 2017 was:

Five Hundred and Five Thousand \$505,000

This estimate of value is subject to the Limiting Conditions set forth on the certification page and to other such specific conditions as may be set forth in the body of the appraisal report.

I trust that the information in this report is sufficient for your purposes. Should you have any questions regarding the property, or require clarification regarding the information or conclusions in the report, please feel free to call.

Yours truly,




Simon Cormier
CRA

RESIDENTIAL APPRAISAL REPORT

Wallace Appraisal Services Ltd.

FILE NO.: 31238B

CLIENT	CLIENT: 2025876 Alberta Ltd.	APPRAISER	APPRAISER: Simon Cormier	 Appraisal Institute of Canada	
	ATTENTION:		COMPANY: Wallace Appraisal Services		
	ADDRESS:		ADDRESS: 2nd Floor, 203 38 Avenue NE Calgary Alberta T2E 2M3		
	E-MAIL:		E-MAIL: simon@wallaceappraisal.com		
PHONE:	FAX:	PHONE: 403-263-9669	FAX: 403-263-9668		
SUBJECT	PROPERTY ADDRESS: 735 55 Avenue SW		CITY: Calgary	PROVINCE: AB	POSTAL CODE: T2V 0G3
	LEGAL DESCRIPTION: Plan 3701GA; Block 27; Lot 9		Source: City of Calgary Tax Information		
	MUNICIPALITY AND DISTRICT: Calgary, Alberta				
	ASSESSMENT: Land \$ N.A. Imps \$ N.A. Total \$ 631,500	Assessment Date: July 1, 2015	Taxes \$ 3,899	Year 2016	
EXISTING USE: Single Family Residential		OCCUPIED BY: Unknown			
ASSIGNMENT	NAME: 2025876 Alberta Ltd. Name Type: Corporation				
	PURPOSE OF THE APPRAISAL: To estimate market value (see definition herein) or <input checked="" type="checkbox"/> Other				
	INTENDED USE OF THE APPRAISAL: To assist with a private sale				
	INTENDED USERS (by name or type): Corporation 2025876 Alberta Ltd.				
	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 checked="" type="checkbox"/> Update of original report completed on January 4, 2017 with an effective date of December 30, 2016 File No. 31238				
	PROPERTY RIGHTS APPRAISED: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (see comments) OTHER OWNERSHIP: <input type="checkbox"/> Cooperative <input type="checkbox"/> Condominium/Strata <input type="checkbox"/> Other				
	MAINTENANCE FEE (if applicable): \$				
	IS THE SUBJECT A FRACTIONAL INTEREST, PHYSICAL SEGMENT OR PARTIAL HOLDING? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (if yes, see comments)				
VALUE APPROACHES USED IN THE DEVELOPMENT OF THIS APPRAISAL: <input checked="" type="checkbox"/> DIRECT COMPARISON APPROACH <input checked="" type="checkbox"/> COST APPROACH <input type="checkbox"/> INCOME APPROACH					
EXTRAORDINARY ASSUMPTIONS & LIMITING CONDITIONS An extraordinary assumption or limiting condition has been invoked in this appraisal report. <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If yes, see attached addendum.					
HYPOTHETICAL CONDITIONS A hypothetical condition has been invoked in this appraisal report. <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If yes, see attached addendum.					
JURISDICTIONAL EXCEPTION A jurisdictional exception has been invoked in this appraisal report. <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If yes, see attached addendum.					
NEIGHBOURHOOD	NATURE OF DISTRICT: <input checked="" type="checkbox"/> Residential <input type="checkbox"/> Commercial <input type="checkbox"/> Industrial <input type="checkbox"/> Agricultural		AGE RANGE OF PROPERTIES (years): From 1 To 80		
	TYPE OF DISTRICT: <input checked="" type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural <input type="checkbox"/> Recreational <input type="checkbox"/> Agricultural		PRICE RANGE OF PROPERTIES: \$ 460,000 \$ 1,200,000		
	TREND OF DISTRICT: <input type="checkbox"/> Improving <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Transition <input type="checkbox"/> Deteriorating		Single Family Properties		
	BUILT-UP: <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25 - 75% <input type="checkbox"/> Under 25% <input type="checkbox"/> Rural				
	CONFORMITY Age: <input type="checkbox"/> Newer <input checked="" type="checkbox"/> Similar <input type="checkbox"/> Older		MARKET OVERVIEW: Supply: <input type="checkbox"/> Good <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor		
	Condition: <input type="checkbox"/> Superior <input checked="" type="checkbox"/> Similar <input type="checkbox"/> Inferior		Demand: <input type="checkbox"/> Good <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor		
	Size: <input type="checkbox"/> Larger <input checked="" type="checkbox"/> Similar <input type="checkbox"/> Smaller		PRICE TRENDS: <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining		
	COMMENTS: The subject property is located in a south Calgary neighbourhood known as Windsor Park. The boundaries are 50th Avenue to the north, Elbow Drive on the west, MacLeod Trail on the east and 58th Avenue on the south. The community is now about 60 years old and is fully developed. Windsor Park is a residential district but has a mix of housing types. To the north there are mostly single family homes, some duplexes and infill housing. At the southern end are multi-family projects, typically three and four floor walk-up apartment buildings. Windsor Park is close to Calgary's largest regional shopping mall, Chinook Centre. A full range of shops, services and amenities are available here.				
	SITE	SITE DIMENSIONS: 15.24m x 36.52m		UTILITIES: <input checked="" type="checkbox"/> Telephone <input checked="" type="checkbox"/> Sanitary Sewer <input type="checkbox"/> Storm Sewer <input checked="" type="checkbox"/> Natural Gas <input type="checkbox"/> Septic	
		SITE AREA: 557 Sq.M. <input type="checkbox"/> Sq. Ft. <input checked="" type="checkbox"/> Sq. M. <input type="checkbox"/> Acres <input type="checkbox"/> Hectares		<input type="checkbox"/> Open Ditch	
Source: City Assessment		WATER SUPPLY: <input checked="" type="checkbox"/> Municipal <input type="checkbox"/> Private Well <input type="checkbox"/> Other			
TOPOGRAPHY: Interior lot - mostly level		FEATURES: <input type="checkbox"/> Gravel Road <input checked="" type="checkbox"/> Paved Road <input checked="" type="checkbox"/> Lane <input checked="" type="checkbox"/> Sidewalk <input type="checkbox"/> Curbs			
CONFIGURATION: Rectangular		<input type="checkbox"/> Street Lights <input checked="" type="checkbox"/> Cablevision <input type="checkbox"/>			
ZONING: R-C2, Residential - Contextual One/Two Dwelling		ELECTRICAL: <input checked="" type="checkbox"/> Overhead <input type="checkbox"/> Underground <input type="checkbox"/>			
		DRIVEWAY: <input checked="" type="checkbox"/> Private <input type="checkbox"/> Mutual <input type="checkbox"/> None <input checked="" type="checkbox"/> Single <input type="checkbox"/> Double			
		<input type="checkbox"/> Underground <input type="checkbox"/> Laneway <input type="checkbox"/>			
		Surface: Concrete			
DOES EXISTING USE CONFORM TO ZONING? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO (see comments)		PARKING: <input checked="" type="checkbox"/> Garage <input type="checkbox"/> Carport <input checked="" type="checkbox"/> Driveway <input checked="" type="checkbox"/> Street			
TITLE SEARCHED: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>		LANDSCAPING: <input type="checkbox"/> Good <input checked="" type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor			
		CURB APPEAL: <input type="checkbox"/> Good <input checked="" type="checkbox"/> Average <input type="checkbox"/> Fair <input type="checkbox"/> Poor			
COMMENTS: The subject is located at the west end of the community of Windsor Park. The lot is situated on the south side of 55 Avenue, one lot east of Elbow Drive. Directly across the street on the north side is a church. At present, the site has a single front concrete driveway. There is a detached quad garage (one half is used as an office space) that can be accessed from the lane. Other site improvements include mature trees in the front yard and a front concrete walkway.					

RESIDENTIAL APPRAISAL REPORT

Wallace Appraisal Services Ltd.

FILE NO.: 31238B

REFERENCE:

YEAR BUILT (estimated): 1956
 EFFECTIVE AGE: 50 years
 REM. ECONOMIC LIFE: 10 years
 DEPRECIATION: 83.0 %

BUILDING TYPE: Detached
 DESIGN/STYLE: Bungalow
 CONSTRUCTION: Wood frame
 BASEMENT: Full - suite
 ESTIMATED BASEMENT AREA: Developed Sq. M. Sq. Ft.
 BASEMENT FINISH: 0 to 25% 25 to 50% 50 to 75% 75 to 100%
 WINDOWS: Wood sash
 FOUNDATION WALLS: Poured concrete

ROOFING: Asphalt Shingle
 Condition: Good Average Fair Poor
 EXTERIOR FINISH: Wood
 Condition: Good Average Fair Poor

NEW CONSTRUCTION ONLY
 CONSTRUCTION COMPLETE: Yes
 PERCENTAGE COMPLETE: 100%

BEDROOMS(#): Large 3 Average 3 Small 1
 BATHROOMS(#): 2-piece X 3-piece 1 4-piece 1 5-piece 1
 Good Average Fair Poor

INTERIOR FINISH Walls Ceilings
 Drywall
 Plaster
 Panelling

CLOSETS: Good Average Fair Poor
 INSULATION: Ceiling Walls Basement Crawl Space
 Info Source: Assumed - building age
 PLUMBING LINES: Copper supply lines/ ABS drains Info Source:
 FLOOR PLAN: Good Average Fair Poor
 BUILT-INS/EXTRAS: Stove Oven Dishwasher Garburator
 Vacuum Security System Fireplace(s) Skylights Solarium
 HR Ventilator Central Air Air Cleaner Sauna Whirlpool
 Garage Opener Swimming Pool appliances
 OVERALL INT. COND.: Good Average Fair Poor

FLOORING: Ceramic tile, carpet, hardwood
 ELECTRICAL: Fuses Breakers
 ESTIMATED RATED CAPACITY OF MAIN PANEL: 100 amps
 HEATING SYSTEM: Forced Air Fuel type: Natural Gas
 WATER HEATER: Type: Unknown

ROOM ALLOCATION												TOTAL	AREA	
LEVEL:	ENTRANCE	LIVING	DINING	KITCHEN	FAMILY	BEDROOMS	DEN	FULL BATH	PART BATH	LAUNDRY				
MAIN	1			1		3		1					4	74 Sq.M
SECOND														
THIRD														
ABOVE GRADE TOTALS						4		3					4	74
BASEMENT				1	1	1		1		XX			3	
ORDER TOTALS						7		4					7	74

IMPROVEMENTS
 BASEMENT FINISHES/UTILITY: The subject's basement was not inspected by the appraiser. An expired 2015 MLS listing (c4026839) indicates that the subject has a fully finished basement. The basement includes one bedroom, and a 3pc bathroom.

GARAGES/CARPORTS: Detached quad garage. One half has been converted to an office space - overhead door blocked by an interior wall
 DECKS, PATIOS, OTHER IMPROVEMENTS: Front concrete walkway, mature trees in the front yard, single asphalt front driveway, lawns, etc.

COMMENTS: The subject is a detached single family bungalow with a developed basement and a detached quad garage. The appraiser performed an EXTERIOR drive-by inspection only. Information about the subject was collected from an expired Dec. 2015 MLS listing (c4026839). The MLS listing indicated that the main contains a mix of hardwood, carpet and ceramic tile flooring. The kitchen and bathrooms have maple cabinets. There are two bedrooms above grade and a 4pc bathroom. The home is approximately 65 years old.

RESIDENTIAL APPRAISAL REPORT

Wallace Appraisal Services Ltd.

FILE NO.: 31238B

REFERENCE:

LAND VALUE AS IF VACANT: \$ 465,000 SOURCE OF DATA: MLS Comment: Land value is estimated based on improved property sales and an abstraction method which deducts the value of improvements from a total property sale price.

EXISTING USE: Single family residential

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

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

SUMMARY AND CONCLUSION: The highest and best use is its existing residential use. An alternate highest and best use of the subject is for subdivision of the site for the purpose of redevelopment with two in-fill style homes.

HIGHEST AND BEST USE

SUBJECT	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
	Description	\$ Adjustment	Description	\$ Adjustment	Description	\$ Adjustment
735 55 Avenue SW Calgary	516 51 Avenue SW Calgary		703 50 Avenue SW Calgary		635 50 Avenue SW Calgary	
DATA SOURCE	MLS- c4086659		MLS- c4078379		MLS- c4059547	
DATE OF SALE	October 28, 2016		Sept. 30, 2016		May 15, 2016	
SALE PRICE	\$ 595,000		\$ 530,000		\$ 515,000	
DAYS ON MARKET	11		32		32	
LOCATION	Windsor Park	-35,000	Windsor Park	-25,000	Windsor Park	-25,000
SITE SIZE	557 Sq.M.		557 Sq.M.		557 Sq.M.	
BUILDING TYPE	Detached		Detached		Detached	
DESIGN/STYLE	Bungalow		Bungalow		Bungalow	
AGE/CONDITION	60 Average	-45,000	63 Similar		60 Similar	
LIVEABLE FLOOR AREA	74 Sq.M.	-8,000	103.1 Sq.M.	-12,000	96 Sq.M.	-9,000
ROOM-COUNT	Total Bdrms Baths 4 3 1F	Total Bdrms Baths 4 2 1F	Total Bdrms Baths 6 3 1F	Total Bdrms Baths 5 3 1F	Total Bdrms Baths 5 3 1F	Total Bdrms Baths 5 3 1F
BASEMENT	Suite - average	Fully finished- sim	Fully finished- sim		Suite	
PARKING	Quad detached	Single detached 10,000	Double detached 5,000		No garage 20,000	
ADJUSTMENTS (Gross%, Net%, Dollar)	16.5% -13.1% \$ 78,000		7.9% -6.0% \$ 32,000		10.5% -2.7% \$ 14,000	
ADJUSTED VALUES	\$ 517,000		\$ 498,000		\$ 501,000	

COMMENTS: * The location adjustment category reflects a net adjustment that combines both location and site size. The three sales are similar aged single family bungalow style homes located within the subject's community of Windsor Park.

Sale 1 has a more desirable quiet street location, the home has been renovated and superior upgraded features, the floor area is larger, and the garage type is smaller.

Sale 2 has a superior location on 50th Avenue in a superior area of the community. The home has similar condition and appeal, the floor area is larger and the garage type is smaller.

Sale 3 has a superior location on 50th Avenue in a superior area of the community. The home has similar condition and appeal, the floor area is larger and it does not have a garage.

ESTIMATED VALUE BY THE DIRECT COMPARISON APPROACH (rounded): \$ 505,000

DIRECT COMPARISON APPROACH

RESIDENTIAL APPRAISAL REPORT

Wallace Appraisal Services Ltd.

FILE NO.: 31238B

REFERENCE:

SALES HISTORY	<p>ANALYSIS OF KNOWN CURRENT AGREEMENTS FOR SALE, OPTIONS, LISTINGS OR MARKETING OF THE SUBJECT: (minimum of one year) <u>The subject was listed for sale on the MLS on March 10, 2017 for \$609,000. The listing remains active.</u></p>
EXPOSURE TIME	<p>ANALYSIS OF SALE TRANSFER HISTORY: (minimum of three years) <u>The subject was listed for sale on 08/19/2015 for \$725,000. The asking price was reduced on 09/15/2015 to \$675,000, further reduced on 10/14/2015 to \$635,000 and expired on 12/01/2015. The subject did not sell. A title preview indicates a transfer of land on 01/10/2015, value shown is \$430,000; the actual consideration is nominal. The subject transferred on January 12, 2009 for \$467,500.</u></p> <p>ANALYSIS OF REASONABLE EXPOSURE TIME: <u>A reasonable exposure time in the current market environment would be 30 to 90 days.</u></p>
RECONCILIATION AND FINAL ESTIMATE OF VALUE	<p>RECONCILIATION AND FINAL ESTIMATE OF VALUE: <u>The the sales used produced an adjusted range of value from \$498,000 to \$517,000 and an average sale price of \$505,333.. The three sales were equally considered in determining the final value. The final value is estimated to be \$505,000. Older sales and active listings located within the subject's community were also reviewed.</u></p>
DEFINITIONS	<p>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 <u>March 16, 2017</u> (Effective Date of the Appraisal) IS ESTIMATED TO BE \$ <u>505,000</u></p> <p>THIS REPORT WAS COMPLETED ON: <u>March 16, 2017</u></p> <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 sales concessions granted by anyone associated with the sale.</p> <p><i>(Source: Canadian Uniform Standards of Professional Appraisal Practice) Note: If other than market value is being appraised, see additional comments.</i></p> <p>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.</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 (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.</p> <p>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.</p> <p>The specific tasks and items necessary to complete this assignment include a summary of the following:</p> <ol style="list-style-type: none"> 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. <p>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.</p> <p>Other: <u>The appraiser performed a drive-by EXTERIOR inspection only. The building size was based on the City of Calgary Assessment. Information regarding the legal description and lot size, was obtained from public records such as the City of Calgary Assessment department or Alberta Registries. Sales information was compiled from the database of the Calgary Real Estate Board and from appraisals on file in our office. Photographs of comparable sales were viewed, including interior photographs when available, but they were otherwise not inspected.</u></p>

RESIDENTIAL APPRAISAL REPORT

Wallace Appraisal Services Ltd.

FILE NO.: 31238B

REFERENCE:

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 moulds or mildews or the conditions that might give rise to either, and in compliance with all regulatory environmental requirements, 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 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.

ASSUMPTIONS AND LIMITING CONDITIONS AND EXTRAORDINARY ITEMS

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: 735 55 Avenue SW CITY: Calgary PROVINCE: AB POSTAL CODE: T2V 0G3
 LEGAL DESCRIPTION: Plan 3701GA; Block 27; Lot 9

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

AS AT March 16, 2017 (Effective date of the appraisal) IS ESTIMATED TO BE \$ 505,000

<p>APPRAISER</p> <p>SIGNATURE: </p> <p>NAME: <u>Simon Cormier</u></p> <p>AIC DESIGNATION (or Member Status): <u>CRA</u></p> <p>DATE SIGNED: <u>March 16, 2017</u></p> <p>PERSONALLY INSPECTED THE SUBJECT PROPERTY: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>DATE OF INSPECTION: <u>December 30, 2016</u></p> <p>LICENSE INFO: (where applicable) <u>Licensed in Alberta to Sept. 30, 2017</u></p> <p>NOTE: For this appraisal to be valid, an original or a password protected digital signature is required.</p> <p>SOURCE OF DIGITAL SIGNATURE SECURITY: <u>CRAL digital signature (password protected)</u></p> <p>ATTACHMENTS AND ADDENDA: <input checked="" type="checkbox"/> MAPS <input checked="" type="checkbox"/> COST APPROACH <input type="checkbox"/> ADDITIONAL SALES <input type="checkbox"/> EXTRAORDINARY ITEMS <input type="checkbox"/> INCOME APPROACH <input type="checkbox"/> NARRATIVE <input checked="" type="checkbox"/> PHOTOGRAPHS <input type="checkbox"/> BUILDING SKETCH</p>	<p>CO-SIGNING AIC APPRAISER (if applicable)</p> <p>SIGNATURE: _____</p> <p>NAME: _____</p> <p>AIC DESIGNATION: _____</p> <p>DATE SIGNED: _____</p> <p>PERSONALLY INSPECTED THE SUBJECT PROPERTY: <input type="checkbox"/> YES <input type="checkbox"/> NO</p> <p>DATE OF INSPECTION: _____</p> <p>LICENSE INFO: (where applicable) _____</p> <p>NOTE: For this appraisal to be valid, an original or a password protected digital signature is required.</p>
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RESIDENTIAL APPRAISAL REPORT - ADDENDUM

Wallace Appraisal Services Ltd.

FILE NO.: 31238B

REFERENCE:	Wallace Appraisal Services Ltd.			FILE NO.: 31238B
CLIENT	CLIENT: 2025876 Alberta Ltd.	APPRAISER	APPRAISER: Simon Cormier	 Appraisal Institute of Canada
	ATTENTION:		COMPANY: Wallace Appraisal Services	
	ADDRESS:		ADDRESS: 2nd Floor, 203 38 Avenue NE Calgary Alberta T2E 2M3	
	E-MAIL:		E-MAIL: simon@wallaceappraisal.com	
	PHONE:		PHONE: 403-263-9669 FAX: 403-263-9668	

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.

For the purposes of this appraisal, which included only an exterior inspection, the general condition of the subject property as of the effective date was assumed to be similar to that outlined in a 2014 MLS listing (c3617454)

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.

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.

EXTRAORDINARY ITEMS ADDENDUM

RESIDENTIAL APPRAISAL REPORT - COST APPROACH ADDENDUM

Wallace Appraisal Services Ltd.

FILE NO.: 31238B

CLIENT	CLIENT: <u>2025876 Alberta Ltd.</u>	APPRAISER	APPRAISER: <u>Simon Cormier</u>	 Appraisal Institute of Canada
	ATTENTION:		COMPANY: <u>Wallace Appraisal Services</u>	
	ADDRESS:		ADDRESS: <u>2nd Floor, 203 38 Avenue NE Calgary Alberta T2E 2M3</u>	
	E-MAIL:		E-MAIL: <u>simon@wallaceappraisal.com</u>	
	PHONE:		PHONE: <u>403-263-9669</u> FAX: <u>403-263-9668</u>	
	FAX:			

LAND VALUE <u>By abstraction</u>		SOURCE OF DATA <u>MLS</u>	\$ <u>465,000</u>
ESTIMATED COST NEW:			
SOURCE OF COST DATA: <input type="checkbox"/> MANUAL <input type="checkbox"/> CONTRACTOR <input checked="" type="checkbox"/> OTHER <u>Estimated</u>			
BUILDING COST: <input type="checkbox"/> Sq. M. <input checked="" type="checkbox"/> Sq. Ft.			
Gross living area (finished liveable floor area above grade)	74 @ \$	1,600.00 \$	COST NEW: 118,400 \$
Basement <u>Fully finished</u>	0 @ \$		DEPRECIATED COST: 10,000 \$
Garages/Carports <u>Quad detached</u>			20,000 \$
OTHER EXTRAS			
TOTAL REPLACEMENT COST			118,400 \$
ACCRUED DEPRECIATION:	83.0 %		98,272 \$
DEPRECIATED VALUE OF THE IMPROVEMENTS			50,128 \$
CONTRIBUTORY VALUE OF THE SITE IMPROVEMENTS			515,128 \$
INDICATED VALUE			515,000 \$
VALUE BY THE COST APPROACH (rounded)			

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

COMMENTS: The Cost Approach serves a further check on the value estimate by other methods but was not the basis for the final value estimate, which was derived by the Direct Sales Comparison Approach.

Neighbourhood Comments

The subject property is located in a south Calgary neighbourhood known as Windsor Park. The boundaries of this are 50th Avenue to the north, Elbow Drive on the west, MacLeod Trail on the east and 58th Avenue on the south. The community is now about 60 years old and is fully developed. Windsor Park is a residential district but has a mix of housing types. To the north there are mostly single family homes, some duplexes and infill housing. At the southern end are multi-family projects, typically three and four floor walk-up apartment buildings. Windsor Park is close to Calgary's largest regional shopping mall, Chinook Centre. A full range of shops, services and amenities are available here.

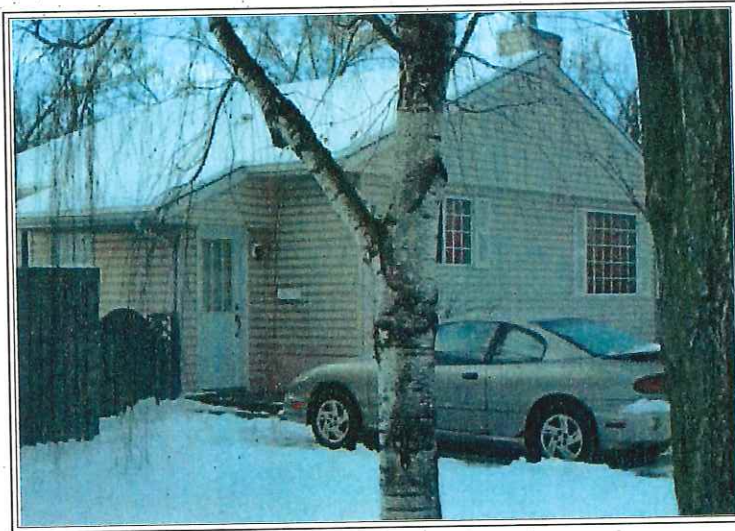
SUBJECT PROPERTY PHOTO ADDENDUM

File No. 31238B



FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: March 16, 2017
Appraised Value: \$ 505,000



REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE

COMPARABLE PROPERTY PHOTO ADDENDUM

File No. 31238B



COMPARABLE SALE #1

516 51 Avenue SW
Calgary
Sale Date: October 28, 2016
Sale Price: \$ 595,000



COMPARABLE SALE #2

703 50 Avenue SW
Calgary
Sale Date: Sept. 30 , 2016
Sale Price: \$ 530,000

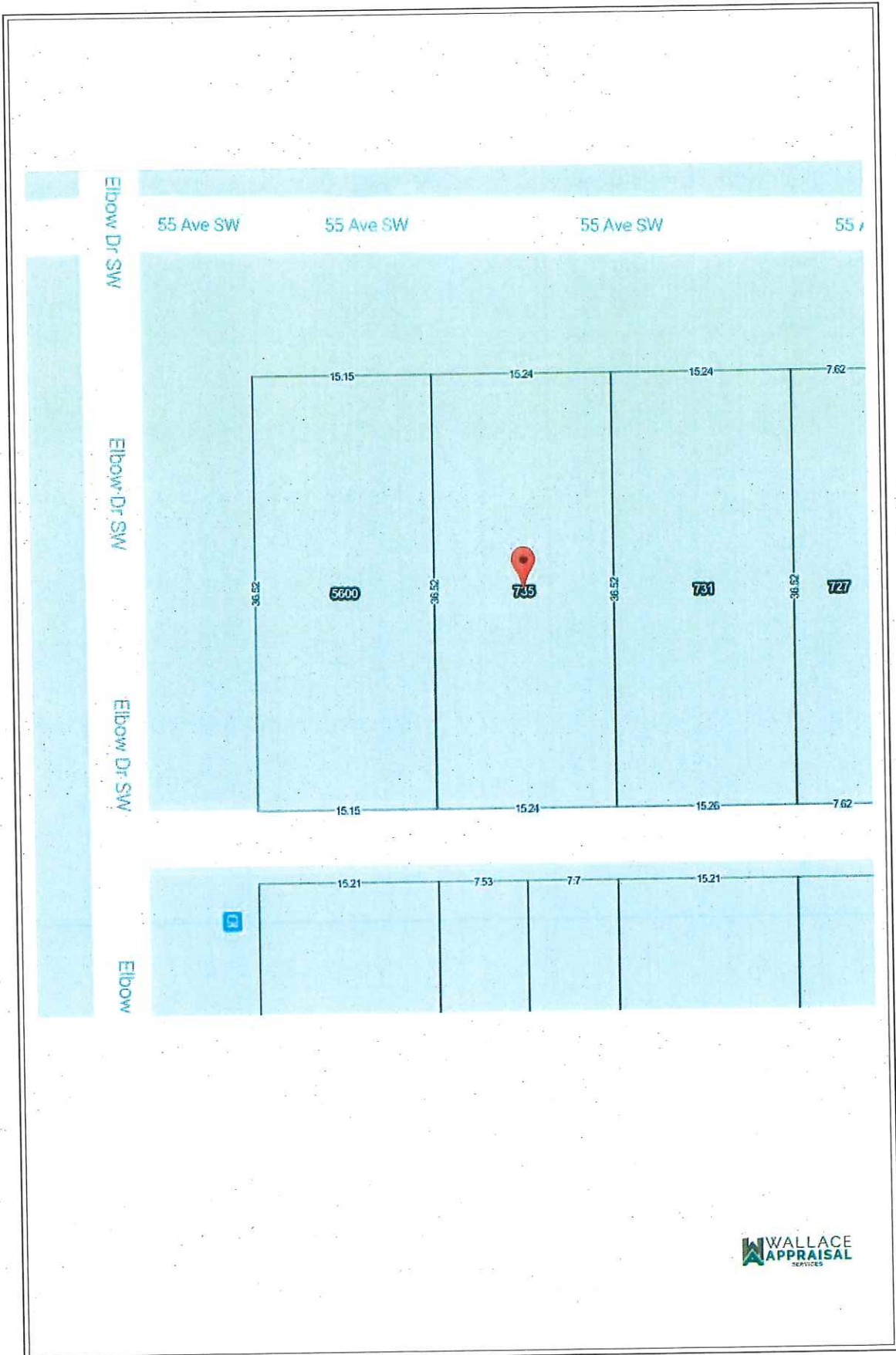


COMPARABLE SALE #3

635 50 Avenue SW
Calgary
Sale Date: May 15, 2016
Sale Price: \$ 515,000

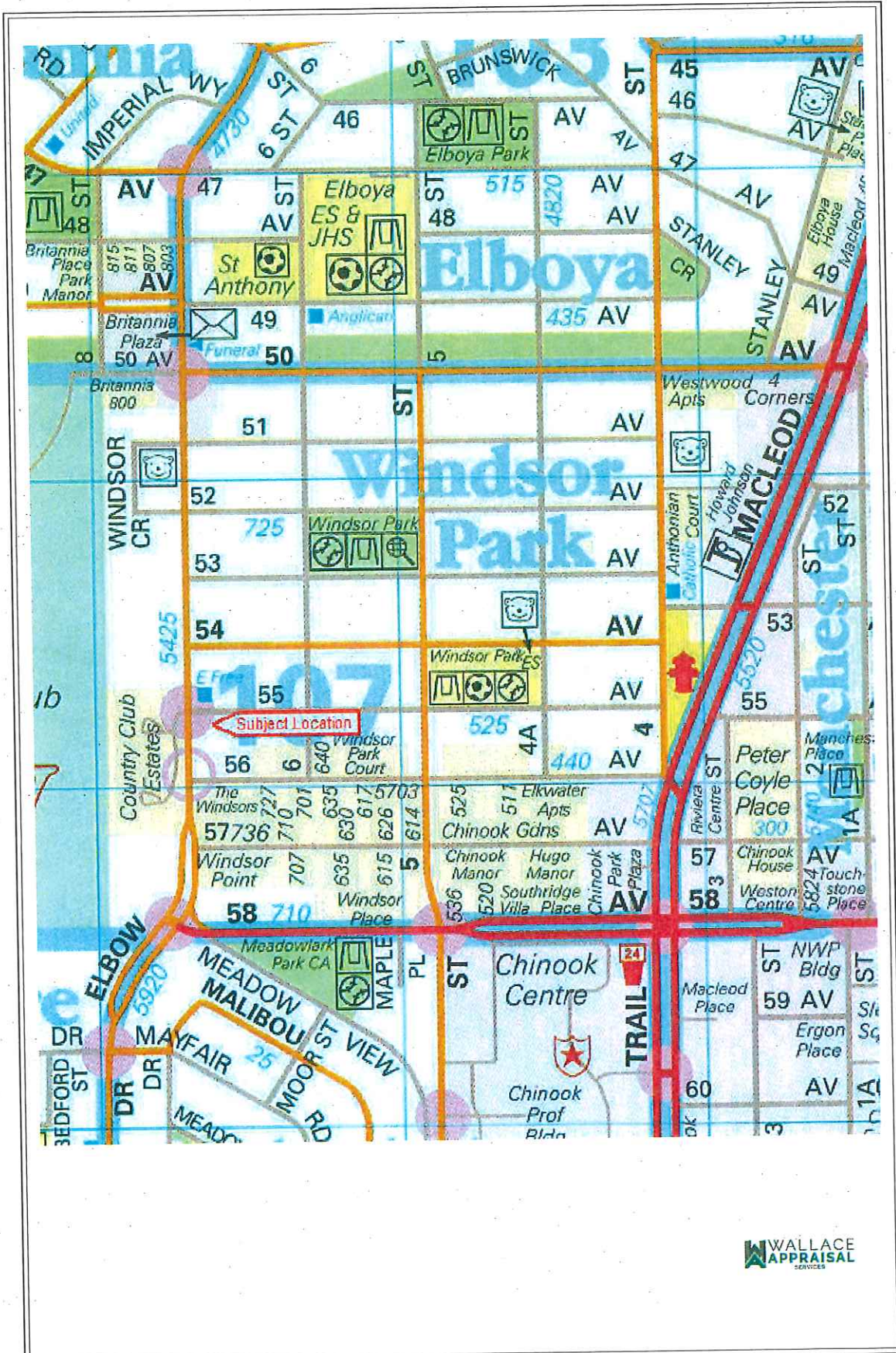
PLOT MAP

File No. 31238B



LOCATION MAP

File No. 31238B



Comparable Sales Map

File No. 31238B

